

NOTICE
To the Members

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of Balmer Lawrie Investments Ltd., will be held at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata - 700 019, on Friday, the 24th day of September, 2010 at 2.30 p.m., to transact the following businesses:-

ORDINARY BUSINESS

1. To consider and adopt the audited Profit & Loss Account for the financial year ended 31st March, 2010 and the Balance Sheet as at that date along with the Report of the Directors, Auditors and the comments of the Comptroller & Auditor General of India, thereon;
2. To declare dividend out of the profits earned during the financial year ended 31st March, 2010;
3. To fix remuneration of the Auditors and to pass with or without modification(s) the following resolution:

As an Ordinary Resolution

"RESOLVED THAT pursuant to Section 619, read with Section 224(8)(aa) of the Companies Act, 1956 ('the Act'), the Board of Directors be and is hereby authorised to determine the amount of remuneration payable to the Auditors appointed under Section 619 of the Act, by the Comptroller and Auditor General of India, including the cost of reimbursement of out - of - pocket expenses incurred in connection with the audit of Annual Accounts of the Company for the financial year 2010-11, by the said Auditors."

SPECIAL BUSINESS

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

4. As an Ordinary Resolution

"RESOLVED THAT Shri Sukhvir Singh, be and is hereby appointed a Director of the Company, whose office shall be subject to retirement by rotation."

5. As an Ordinary Resolution

"RESOLVED THAT Shri K. Subramanyan, be and is hereby appointed a Director of the Company, whose office shall be subject to retirement by rotation."

Registered Office:
21, Netaji Subhas Road,
Kolkata - 700 001
25th August 2010

By Order of the Board

P. K. Ghosh
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received either at the Registered Office of the Company, 21, Netaji Subhas Road, Kolkata - 700 001 or at the Office of the Registrar & Share Transfer Agent, viz., C B Management Services (P) Ltd., at P-22, Bondel Road, Kolkata - 700 019, not less than 48 hours before the commencement of the ensuing Ninth Annual General Meeting ('AGM'), i.e., by 2.30 p.m. on 22nd September 2010.
3. Corporate members are requested to send a certified copy of their Board resolution passed under Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the ensuing AGM.
4. The Board of Directors at its meeting held on 5th August 2010, had recommended a dividend of 76% on the paid equity share capital of the Company. The proposal of payment of dividend is now placed before the members for the purpose of declaration at the ensuing Ninth Annual General Meeting. If the said recommended dividend is declared by the members at the aforesaid AGM, then dividend will be paid to the shareholders within the statutory period of 30 days from the date of declaration of dividend, i.e., by 23rd October 2010.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 17th September 2010 to Friday, 24th September 2010 (both days inclusive).
6. Pursuant to Section 205C of the Companies Act, 1956, the dividend amount which remains unpaid/unclaimed for a period of seven years, are required to be transferred to the 'Investors Education & Protection Fund' of the Central Government ('IEPF'). After such transfer to IEPF, the shareholders shall have no claim on their unpaid/unclaimed dividend(s). Unclaimed/Unpaid dividend which was declared out of the profits earned during the financial year ended 31st March 2003, will be due for transfer to IEPF on 30th October 2010. Prior intimation has already been sent to those shareholders (vide our Notice dated 31st May 2010) who have not en-cashed their dividends (which were paid out of the profits earned during the financial year ended 31st March 2003). The shareholders may kindly note that no request for encashment of dividend (declared for the financial year 2002-03) shall be entertained after 15th October 2010. Information on due dates of transfers of the Unpaid/Unclaimed dividend, declared since 2002-03 to IEPF, are provided in the Corporate Governance Report. Dividends, which were already paid by the Company but not yet en-cashed by the Share holders, requests are made to those Shareholders to take steps to en-cash the same before the due dates of transfer to the IEPF.
7. Since two out of three directors are Additional and will hold office till the date of the ensuing Ninth Annual General Meeting and Shri P. Kalyanasundaram, Chairman, being the only retiring director who was appointed in the last AGM, none of the directors are subject to retirement by rotation at this meeting.
8. In terms of Sections 224(8)(aa) and 619 of the Companies Act, 1956, though the Auditors of a Government Company, are appointed by the Comptroller and Auditor General of India, the remuneration are fixed by the Company in the General Meeting. Thus the proposal of fixing remuneration of the Auditors is included in item no.3, under the Ordinary Business, which is to be passed by the shareholders as an Ordinary Resolution.
9. Explanatory Statement under Section 173 of the Companies Act, 1956, relating to Special Business is annexed and marked as Annexure 'A'.
10. In terms of Clause 49 of the listing agreement of the Stock Exchanges, information on Additional Directors, namely, Shri Sukhvair Singh & Shri K. Subramanyan, whose offices will terminate at the commencement of the ensuing AGM and who have already been proposed by a member to be appointed as Directors, retiring by rotation (which have been covered under Item nos. 4 & 5 of this Notice), are annexed and marked as Annexure 'B'.
11. Members are requested to:
 - i. Notify on or before 17th September 2010 (applicable for shareholders holding shares in physical mode) the following to C B Management Services (P) Ltd., at P-22, Bondel Road, Kolkata - 700 019:
 - a. Change of address (including pin code), mandate, etc.
 - b. Bank account number, name and address of the bank.
 - ii. Quote the Ledger Folio or Client ID and DP ID numbers in all communications addressed either to the Company/or to C B Management Services (P) Ltd.
 - iii. Bring copy of the Annual Report and show Attendance Slip/Entry Pass at the entrance of the venue of the Meeting. Please note that Annual Report shall not be distributed at the venue of the Meeting.
 - iv. Submit National Electronic Clearing Services (NECS) mandate on or before 17th September 2010, to enable the Company to pay dividend through NECS. Members who are holding shares in physical form are requested to send their NECS mandates to C B Management Services (P) Ltd. Those holding shares in electronic form are requested to send NECS mandates directly to their respective Depository Participants ('DP').

EXPLANATORY STATEMENT

Under Section 173 (2) of the Companies Act, 1956 ('the Act')

Annexure - 'A'

Item no. 4

Shri Sukhvir Singh is a post graduate in Economics and is in the Services of the Government of India with the Ministry of Petroleum & Natural Gas. Shri Singh has expertise in handling foreign direct investments, WTO/GATT & matters concerning bilateral/multilateral agreements and double taxation avoidance agreements on income, capital, etc., of the Petroleum and Natural Gas Sector. Pursuant to the recommendation of the Ministry of Petroleum & Natural Gas, Govt. of India, Shri Singh, a Govt. Nominee was appointed an Additional Director with effect from 7th June 2010.

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

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

Letter dated 10th May 2010, received from the Ministry of Petroleum & Natural Gas, Government of India, on appointment of Shri Singh and the Articles of Association of the Company shall be kept open for inspection by the members at the Registered Office on all working days (except Saturdays) during 10 a.m. to 12 noon.

Your Board of Directors recommend passing of this Ordinary Resolution.

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

Item no. 5

Shri K. Subramanyan is a Bachelor of Commerce and a Member of the Institute of Chartered Accountants of India. Shri Subramanyan is backed by working experience of nearly 32 years with expertise in areas of accounts, finance, taxation and general management. Shri Subramanyan is also on the Board of Balmer Lawrie & Co. Ltd., Balmer Lawrie (UK) Ltd. and Transafe Services Ltd. Pursuant to the recommendation of the Ministry of Petroleum & Natural Gas, Govt. of India, Shri Subramanyan (who was recommended as ex-officio member) was appointed as an Additional Director with effect from 7th June 2010.

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

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

Letter dated 16th April, 2010 received from the Ministry of Petroleum & Natural Gas, Government of India on appointment of Shri Subramanyan and the Articles of Association of the Company, shall be kept open for inspection by the members at the Registered Office on all working days (except Saturdays) during 10 a.m. to 12 noon.

Your Board of Directors recommend passing of this Ordinary Resolution.

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

DETAILS OF THE DIRECTORS proposed to be appointed at the Ninth Annual General Meeting scheduled on 24th September 2010

Annexure - 'B'

NAME OF THE DIRECTOR	SUKHVIR SINGH	K. SUBRAMANYAN
DATE OF BIRTH	20th November 1954	17th November 1952
DATE OF APPOINTMENT	7th June 2010	7th June 2010
QUALIFICATION	Post Graduate in Economics	Bachelor of Commerce, Chartered Accountant
EXPERTISE IN SPECIFIC FUNCTIONAL AREA	Foreign Direct Investments, WTO/GATT & matters relating to Double Taxation Avoidance Agreement on Income, Capital, etc., concerning Petroleum & Natural Gas Sector	In the areas of Finance, Accounts, Taxation and General Management matters.

DIRECTORS' REPORT

Dear Members,

YOUR DIRECTORS have the pleasure in presenting their Ninth Annual Report together with the audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March 2010.

Your Directors would like to Share with you the trends of Indian Economy vis-a-vis the Company's performance

Indian Economy

INDIAN ECONOMY is the eleventh largest economy in the world under Gross Domestic Product ('GDP') rating and fourth largest economy under Purchasing Power Parity (PPP). Our country began to develop a fast-paced economic growth, since 1990 with the emergence of free market activities, which has opened doors for foreign investments and international competitions. India is an emerging economic power with large pool of human (both skilled and un-skilled) and natural resources. Economists predict that by 2020, India will be among the leading economies of the world.

Since 1991, which was the year of inception of Indian economic liberalization the Country, has been moving towards a market-based economy. A revival of economic reforms and better economic policy accelerated India's economic growth. Statistical records depicts that by the year 2008, India had already established itself as the second-fastest growing major economy in the world. In terms of GDP growth rate, year 2009 was not a very good year for India, where India has experienced a significant slowdown in India's GDP growth rate, which came down to 6.8%.

India's large service industry accounts for 55% of the country's GDP, while the industrial and agricultural sectors contribute 28% and 17%, respectively. Agriculture is the predominant occupation in India, accounting for about 52% of total employment opportunities. The service sector makes up a further 34% and industrial sector around 14%.

Company Performance

You may agree to the fact that performance of your company is greatly dependent upon two issues, one being, quantum of dividend received from its subsidiary, Balmer Lawrie & Co. Ltd. ('BL') and the other is the interest received from deployment of surplus funds with scheduled banks. In other words, financial performance of BL and interest rate prevailing at the time of deployment of surplus funds are two issues, which predominantly control the performance of your company. Though interest rates have come down considerably but due to increase in corpus of dividend from BL, Profit of your

Company has increased and your Directors are happy to recommend a dividend of 76% for the financial year 2009-10.

Financial performance of your Company for the year under review, 2009-10, as compared to the immediately preceeding year, i.e., 2008-09, is enumerated below:

Financial Results

	(Rs. in lakh) Year ended on 31 st March	
	2010	2009
Surplus for the year before Finance charge, depreciation & tax	2170.24	1848.94
Deduct there-from: Finance charge & depreciation	—	—
Provision for Taxation	59.03	52.77
Net Profit	2111.21	1796.17
Add- Profit & Loss Account brought forward	116.05	99.74
Amount available for Appropriation	2227.26	1895.91
Appropriations:		
Proposed Final dividend @ Rs.7.60p (Rupees Seven and paise sixty only)	1686.99	1420.62
[Previous year dividend @Rs. 6.40p (Rupees Six and paise forty only) per Equity share of Rs. 10/- each fully paid-up, was declared]		
Corporate Tax on Dividend	—	—
Transfer to Reserve Fund	422.25	359.24
Surplus Carried forward to the next year	118.02	116.05

Dividend

Your Directors are now pleased to recommend, for declaration, a dividend of Rs.7.60 (Rupees Seven and paise sixty only) per Equity share of Rs.10/- each, fully paid-up, i.e., 76% for the financial year ended 31st March 2010 as against 64% for the previous financial year ended 31st March 2009.

Subject to declaration at the ensuing Ninth Annual General Meeting, dividend will be paid to those shareholders who are holding shares as on the date of the commencement of the Book Closing period, i.e., on 17th September 2010. In respect

of shares held electronically, dividend will be paid to the beneficial owners - as per details furnished by the Depositories, i.e., Central Depository Services (India) Ltd. and National Securities Depository Ltd.

Deposits with Banks

Surplus funds have been deployed in the Short Term Fixed Deposits Schemes of the Banks. As of 31st March 2010, the total amount of deployment in the Fixed Deposit Schemes of the Banks stood at Rs. 3910.00 lakhs, which in turn has yielded interest income to the tune of Rs. 203.48 lakhs.

Management Discussion and Analysis Report

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

Report on Subsidiary Companies

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

Your Company in terms of Section 212(1) of the Act has attached a copy of the Report and Accounts of BL. Further your Company has furnished the Annual Accounts of BLUK in the manner as was dealt in the Annual Report of BL. In respect of any further information about the foreign subsidiary company, BLUK, we will cater to the request, if requisitioned by our members.

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

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

Particulars of Employees

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

Directors' Responsibility Statement

Your Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 217 (2AA) of the Companies Act, 1956, in preparation of the Annual Accounts of your Company for the financial year ended 31st March 2010 and confirm that:

- (i) In the preparation of the accounts for the financial year ended 31st March 2010, the applicable Accounting Standards have been followed and there was no material departure from such standards;
- (ii) The Directors have selected such Accounting Policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year on 31st March 2010 and of the profits of the Company for the said financial year;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the Accounts for the financial year ended 31st March 2010 on a 'Going Concern basis'.

Consolidated Financial Statement

The investment in Equity Shares of your Company's subsidiary, Balmer Lawrie & Co. Ltd. ('BL'), was intended to be temporary and as of now there is no change in such intention. Thus, in terms of Paragraph 11(a) of the Accounting Standard-21, issued by the Institute of Chartered Accountants of India ('ICAI'), the Annual Financial Statements of your Company were not consolidated with the financial statements of its subsidiary, i.e., BL, and group companies of BL, i.e., subsidiary and joint venture Companies of BL, which in turn also falls under the same group that of your Company.

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

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

Corporate Governance

Your Company's Equity Shares are listed with the Stock

Exchanges, since the year-end 2002 / early 2003. Your Company is consistently abiding with the various regulations of the Stock Exchanges, including the regulations on Corporate Governance, as provided under Clause 49 of the Listing Agreement. A separate section titled 'Corporate Governance Report' is being furnished in Annexure 1.

In terms of Clause 49 of the Listing Agreement, the Statutory Auditors have examined the compliance of Corporate Governance guidelines and issued a certificate, which is annexed to this Report and marked as Annexure 2.

Your Directors, on observations made by the Statutory Auditors in the aforesaid Corporate Governance Certificate - specifically on gap between two Board/Audit meetings would like to submit that a proposal for change in composition of the Board, whereby new Govt. nominees from the office of the Ministry of Petroleum & Natural Gas (MOPNG) shall replace the then two existing Govt. nominees from the office of the Department of Disinvestment, Ministry of Finance, was pending approval from the appropriate authority, which was received ultimately by the Company from the Ministry, in April 2010. In respect of induction of independent Directors the Auditors themselves have passed on the information on initiative taken by the Administrative Ministry, i.e. MOPNG for induction of independent Directors on the Board/Audit Committee of the Company. In respect of the quarterly reports which were submitted to the Stock Exchanges, we would like to submit that steps have been taken to ensure that no such delay shall occur in future.

Directors

Smt. Preeti Nath was appointed in the capacity of Additional Director with effect from 25th January 2010. Shri Sukhvir Singh and Shri K. Subramanian were also appointed in the capacity of Additional Directors with effect from 7th June 2010. Smt. Nath and Shri Singh are nominees to the Govt. of India and Shri Subramanian is on the Board of your Company as an ex-officio member [since being in the position of Director (Finance) of BL].

Shri Debjyoti Das, Smt. Anita Chauhan and Smt. Preeti Nath, Govt. nominees, resigned from the Board with effect from 25th January 2010, 7th June 2010 and 7th June 2010, respectively.

Shri Singh and Shri Subramanian, both shall hold their office till the ensuing Ninth Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956, has been received from a member proposing their candidatures as Directors, whose office shall be subject to retirement by rotation. Therefore their appointments have been included under 'Special business' of the Notice convening the ensuing Ninth Annual General Meeting of the Company.

Your Directors take this opportunity to appreciate the valuable services rendered by Shri Debjyoti Das, Smt. Anita Chauhan and Smt. Preeti Nath, during their tenure.

Auditors

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

Though such appointment is made by CAG, but in terms of

Sections 224(8) (aa) and 619 of the Companies Act, 1956, the privilege of determining/fixing remuneration of the Statutory Auditors of a Government Company vests with its members.

Thus the proposal of fixing remuneration of the Auditors has been included under Ordinary Business in the Notice convening the Ninth Annual General Meeting of your Company.

The amount of remuneration payable to the Statutory Auditors of your Company is commensurate with the volume of work involved in conducting audit of Annual Accounts for the financial year 2010-11, which cannot be quantified at this stage. Therefore the members are requested to authorize the Board of Directors to determine/fix the remuneration payable to the Statutory Auditors. The members may kindly note that in respect of the financial year 2009-10, the Board had fixed Rs. 15,000/-, as remuneration, which is exclusive of applicable service tax and other re-imbursements.

Your Company has already received a letter dated 12th July 2010 from the Office of the CAG, thereby appointing Messrs. J. Gupta & Co., Chartered Accountants, in the capacity of Statutory Auditors, with immediate effect.

Reports of the Auditors

You may appreciate that Report of the Statutory Auditors on Annual Accounts of your Company for financial year ended 31st March 2010, does not have any reservation, qualification or adverse remark, except, an instance of accounting fraud/manipulation committed in the accounts of a Joint Venture Company of the Company's subsidiary, Balmer Lawrie & Co. Ltd. ('BL'), against which it was reported that necessary provision has been made in the books of BL.

Your Directors on accounting fraud/manipulation committed in the accounts of a Joint Venture Company of the Company's subsidiary, Balmer Lawrie & Co. Ltd. ('BL'), would like to say that the Joint Venture Company of BL, has taken necessary corrective and administrative actions and relevant adjustments have been effected in the books of BL, in line with the Accounting Standard - 13.

CAG have decided not to review the report of the Statutory Auditors on the Annual Accounts of the Company for the year ended 31st March 2010 and thus have no comment to make under Section 619(4) of the Companies Act, 1956.

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

Appreciation

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

Registered Office
21 Netaji Subhas Road,
Kolkata - 700 001
25th August 2010

On behalf of the Board of
P. Kalyanasundaram, Chairman
Sukhvir Singh
K. Subramanian
Directors

REPORT on Corporate Governance

Annexure - '1'

CORPORATE GOVERNANCE is a systematic process by which the companies are directed and controlled to enhance their wealth-generating capacity.

A GOOD CORPORATE GOVERNANCE is characterized by a firm commitment and adoption of ethical practices by an organization across its entire value chain.

KEY ELEMENTS OF GOOD CORPORATE principles, includes-

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

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

The Department of Public Enterprises ('DPE') has recently brought out Corporate Governance Guidelines, 2010, which has been made mandatory for non-listed Central Public Sector Enterprises (CPSEs). In respect of listed CPSEs, like your Company, which are already complying with the SEBI norms on Corporate Governance - have to comply with the DPE norms on Corporate Governance, only with regard to the provisions which do not exist and contradict with SEBI norms.

PHILOSOPHY

YOUR COMPANY strives to achieve governance through the system of checks and balances by conducting periodical audits to ensure that the management takes care and responsibility to meet stakeholders' aspirations.

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

- ▮ Constitution of a Board of Directors of appropriate composition, size, varied expertise and commitment to discharge their responsibilities and duties.
- ▮ Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions, effectively.
- ▮ Independent verification and safeguarding integrity of the Company's financial reporting.
- ▮ A sound system of internal control.
- ▮ Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- ▮ Transparency and accountability.

- ▮ Compliance with applicable Rules and Regulations.
- ▮ Fair and equitable treatment of all its investors.

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

BOARD OF DIRECTORS (THE BOARD)

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

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

Composition

All the Directors on the Board are Non-Executive, including the Chairman, out of which two directors are nominees to the promoter, i.e., Government of India and the third director is an ex-officio member representing the subsidiary company, namely, Balmer Lawrie & Co. Ltd.

Steps have been taken for induction of adequate numbers of independent directors on the Board, which is under consideration of the Administrative Ministry, viz., Ministry of Petroleum & Natural Gas, Government of India. As of 30th June, 2010 the Board comprised of the following three Directors:

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

During the period under review the composition of Board had undergone few changes. Smt. Preeti Nath was appointed on the Board in place of the outgoing Director Shri Debjyoti Das, w.e.f. 25th January 2010. Further, two directors, namely, Shri Sukhvir Singh and K Subramanyan, were appointed on the Board to replace the two outgoing Directors, viz., Smt. Anita Chauhan & Smt. Preeti Nath, which was effective on and from 7th June 2010

Shareholdings

The Articles of Association of your Company does not stipulate holding of Shares in the form of qualification shares by its Directors. None of the Directors hold Equity Shares in your Company.

Remuneration Policy

None of the Directors receive any remuneration/compensation,

including sitting fee, for attending meetings of the Board and/or any Board Committees. Therefore under the present scenario, requirement of a Remuneration Policy is not essential for the Company.

Other Directorship & Committee Positions

Name of the Director	No. of companies / bodies corporate, other than the Company, in which the Director holds Directorship	Membership held by the Director in various ¹ Committees across all companies (including this Company) in which he is a Director	Chairmanship held by the Director in various ¹ Committees across all companies (including this Company) in which he is a Director	Chairmanship held by the Director in other Boards	Whether attended the last Annual General Meeting of the Company held on 24 September 2009
Shri P. Kalyanasundaram	Nil	2	Nil	Nil	Yes
² Shri Sukhvir Singh	Nil	2	Nil	Nil	NA
² Shri K. Subramanyan	3	4	2	Nil	NA

1 Pursuant to Clause 49(I)(C) of the Listing Agreement, ONLY the 'Audit Committee' and the 'Shareholders'/Investors' Grievance Committee' are reckoned for evaluating the Committee position.

2 Shri Sukhvir Singh and Shri K Subramanyan were appointed on the Board with effect from 7th June 2010

Meetings & Attendances

1st April 2009 to 31st March 2010

The Board met four times during the period from 1st April 2009 till 31st March 2010.

(i) Dates of the Board Meeting, Board strength and Nos. of Directors present in each of the meetings - are given hereunder:

Sl. No.	Date	Board Strength	No. of Directors' Present
1	25 th June 2009	3	3
2	30 th July 2009	3	3
3	29 th January 2010	3	3
4	26 th March 2010	3	3

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

Name of the Directors	Board Meetings				Annual General Meeting
	26 th March 2010	29 th January 2010	30 th July 2009	25 th June 2009	24 th September 2009
Shri P. Kalyanasundaram	Yes	Yes	Yes	Yes	Yes
Shri Debjyoti Das *	NA	NA	Yes	Yes	No
Smt. Anita Chauhan	Yes	Yes	Yes	Yes	No
Smt. Preeti Nath**	Yes	Yes	NA	NA	NA

* Resigned w.e.f. 25th January 2010 ** Appointed w.e.f. 25th January 2010.

P.S.: Shri Sukhvir Singh and Shri K. Subramanyan, were appointed on the Board w.e.f. 7th June 2010, i.e., not during the period of the aforesaid reporting, which is from 1.4.2009 to 31.03.2010.

Information placed before the Board

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

The items, which are normally placed before the Board -

1. Financial Statements, quarterly and annual;
2. Statutory Audit Report;
3. Internal Audit Report;
4. Secretarial Audit Report;
5. Comments of the Comptroller & Auditor General of India;
6. Status of legal compliance;
7. Terms of reference of the Board Committees;
8. Recommendations of the Board Committees;
9. Policy and Procedure pertaining to deployment of surplus funds and its subsequent amendments; etc.

Effective post meeting follow-ups take place, which are backed by review and reporting process of the action taken/pending issues.

Code of Conduct

The Code of Conduct ('the Code') for the Directors and Senior Management (who are one level below the Board), came into being, w.e.f. 22nd December, 2005. During the twelve months period ended 31st March 2010, all the Directors of your Company (including Directors who were on the Board as on 1st April 2010 and resigned during the year under review) and the Company Secretary (being the only members in the Senior Management team) have complied with the Code and to that effect have given their individual declaration to the Board. Since, your Company does not have any designated Chief Executive Officer, Shri P. Kalyanasundaram, Chairman, has given a composite declaration on behalf of the Board and Senior Management, which is being furnished in Annexure 'X', to this Report.

BOARD COMMITTEES

Your Company has three Board Committees, namely, 'Audit', 'Investors' Grievance' and 'Committee for Share transfer, transmission, etc.'. The terms and reference of all the three Board Committees were determined by the Board. Matters requiring attention/approval of the Board were placed in the form of Recommendation/Note, signed by all the Committee members, present at the concerned meeting of the Board Committees.

The Role and Composition of these Board Committees, including the number of Meetings held and the corresponding attendances at the meetings are produced below:

AUDIT COMMITTEE

The Audit Committee was constituted by the Board on 23rd September 2002 with terms of reference covering the aspects stipulated by Securities Exchange Board of India ('SEBI'). The terms of reference also fully comply with the requirements of

Section 292A of the Companies Act, 1956 and Clause 49(IIA) of the Listing Agreement of the Stock Exchanges.

Composition

During the period under review, due to resignation and corresponding induction of Directors, the composition of the Audit Committee had undergone changes.

Presently, the Committee consists of three Board members. All the three members, including the Chairman of the Committee are Non-Executive Directors.

As of 30th June 2010, the composition of the Committee is given hereunder: -

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

The members of the Audit Committee are all financially literate and have expertise in finance and general management matters. Shri K Subramanyan, Chairman of the Audit Committee is a Bachelor of Commerce and a qualified Chartered Accountant (ACA). Shri P. Kalyanasundaram, member of the Audit Committee is an LLB, Masters in Business Administration, Philosophy (Commerce, Social Science), Arts (Economic), Diploma in Public Administration and Ph. D (International Business). Shri Sukhvir Singh is a postgraduate in Economics. The Company Secretary of your Company, Shri P.K. Ghosh, acts as the Secretary of the Committee.

Meetings & Attendances

The Committee met four times during the period from 1st April 2009 till 31st March 2010.

(i) Dates of the Meetings, Committee strength and Nos. of Members present in each of the meetings are given hereunder :

Sl. No.	Date	Committee Strength	No. of Members' Present
1	25 th June 2009	3	3
2	30 th July 2009	3	3
3	29 th January 2010	3	3
4	26 th March 2010	3	3

(ii) Attendance of the Committee Members at the meetings during 1st April 2009 to 31st March 2010

Name of the Committee Members	Audit Committee Meetings			
	26 th March 2010	29 th January 2010	30 th July 2009	25 th June 2009
Shri P. Kalyanasundaram	Yes	Yes	Yes	Yes
Shri Debjyoti Das*	NA	NA	Yes	Yes
Smt. Anita Chauhan	Yes	Yes	Yes	Yes
Smt. Preeti Nath**	Yes	Yes	NA	NA

* Ceased to be a Member, w.e.f. 25th January, 2010.

** Inducted as a Member, w.e.f. 25th January, 2010.

Powers & Roles

Powers & Roles of the Audit Committee, includes, the following:

- Overseeing the Company's financial reporting process;
- Adequacy and correctness of the disclosure made in the financial statements;
- Recommendation of audit fee payable to the Statutory Auditors;
- Fixation of other fees payable to the Statutory Auditors;
- Recommendation on the appointment and removal of the Internal Auditors;
- Recommendation of fee payable to the Internal Auditors;
- Reviewing the financial statement before submission to the Board, with their recommendation;
- Reviewing the internal control system;
- Reviewing the adequacy of the Internal Audit function;
- Reviewing the Internal Audit Reports;
- Considering other matters, as may be required by the Board &
- Such other role as may be required under the listing agreement of the Stock Exchanges

INVESTORS' GRIEVANCE COMMITTEE

Investors' Grievance Committee was constituted on 29th July 2003. The terms and references of this Committee, was determined by the Board. It has been formed to oversee redressal of Shareholders'/Investors' grievances, on a periodical basis.

Composition

During the period under review, due to resignation of Directors and induction of new Directors, the composition of the Investors' Grievance Committee, had undergone changes.

The Members of the Committee, including the Chairman are all Non-Executive Government Nominees, except, Shri K. Subramanyan.

Names of the Members and the positions held by them are given hereunder

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

Meetings & Attendance

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

The Committee met three times during 1st April 2009 to 31st March 2010.

(i) Dates of the Meetings, Committee strength and nos. of Members present in each of the meetings are given hereunder

Sl. No.	Date	Committee Strength	No. of Members' Present
1	25 th June 2009	3	3
2	30 th July 2009	3	3
3	29 th January 2010	3	3

(ii) Attendance of the Committee members during 1st April 2009 to 31st March 2010

Name of the Committee Members	Investors' Grievance Committee Meetings		
	29 th January 2010	30 th July 2009	25 th June 2009
Shri P. Kalyanasundaram	Yes	Yes	Yes
*Shri Debjyoti Das	N.A	Yes	Yes
Smt. Anita Chauhan	Yes	Yes	Yes
**Smt. Preeti Nath	Yes	NA	NA

* Ceased to be a Member, w.e.f. 25th January, 2010.

** Inducted as a Member, w.e.f. 25th January, 2010.

(iii) Compliance Officer

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

(iv) Shareholders' complaints

Your Company during the year 2009-10, has received thirteen complaints which were resolved before the end of the financial year. Further one complaint which was pending at the beginning of the financial year, i.e., as on 1st April, 2009 (carried forward from the financial year 2008-09), was also resolved.

Committee of Directors for Share Transfer, Transmission, etc.

The Committee of Directors for Share transfer, transmission, etc., was constituted by the Board, to approve all requests, which are received from the Shareholders, from time to time, on registration of transfer, transmission, split or subdivision/consolidation of shares, issue of duplicate share certificate(s), in lieu of lost, misplaced, torn/defaced share certificate(s) and on account of re-materialization of shares. The Committee consists of three Board members, namely, Shri Sukhvir Singh, Shri P. Kalyanasundaram and Shri K. Subramanyan. Shri Singh is the Chairman of the Committee. The Company Secretary who is also a Compliance Officer, has been assigned to oversee the functioning of the Registrar & Share Transfer Agent ('RTA') - pertaining to share activities of the Company and Report to the Committee on a weekly basis, along with the recommendation/supporting documents furnished by the RTA.

General Body Meetings

During the year under the review, the Shareholders met at the Eighth Annual General Meeting (AGM), held on 24th September 2009, at Kolkata, to, inter-alia, consider and adopt the audited annual accounts for the period ended 31st March 2009.

Annual Report - 2008/09, were sent to all the shareholders within the statutory period.

(i) Venue, Time and Details of Special Resolution(s) passed in the Last three AGM s'

Year	AGM No.	Venue	Date & Time	Details of the Special Resolution(s) passed
2007	6th	G.D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	25 th September 2007 at 2.30 p.m.	Nil
2008	7th	G.D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	26 th September 2008 at 2.30 p.m.	Nil
2009	8th	G.D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	24 th September 2009 at 2.30 p.m.	Nil

(ii) Resolutions passed through Postal Ballot Process

During the financial year 2009-10, there was no resolution - Ordinary or Special - that required the approval of the Shareholders through the process of Postal Ballot System.

Disclosures

During the financial year ended 31th March 2010, we would like to disclose that -

(a) Apart from transactions with its subsidiary, Balmer Lawrie & Co. Ltd. ('BL'), which have been categorically mentioned under Clause 4(ii) of Schedule 9 to the Notes on Accounts, there have been no other material significant Related-Party transactions, during the financial year under review.

Further, the above-mentioned transactions with BL were all carried out at arm's length and the disclosures have been made in accordance with the Accounting Standard (AS)-18.

(b) There have been no instances of non-compliance by the Company on capital market related matters and no penalty or stricture have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities during the financial year under review;

(c) There was no substantial default in the payments to the Shareholders and Creditors of the Company;

(d) The Company has not accepted any deposits from the Public;

(e) The Company has filed all the returns, documents and forms with the Registrar of Companies, West Bengal, as required under various provisions of the Companies Act, 1956;

(f) Secretarial Audit was carried out on quarterly basis by a firm of Practicing Company Secretaries. This audit confirms that the total issued/paid-up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL;

(g) The Company on 22nd December 2005, has laid down a Code of Conduct for its Board members and the Senior Management;

(h) None of the Directors are holding any Equity share in the Company;

(i) The Company has no functional Directors. None of the Directors receive any remuneration/compensation including sitting fee (for attending Board/Board Committee Meetings) from the Company; &

(j) The Company has so far, not adopted any non-mandatory requirement (as being listed under Clause 49 of the Listing Agreement) including the 'Whistle Blower Policy'.

Means of Communications

The quarterly results (un-audited) were submitted to the Stock Exchanges and subsequently published in the news papers within a month from the end of each quarter. The audited financial results for the year ended 31st March 2010 (together with Statement of Assets and Liabilities as on the said date and percentage of dividend recommended by the Board) were submitted to the Stock Exchanges on 5th August, 2010 and subsequently, published in the newspapers on 6th August, 2010.

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

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

Shareholders' Information

AGM Details

Date & Time	Friday, 24 th September 2010 at 2.30 p.m.
Venue	Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata - 700 019
Book Closer Dates	From Friday, 17 th September 2010 to Friday, 24 th September 2010 (both days inclusive)

Financial Calendar

Financial Year 2010-11		
1.	Annual General Meeting	24 th September 2010 (since scheduled)
2.	First quarterly results	5 th August 2010 (since held)
3.	Second quarterly results	End October/ early November 2010
4.	Third quarterly results	End January/early February 2011
5.	Annual Results	May 2011

Share Transfer Procedure

The 'Committee of Directors for Share transfer, transmission, etc.', has been given the authority to approve all requests received from the shareholders for registration of physical share transfer, transmission, subdivision/consolidation of shares, issue of

duplicate share certificate(s) in lieu of lost, misplaced, torn and defaced share certificates and re-materialization, etc. The 'Committee of Directors for Share transfer, transmission etc.', consists of three non-executive Directors, namely, Shri P. Kalyanasundaram, Shri Sukhvir Singh and Shri K. Subramanyan. The 'Committee of Directors for Share transfer, transmission, etc.', meets twice a week to consider such requests. Shri P K Ghosh, Company Secretary, is the Compliance Officer under Clause 47 of the Listing Agreement of the Stock Exchanges. As of 31st March 2010, there are no share transfers pending for consideration. In order to have an effective control over the share related activities carried out by the Company's Registrar & Share transfer Agent, C B Management Services (P) Ltd., a monthly audit is carried out at the instance of the Company by a firm of Company Secretaries.

Registrar & Share Transfer Agent

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

Listing of Equity Shares

The Equity Shares of the Company are listed on Calcutta and Bombay Stock Exchanges, details whereof are given hereunder:

Stock Exchanges	Stock Code
Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata - 700 001 Website: www.cse-india.com	12638
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Website: www.bseindia.com	532485

Listing fees for the current financial year 2010-11, have been paid to both the Stock Exchanges.

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

Dematerialization of Shares and Liquidity

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

As of 30th June 2010, the distribution of Equity Shares held in physical and dematerialized mode, are produced below:

Mode	Nos.	% (to the total paid-up capital)
Physical	11,35,862	5.12
Demat		
i. NSDL	47,26,654	21.29
ii. CDSL	1,63,34,753	73.59
	2,21,97,269	100.00

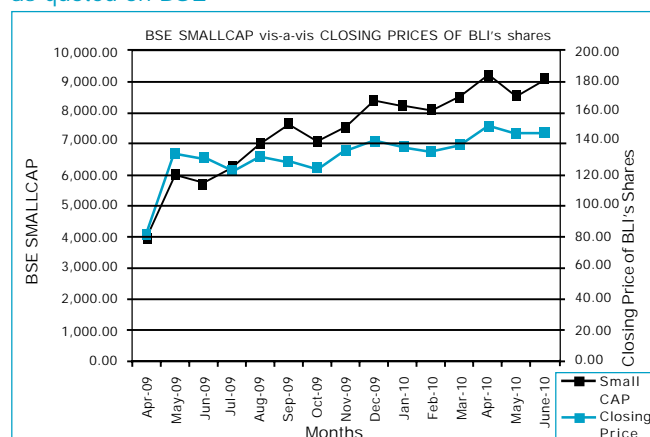
ISIN number allotted to your Company is INE 525F01017.

Your Company, for the current financial year 2010-11, has paid the annual custody fee to both the Depositories, NSDL & CDSL.

Monthly High and Low quotes on Bombay Stock Exchange Ltd. ('BSE') during the period from April 2009 to June 2010

Month (2009)	High (Rs.)	Low (Rs.)	Month (2010)	High (Rs.)	Low (Rs.)
April	90.30	65.70	January	175.00	121.30
May	136.85	77.55	February	145.55	126.00
June	149.00	114.70	March	143.50	132.35
July	137.00	117.20	April	157.50	136.65
August	136.00	120.10	May	153.90	137.00
September	138.00	125.10	June	150.45	135.00
October	134.95	119.00			
November	141.90	118.00			
December	144.80	130.05			

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



Categories of Shareholders
As of 30th June 2010

Category	Total no. Of Equity shares	% (On the total Equity holding)
Promoter & its Associates: President of India (including its nominees)	1,32,46,098	59.67
Foreign National/NRI	1,36,213	0.61
Indian Financial Institution, Mutual Fund & Banks	34,857	0.16
Insurance Companies	9,92,868	4.47
Foreign Institutional Investors	53,417	0.24
Bodies Corporate: Domestic Companies	36,17,580	16.30
Foreign Companies	—	—
Others	41,16,236	18.55
Total	2,21,97,269	100.00

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

Leaving apart the first financial year, 2001-02, your Company has been consistently paying dividend to its Shareholders. The amount of dividend paid, since financial year 2002-03 and the corresponding amount of unpaid dividend lying as of 31st March 2010, are given hereunder:

Date on which, dividend declared /Financial year	Total amount of Dividend (in Rs.) & %	Date of transfer to the unpaid dividend account	Amount of unclaimed dividend as of 31st March 2010 (in Rs.) and	% Of unclaimed dividend to total dividend	Due date of transfer to the "Investors' Education and Protection Fund"
24th September 2003 2002-03	66,59,181.00 3%	30th October 2003	86,904.60	1.31	30th October 2010
24th September 2004 2003-04	1,77,57,815.00 8%	30th October 2004	2,18,679.80	1.23	30th October 2011
23rd September 2005 2004-05	2,21,97,269.00 10%	29th October 2005	2,78,322.00	1.26	29th October 2012
21st September 2006 2005-06	3,77,35,357.00 17%	27th October 2006	4,59,054.40	1.22	27th October 2013
31st January 2007 2006-07 Interim	2,21,97,269.00 10%	8th March 2007	2,79,902.00	1.26	7th March 2014
25th September 2007 2006-07 Final	3,99,55,084.20 18%	31st October 2007	4,75,070.40	1.19	31st October 2014
30th January 2008 2007-08 Interim	6,65,91,807.00 30%	8th March 2008	7,87,722.00	1.19	8th March 2015
26th September 2008 2007-08 Final	3,32,95,903.00 15%	1st November 2008	4,15,423.50	1.25	1st November 2015
24th September 2009 2008-09	14,20,62,521.60 64%	30th October 2009	18,09,699.80	1.27	30th October 2016

Receipt of Dividend through National Electronic Clearing Services ('NECS')

Your Company in terms of SEBI circular no. DCC/FITT/CIR-3/2001 dated 15th October 2001, pays dividend in both the modes, i.e., by way of warrant and electronic transfer, which is now commonly known as NECS mode.

Your Directors for the financial year ended 31st March 2010, have recommended a dividend @ 76%, i.e., Rs. 7.60 p. per Equity Share of Rs. 10/-, each fully paid-up, which subject to the declaration by the shareholders, shall be paid within thirty days from the date of declaration of dividend.

If, the above-mentioned dividend is declared at the ensuing Ninth Annual General Meeting of the Company, then the Shareholders can avail the facility of receiving dividend through NECS and for which the shareholders are requested to submit the NECS Mandate Form latest by 17th September 2010 at the following address:

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

Address for Correspondences

All communications relating to share matters shall be addressed to -

Either -

C B Management Services (P) Ltd.
Unit: Balmer Lawrie Investments Ltd.,
P-22, Bondel Road,
Kolkata- 700 019
E-mail -- rta@cbmsl.com

Or-

The Company Secretary
Balmer Lawrie Investments Ltd.,
21, Netaji Subhas Road,
Kolkata - 700 001
E-mail - blinvestors@balmerlawrie.com

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

It may be pertinent to note that Clause 49 of the Listing Agreement dealing with Corporate Governance guidelines has stipulated that the Chief Executive Officer, i.e., Managing director or Manager, appointed in terms of the Companies Act, 1956 and the Chief Financial Officer, i.e., the whole-time Finance Director or any other person heading the Finance function, shall certify on aspects concerning the financial statements for the financial year ended 31st March 2010, including the Cash Flow Statement.

Since your Company neither has a Managing Director nor a Whole-time Finance director on its Board, the referred certificate was given jointly by Shri P. Kalyanasundaram, Chairman of the Board and Shri K. Subramanyan, Chairman of the Audit Committee, which is being furnished in Annexure 'Y'.

'X'

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

I, P. Kalyanasundaram, Chairman of the Board, to the best of my knowledge and belief would like to declare that all the Directors and the Company Secretary (only member of the Senior Management team) have affirmed compliance with the applicable Code of Conduct for the year ended 31st March 2010.

5th August, 2010
Kolkata

P. Kalyanasundaram
Chairman - Board

'Y'

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

We, P. Kalyanasundaram, Chairman of the Board and Shri K. Subramanyan, Chairman of the Audit Committee, jointly have reviewed the financial statements for the year ended 31st March 2010 and to the best of our knowledge and belief certify that: -

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

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

We, both confirm that during the financial year if (there was no such situation/event of the following notice :-)

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

[However, during the year under review there was an instance of according fraud/manipulation in the accounts of a Joint Venture Company of the Company's Subsidiary, Balmer Lawrie & Co. Ltd. ('BL') against which it was reported that necessary provision has been made in the books of BL.]

5th August, 2010
Kolkata

P. Kalyanasundaram
Chairman - Board

K. Subramanyan
Chairman-Audit
Committee

Auditor's Certificate on Corporate Governance To the Members of Balmer Lawrie Investments Limited

Annexure - '2'

We have examined the compliance of conditions of Corporate Governance by Balmer Lawrie Investments Ltd ("the company"), for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement subject to the following:

- (a) Quarterly compliance reports of the Company, were not submitted to the stock exchanges in time in terms of sub clause VI (ii) of the revised Clause 49 of the Listing Agreement.
- (b) The gap between Board Meetings was more than four months in two instances during the year which is contrary to the provisions of Clause 49 of the Listing Agreement. (36th meeting was held on 28th January 2009 and 37^m meeting was held on 25th June 2009,

gap being about five months. Again the 38th meeting was held on 30th July 2009 while the 39th meeting on 29th January 2010, gap being about six months)

- (c) The gap between Audit Committee Meetings was more than four months in one instance during the year which is contrary to the provisions of Clause 49 of the Listing Agreement. (27th meeting was held on 30th July 2009 and 28th meeting on 29th January 2010, gap being about six months.)
- (d) Since the Chairman of the Board of Directors of the Company being a non-executive director, at least one-third of the Board should comprise of independent directors. But in the present instance none of the Directors are of independent category. However, as per the information and explanation received, the Administrative Ministry, i.e., Ministry of Petroleum & Natural Gas, has taken the initiative of inducing adequate number of independent directors on the Board of the Company.

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

For J GUPTA & CO
Chartered Accountants
Firm Registration No.314010E
S.P.Datta
Partner
Membership No. 13852

Place : Kolkata
Date: 20th August 2010

AUDITOR'S REPORT
to the members of Balmer Lawrie Investments Limited

1. We have audited the attached Balance sheet of Balmer Lawrie Investments Limited as at 31st March 2010 the related Profit & Loss Account for the year ended on that date and Cash Flow Statement annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Govt, of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, as amended by Companies (Auditor's Report) (Amendment) Order, 2004, we enclose in the Annexure, a statement on the matter specified in paragraphs 4 & 5 of the said Order .
4. Further to our comments in the Annexure referred to above, we report that :-
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance sheet, profit & loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - iv) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with accounting standards referred to in section 211 (3C) of the Companies Act, 1956;
 - v) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - b) In the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date and,
 - c) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For J GUPTA & CO
Chartered Accountants
Firm Registration No.314010E
S.P.Datta
Partner
Membership No. 13852

Place : Kolkata
Date: 5th August 2010

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

1. a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly, paragraph 4(iii) (b) (c) and (d) of the Order are not applicable.
- b) The Company has not taken any loan secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies and accordingly, paragraph 4(iii)(f), (g) of the Order are not applicable.
2. In our opinion and according to the information and explanations given to us there is an adequate internal control procedure commensurate with the size of the Company.
3. According to information and explanation given to us, there has been no contact and arrangement during the year, the particulars of which need to be entered into the register maintained under Section 301 of the Act.
4. The Company has not accepted any deposits from the public and hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules made there under are not applicable to the Company.
5. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
6. a) According to the Company's records undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service-tax, custom duty, excise duty, cess have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanation given to us, there were no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other statutory dues outstanding as on 31st March, 2010 for a period of more than six months from the date they become payable.
- c) According to the records of the Company, there are no outstanding dues of income tax, sales-tax, wealth tax, service tax, custom duty and cess as on 31st March 2010 on account of any dispute.
7. The Company has no accumulated losses as on 31st March 2010 and it has also not incurred cash losses in the current financial year and in the immediately preceding financial year.
8. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
9. According to the information and explanations given to us based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The Company is not carrying on the business of a chit fund and is also not a nidhi/mutual benefit fund/society.
11. Though the Company is a non-banking finance company under the Reserve Bank of India Act, 1934, it is not in the business of trading in securities, debentures and other investments, in terms of the notification issued by the Reserve Bank of India.
12. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from bank or financial institutions.
13. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
14. The Company has not raised fund by way of issue of debentures.
15. The Company has not raised any money by Public issues.
16. Based upon the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of the audit. However, an instance of accounting fraud / manipulation committed on a Joint Venture Company of the subsidiary Company (Balmer Lawrie & Co.Ltd) of the Company has been detected during the financial year 2009-10. Necessary provision has been made in the books of subsidiary Company.
17. No other clause of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government, is applicable.

For J GUPTA & CO
Chartered Accountants
Firm Registration No.314010E
S.P.Datta
Partner
Membership No. 13852

Place : Kolkata
Date: 5th August 2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
Under Section 619(4) of the Companies Act, 1956 on the Accounts of
Balmer Lawrie Investments Limited., Kolkata for the year ended 31st March 2010.

The preparation of financial statements of Balmer Lawrie Investments Limited, Kolkata for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 05-08-2010.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Balmer Lawrie Investments Limited, Kolkata for the year ended 31 March 2010 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

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

Place : Kolkata
Date : 24th August 2010

BALANCE SHEET as at 31st March, 2010

	SCHEDULES	Rs.	Rs.	Rs.	As at 31st March 2009 Rs.
Sources of Funds					
Shareholders' Funds					
Share Capital	1	22,19,72,690		22,19,72,690	
Reserves and Surplus	2	26,79,36,353		22,55,14,707	
			48,99,09,043		44,74,87,397
			48,99,09,043		44,74,87,397
Application of Funds					
Investments	3	32,67,77,030			32,67,77,030
Net Current Assets					
Current Assets, Loans and Advances					
Cash and Bank Balances	4	32,69,77,105		25,54,31,483	
Loans and Advances	5	1,09,02,588		1,11,87,908	
		33,78,79,693		26,66,19,391	
Less : Current Liabilities and Provisions	6				
Current Liabilities		60,48,436		38,46,503	
Provisions		16,86,99,244		14,20,62,521	
		17,47,47,680		14,59,09,024	
Net Current Assets			16,31,32,013		12,07,10,367
			48,99,09,043		44,74,87,397
Notes on Accounts	9				
Significant Accounting Policies	10				

The Schedules referred to above form part of the Accounts.

In terms of our report of even date attached herewith

For J GUPTA & CO
Chartered Accountants
Firm Registration No.314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, 5th August, 2010

On behalf of the Board

P. Kalyanasundaram
Chairman

Sukhvir Singh
K. Subramanyan
Directors

P. K. Ghosh
Secretary

PROFIT AND LOSS ACCOUNT
for the year ended 31st March, 2010

	SCHEDULES	Rs.	As at 31st March 2009 Rs.
Income			
Other Income	7	22,16,42,084	18,89,14,343
Expenditure			
General Expenditure	8	46,18,195	40,19,875
Profit before taxation		21,70,23,890	18,48,94,468
Provision for Taxation - Current		59,03,000	52,77,000
Provision for Taxation - Deferred		-	-
Profit after taxation		21,11,20,890	17,96,17,468
Balance Brought Forward		1,16,05,367	99,74,420
Available for Appropriation		22,27,26,257	18,95,91,888
Interim Dividend		-	-
Proposed Final Dividend		16,86,99,244	14,20,62,521
Corporate Tax on Dividend		-	-
Transfer to Reserve Fund		4,22,25,000	3,59,24,000
Balance Carried Forward		1,18,02,013	1,16,05,367
Earning Per Share (Rs.) [Basic & Diluted]		9.51	8.09
Notes on Accounts	9		
Significant Accounting Policies	10		

The Schedules referred to above form part of the Accounts.

In terms of our report of even date attached herewith

For J GUPTA & CO
Chartered Accountants
Firm Registration No.314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, 5th August, 2010

On behalf of the Board
P. Kalyanasundaram
Chairman

Sukhvir Singh
K. Subramanyan
Directors

P. K. Ghosh
Secretary

SCHEDULES forming part of the Balance Sheet as at 31st March 2010
--

	SHARE CAPITAL		As at 31st March 2009 Rs.
SCHEDULE 1		Rs.	
Authorised			
2,50,00,000 Equity shares of Rs. 10 each	25,00,00,000		25,00,00,000
Issued, Subscribed and Paid up			
2,21,97,269 Equity Shares of Rs 10 each fully paid up	22,19,72,690		22,19,72,690
* Out of the above, 2,21,47,269 Equity Shares of Rs.10 each was allotted as fully paid shares pursuant to Scheme of Arrangement & Reconstruction between IBP Co. Ltd. and Balmer Lawrie Investments Limited and their respective shareholders and creditors in terms of sections 391 to 394 of the Companies Act, 1956.			
	22,19,72,690		22,19,72,690
SCHEDULE 2	RESERVES AND SURPLUS		
Capital Reserve	10,53,04,340		10,53,04,340
Balance available as per Scheme of Arrangement & Reconstruction between IBP Co. Ltd. and Balmer Lawrie Investments Limited and their respective shareholders and creditors in terms of Section 391to 394 of the Companies Act,1956 on reconstruction of IBP Co. Ltd.			
Reserve Fund			
As per last Account.	10,86,05,000	7,26,81,000	
Add: Transferred from Profit and Loss Account.	4,22,25,000	15,08,30,000	3,59,24,000
			10,86,05,000
Profit and Loss Account	1,18,02,013		1,16,05,367
	26,79,36,353		22,55,14,707
SCHEDULE 3	INVESTMENTS		
Long Term Investments			
Trade Investments			
Investment in Subsidiary Company Balmer Lawrie & Co. Ltd. (Quoted) Fully Paid up - as per Scheme of Arrangement & Reconstruction between IBP Co. Ltd. and Balmer Lawrie Investment Ltd.and their respective shareholders and creditors in terms of Sections 391 to 394 of the Companies Act,1956.			
1,00,64,700 Equity Shares of Rs 10 each	32,67,77,030		32,67,77,030
	32,67,77,030		32,67,77,030
Market Value of Investments	606,44,84,985		239,38,88,895

SCHEDULES forming part of the Balance Sheet as at 31st March 2010**CASH AND BANK BALANCES**As at
31st March 2009
Rs.**SCHEDULE 4**

	Rs.	
With scheduled Banks		
In Current Accounts	31,66,327	13,69,306
In Short Term Deposit Account	31,90,00,000	25,10,00,000
In Dividend Accounts	48,10,779	30,62,177
	<u>32,69,77,105</u>	<u>25,54,31,483</u>

LOANS AND ADVANCES**SCHEDULE 5**

Advances		
Unsecured		
Considered Good		
Subsidiary Company		
Others	91,99,136	98,67,075
Advance payment of tax	17,03,452	13,20,833
	<u>1,09,02,588</u>	<u>1,11,87,908</u>

CURRENT LIABILITIES AND PROVISIONS**SCHEDULE 6**

Current Liabilities.		
Sundry Creditors		
- Due to Small Scale Industries	-	-
- Due to others	12,37,657	7,84,326
Investor Education and Protection Fund shall be credited by the following amount :		
- Unclaimed Dividend	48,10,779	30,62,177
[Refer Note below]	<u>60,48,436</u>	<u>38,46,503</u>
Provisions		
Proposed Final Dividend		
Taxation	16,86,99,244	14,20,62,521
(net of advances - Nil (Rs. 2008-09 - Nil)	<u>16,86,99,244</u>	<u>14,20,62,521</u>
	<u>17,47,47,680</u>	<u>14,59,09,024</u>

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

SCHEDULES forming part of the Profit & Loss Account for the year ended 31st March 2010**SCHEDULE 7****OTHER INCOME**As at
31st March 2009
Rs.

	Rs.	
Income from Investments		
Dividend	20,12,94,000	17,10,99,900
Interest on Deposit, [Tax deducted at source Rs.42,13,199]	2,03,48,084	1,78,14,443
(2008/09-Rs. 19,86,563)		
Misc. Income	-	-
	<u>22,16,42,084</u>	<u>18,89,14,343</u>

SCHEDULE 8**GENERAL EXPENDITURE**

	Rs.	Rs.
Salaries & Wages, Welfare Expenses	8,60,613	8,28,699
Contribution to Provident & Other Fund	89,431	61,793
Service Charges	19,46,795	15,38,723
Listing Fees & Other Fees	4,15,376	2,93,004
Bank Charges	2,896	1,441
Auditor's Remuneration and Expenses	38,709	35,899
Travelling Expenses	2,02,208	2,15,918
Printing and Stationery	4,11,249	4,64,185
Telephone, Telex, Postage, Cables and Telegrams	2,79,076	3,08,060
Miscellaneous Expenses	3,71,842	2,72,153
	<u>46,18,195</u>	<u>40,19,875</u>

NOTES ON ACCOUNTS

SCHEDULE 9

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

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

3. Auditors' remuneration represent:

	Rs.	Rs.
Statutory Auditors		
- Audit Fees	16,545	16,545
- Tax Audit Fees	5,515	5,515
- Limited review and other certification jobs	16,649	13839
	38,709	35899

[Included Service Tax paid / payable amounting to Rs. 3709 (Rs. 3399)]

4. Related party disclosure

i) Name of Related Party	Nature of Relationship
Balmer Lawrie & Co. Limited (BL)	Subsidiary Company
Balmer Lawrie (UK) Ltd.	Wholly Owned Subsidiary of BL
PT. Imani Ganda Utama (PTIGU) - Indonesia	An Associate on which BL (UK) Ltd. is having significant influence
Transafe Services Ltd.	An Associate on which the subsidiary of the Company is having significant influence
Balmer Lawrie-Van Leer Ltd.	- Do -
Balmer Lawrie (UAE) LLC.	- Do -
Avi - Oil India (P) Ltd.	- Do -
Proseal Closures Ltd.	Subsidiary of Balmer Lawrie - Van Leer Ltd.

ii) Transactions/Balances with Related Parties	Subsidiary (BL)
Type of Transaction	(Rs)
a) Purchase of Goods	31/03/10 1,12,500
	31/03/09 92,380
b) Value of Services Received	31/03/10 17,96,266
	31/03/09 14,19,650
c) Dividend Income	31/03/10 20,12,94,000
	31/03/09 17,10,99,900
d) Investment in Shares as on	31/03/10 32,67,77,030
	31/03/09 32,67,77,030
e) Amount incurred on a/c of Salaries etc.	31/03/10 8,45,517
of employees deputed or otherwise	31/03/09 6,74,927
f) Outstanding Payable	31/03/10 5,28,836
	31/03/09 1,26,332

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

6. Segment Reporting

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

7. Earnings per share

- Earnings per share of the company has been calculated considering the Profit of Rs. 211123648 the numerator. (Previous year Rs. 179617468).
- The weighted average number of equity shares used as denominator is 2,21,97,269 (Previous year 2,21,97,269).
- Earning per share (Basic and Diluted) for the year on the above mentioned basis comes to Rs 9.51 (Previous year Rs 8.09).

8. Miscellaneous Expenses (Schedule 8) represent:

	2009-10	2008-09
	Rs.	Rs.
Statutory Publication	1,86,981	1,09,858
Gift & Presentation	1,18,023	1,03,116
Other Misc. Expenses	66,838	59,179
	3,71,842	2,72,153

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

SIGNIFICANT ACCOUNTING POLICIES

SCHEDULE 10

1. Valuation of Investments

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

2. Recognition of Revenue

Revenue is recognised in compliance with the following:

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

3. Accounting for Borrowing Cost

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

In terms of our report of even date

For J GUPTA & CO
Chartered Accountants
Firm Registration No.314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, the 5th August 2010

On behalf of the Board

P. Kalyanasundaram
Chairman

Sukhvir Singh
K. Subramanyan
Directors

P. K. Ghosh
Secretary

CASH FLOW STATEMENT for the year ended 31st March, 2010

(Rupees in Lakhs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
A Cash flow from Operating Activities		
Net Profit before Tax / Operating Profit before		
Working Capital Changes	2170	1849
Trade and Other Receivables	7	(83)
Trade Payables	5	2
Cash Generated from Operations	2182	1768
Direct Taxes paid	(63)	(50)
NET CASH FLOW FROM OPERATING ACTIVITIES	2119	1718
B Cash Flow from Investing Activities	–	–
NET CASH FLOW FROM INVESTING ACTIVITIES	–	–
C Cash Flow from Financing Activities		
Dividend Paid	(1403)	(333)
Corporate Tax on Dividend		
NET CASH FLOW FROM FINANCING ACTIVITIES	(1403)	(333)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	716	1385
 CASH & CASH EQUIVALENTS - OPENING BALANCE	 2554	 1169
CASH & CASH EQUIVALENTS - CLOSING BALANCE	3270	2554

NOTES ON CASH FLOW STATEMENT

1. Component of Cash and Cash equivalent

Cash and Bank Balances	3270	2554
	3270	2554
Changes	716	1385

For J GUPTA & CO
Chartered Accountants
Firm Registration No.314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, 5th August, 2010

On behalf of the Board

P. Kalyanasundaram
Chairman

Sukhvir Singh
K. Subramanyan
Directors

P. K. Ghosh
Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	9	3	7	5	9	State Code	2	1
Balance Sheet Date	3	1	0	3	2	0	1	0
	Date		Month		Year			

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

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

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

Total liabilities		4	8	9	9	Total Assets		4	8	9	9
SOURCES OF FUND											
Paid up Capital		2	2	2	0	Reserve & Surplus		2	6	7	9
Secured Loans			N	I	L	Unsecured Loans			N	I	L

APPLICATION OF FUNDS

Net Fixed Assets			N	I	L	Investments		3	2	6	8
Net Current Assets		1	6	3	1	Misc. Expenditure			N	I	L
Accumulated Losses			N	I	L						

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

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

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

Item Code No. (ITC Code)	N	O	T	A	P	P	L	I	C	A	B	L	E
Product Description													
Item Code No. (ITC Code)	N	O	T	A	P	P	L	I	C	A	B	L	E
Product Description													
Item Code No. (ITC Code)	N	O	T	A	P	P	L	I	C	A	B	L	E
Product Description													

On behalf of the Board

P. Kalyanasundaram
ChairmanSukhvir Singh
K. Subramanyan
DirectorsP. K. Ghosh
Secretary

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

Balmer Lawrie & Co. Ltd.

a)	Holding Company's Interest:	
	1,00,64,700 Equity shares of Rs 10 each fully paid up at cost	32,67,77,030
b)	Net aggregate amount of Subsidiary's profit/(loss) not dealt within the Holding Company's accounts :	
	I) for the subsidiary's financial year ended 31st March, 2010	72,48,65,104
	II) for the previous financial years (Cumulative)	228,66,91,480
c)	Net aggregate amount of Subsidiary's profit/(loss) dealt within the Holding Company's accounts :	
	I) for the subsidiary's financial year ended 31st March, 2010	20,12,94,000
	II) for the previous financial years (Cumulative)	53,74,54,980

On behalf of the Board

P. Kalyanasundaram
Chairman

Sukhvir Singh
K. Subramanyan
Directors

P. K. Ghosh
Secretary

Kolkata, the 5th August 2010

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Report & Accounts of
BALMER LAWRIE & CO. LTD.
for the financial year ended 31st March, 2010

Directors' Report

The Directors have pleasure in presenting the 93rd Report on the state of affairs of your Company for the financial year ended 31 March 2010, together with the audited Balance Sheet and Profit & Loss Account of the Company.

Overall Financial Results

(Rs. In lakh)

	Financial Results for the Company Year ended 31 March		Consolidated Financial Results Year ended 31 March	
	2010	2009	2010	2009
Surplus for the year before Finance Charge, depreciation and tax	16714	16726	20856	20109
Deduct therefrom:				
Finance Charge and depreciation	1416	1570	5535	3716
Provision for Taxation	3569	4995	3349	5478
	11729	10161	11972	10915
Add Transfer from: Profit & Loss Account	12204	8854	21746	17509
Total amount available for Appropriation:	23933	19015	33718	28424
Appropriations:				
Proposed Dividend @ Rs.23.00 per equity share (previous year Rs.20.00 per equity share)	3746	3257	3778	3332
Corporate Tax on Dividend	622	554	653	592
Transfer to General Reserve / Minority interest etc.	3,000	3000	3051	3125
Surplus carried forward to next year	16,565	12,204	26236	21375
Total of Appropriations	23933	19015	33718	28424

Overview

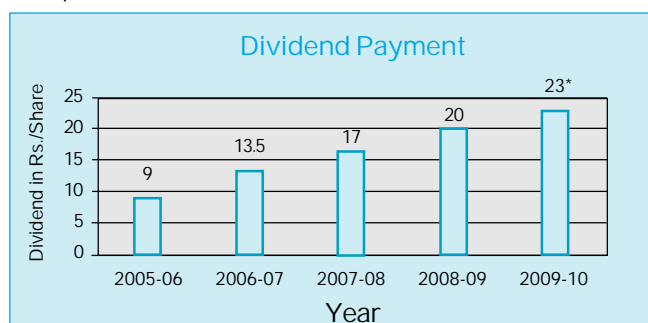
Your Company's strong performance continued in 2009-10 despite difficult economic conditions, especially during the first half of the year. In a year marked by cautious approach after the significant slow-down in the growth rate in the second half of 2008-09 following the financial crisis that began in the industrialized nations in 2007 and spread to economies across the world, your Company maintained its performance, which is evident from the following:

- The Company recorded net sales of Rs.1673 crore as against Rs.1697 crore in 2008-09, a marginal drop of 1% over the previous year.
- Profit Before Tax increased from Rs. 152 crore in 2008-09 to Rs.153 crore in 2009-10.
- Profit After Tax which crossed the Rs.100 crore mark in the last year for the first time, further increased (from Rs.102 crore in 2008-09) to Rs. 117 crore in 2009-10, an increase of almost 15%.
- Four segments viz., Industrial Packaging, Greases & Lubricants, Travel & Tours, Logistics Infrastructure & Services were the main revenue generators out of which

the manufacturing businesses - Industrial Packaging and Greases & Lubricants - registered significantly higher turnover relative to the previous year.

Dividend

A dividend of Rs.23 per equity share of Rs. 10 each [equivalent to 230%] for the year ended 31 March 2010 has been recommended by the Board of Directors for declaration by the Members at the ensuing 93rd Annual General Meeting to be held on 24 September 2010 as against Rs. 20 per equity share in the previous year. The trend of past dividend payment is depicted below:



*Recommended

Management Discussion and Analysis Report

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

Report on Subsidiary

Balmer Lawrie (UK) Ltd.

Balmer Lawrie (UK) Ltd ('BLUK') is a wholly owned subsidiary of your Company and its principal business activities were Leasing & Hiring of Marine Freight Containers and Tea Warehousing, Blending & Packaging. BLUK has since exited from both these business activities.

Proceeds from the sale of the above two businesses are being used to fund other business opportunities. In the financial year under report, BLUK formed an equal partnership Joint Venture with PT Imani Wicaksana, Indonesia to manufacture and market lubricating greases and other lubricants in Indonesia. The Joint Venture Company (JVC) was formed on 15th February 2010.

The JVC – now functioning under the name and style of 'PT. Balmer Lawrie Indonesia' – is establishing a manufacturing plant near Jakarta with technology/know-how being provided by your Company under a Technical Collaboration Agreement.

Exemption from attaching accounts of the Subsidiary

The Ministry of Corporate Affairs, New Delhi, vide their approval no. 47/567/2010-CL-III dated 14 July 2010 has exempted your Company from attaching the Annual Accounts of Balmer Lawrie (UK) Ltd, the wholly owned subsidiary of your Company for the year ended 31 March 2010 with its Annual Accounts for the same period. However, such accounts have been duly consolidated in terms of applicable Accounting Standards.

Report on Joint Ventures

AVI-OIL India Private Ltd. (Avi-Oil)

During 2009-10, Avi-Oil sustained its performance with growth in every area as compared to the previous year, achieving the highest sales since its inception, despite several constraints and competition from imports.

Avi-Oil continued to maintain its registrations with DGAQA, DGCA, Naval Aircraft Servicing Development Organization and the Sri Lankan air-force. Avi-Oil obtained Type Approvals / Provisional Clearances from CEMILAC for number of products during the year taking the total number of approved products to 88.

In addition to the military business, Avi-Oil increased its export sale of ester base-stocks to Nyco, France and also supplied larger quantities of synthetic lubricants to the Indian Railways surmounting stiff competition.

Avi-Oil accords high priority to the environment and has consequently planted more than 1500 trees / plants within its premises and maintained its zero effluent status.

Avi-Oil has recommended dividend at the rate of Rs. 1.25 per share [equivalent to 12.5 %], for the financial year 2009-10 compared to Re. 1.00 per share [equivalent to 10%] declared and paid in relation to previous year i.e. 2008-09.

Balmer Lawrie-Van Leer Ltd. (BLVL)

BLVL started the financial year with sluggish export demand against the background of the global financial crisis. BLVL's Steel drum closure Division is predominantly dependent on exports. The impact of global economic slowdown felt during the last quarter of 2008-09 continued till June, 2009. The sudden spurt in demand witnessed for Plastic Containers since February'09 was also short lived. However, the impact of financial stimulus and packages initiated by the developed countries like USA, UK, China, Japan, and Indian Government in particular led to improvement in general business confidence and revival of demand both local and export since July 2009. During the first few months of the financial year, BLVL went through a consolidation phase due to slowdown especially after completion of work on capacity expansion of steel drum closure Division, which helped BLVL to end the year remarkably well by achieving overall volume growth of around 40% in steel closures and 14% in plastic containers/liners.

During the year 2009-10 net income of BLVL grew by about 28% to Rs.15727 lakh and it achieved a profit before tax of Rs.3195 lakh, which includes a profit of Rs.2428 lakh arising out of completion of sales transaction of BLVL's property at Chembur to Hindustan Petroleum Corporation Limited as reported last year, as against a loss before tax of Rs.279 lakh in the previous year.

Transafe Services Limited (TSL)

TSL achieved a Turnover of Rs. 82.47 crore during 2009-10 – (a fall of around 9% compared with the turnover of Rs. 90.43 crore in the previous year) and recorded a net loss (after tax) of Rs. 38.95 crore [as against Profit After Tax of Rs. 8.21 crore in the previous year].

Apart from the challenging business circumstances faced during the year consequent to the economic slowdown, which resulted in under-utilisation of capital assets acquired by TSL in the recent years, the severely adverse financial results of TSL for the year was on account of TSL having to make Prior Period adjustment of Rs. 33.3 crore in the books of TSL to correct the irregularities and financial manipulation pertaining to the previous three years when Shri Gopal Krishna Mukerjea (G K Mukerjea) was the chief executive of TSL, initially as its Manager and Chief Operating Officer and then as its Managing Director and Chief Executive Officer (MD and CEO). The financial irregularities were detected subsequent to:- (i) an independent investigation instituted by TSL (and carried out by the renowned firm KPMG) into anonymous letters alleging financial misconduct and other irregularities in TSL and (ii) the exit of the two shareholders (who together held 65% of the equity in TSL as on March 31, 2009) represented by ICICI Venture Funds Management Co. Ltd. in August/September 2009. The TSL Board relieved Shri G K Mukerjea of his responsibilities as its Managing Director & Chief Executive Officer with effect from November 21, 2009, with the immediate acceptance of his resignation.

Thereafter, TSL further engaged KPMG to conduct an independent investigation into the alleged fraudulent misstatement of financial statements and to quantify the impact of the identified misstatements. The investigation report brings out that some senior executives of TSL, had caused

manipulation/falsification/misstatements of accounts for three years. Criminal complaints have been filed against Shri G K Mukerjee and certain others senior executives and officials of TSL before the Chief Metropolitan Magistrate, Kolkata, which has led to the Kolkata Police registering FIRs against the accused persons and investigations are underway.

During the year TSL has brought in new Internal Auditors and new Statutory Auditors were appointed for the year 2009-10 upon the resignation of the previous Statutory auditors. A new Chief Executive was appointed with effect from November 21, 2009 and measures to restore the organization to good health were initiated.

TSL is, in the meanwhile, seeking restructuring of its loan repayment and interest payment obligations to its funding banks under the Corporate Debt Restructuring [CDR] Scheme of the Reserve Bank of India. TSL has also since appointed a new Managing Director.

As a measure of conservatism, your Company has provided for its investment in TSL and is closely monitoring the developments in TSL keeping in view its equity stake of 50% in TSL (increased from 35% as on March 31, 2009), the balance being held by Balmer Lawrie-Van Leer Ltd following the exit of the ICICI Venture Funds Management Co. Ltd. in 2009.

Balmer Lawrie (UAE) LLC (BLUAE)

BLUAE faced one of the toughest and most challenging years in 2009, against the backdrop of the world-wide recession, extremely difficult local market conditions and intense price competition in the backdrop of the economic recession causing steep fall in demand coupled with sharp decline in prices of raw materials. Margins on the products were under constant pressure throughout the year.

Despite these adverse factors, BLUAE managed to turn in satisfactory results during the year 2009. BLUAE is also confident of facing the challenges and maintaining its leadership position in the market. It is taking proactive steps to control and minimize wastage, improve efficiencies, and further enhance quality and service levels.

BLUAE values its reputation as a customer-friendly company, and focuses on fulfilling customers' preferences, maintaining highest standards of business ethics and in being long term reliable partners for its customers and vendors. BLUAE continues to aim at improving its facilities to achieve process, product and technology up-gradation.

Memorandum of Understanding (MoU)

Your Company enters into an MoU with the Government of India, Ministry of Petroleum and Natural Gas every year detailing therein various targets on operational, financial and efficiency parameters besides matters like customer satisfaction, quality and human resource development. The targets fixed are evaluated at the year-end by the Government of India, Department of Public Enterprises (DPE). It is indeed a matter of great pride to report that your Company has obtained the highest rating category viz. "excellent" for the financial year 2008-09. Result of MoU signed for the financial year 2009-10 by the Company is still to be announced by DPE.

Human Resource Management

The Company continued to invest in enhancing the professional skills and competencies of its employees. Accordingly, more than 15% of the employees underwent training, both externally for specialized competencies and internally for upgrading generic competencies.

The Company in its efforts to reinvigorate its human resource through infusion of fresh blood has, during the year, laterally inducted 16 Executives/Supervisors.

Further, with a view to improve upon performance orientation and bring about objectivity in assessment, the Company has introduced new performance appraisal system for its executives and non-unionized supervisory staff in the year under report.

Employment of Special Categories

The actual number of employees, belonging to various special categories, as on 31 March, 2010 are given below :

Group	SC	ST	OBC(*)	PH	Women	Minorities
A	27	5	2	1	28	28
B	25	2	32	2	35	14
C	24	2	12	3	18	5
D(incl. D1)	85	10	21	6	6	95
Total	161	19	67	12	87	142

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

Employee Relations

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

During the year, pay revision effective 1 January 2007 was implemented by the Company for the Executives / Supervisors. The Long Term Settlements covering the wages, allowances and benefits of the unionized employees are under negotiations at all locations of the Company.

Employee relations continued to be generally cordial at all units/locations of the Company during the year.

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

In compliance with the provisions of the above Act, the Company has identified positions for recruitment of persons with disabilities. As an ongoing exercise, necessary actions are taken to fill up the shortfall in vacancies.

Implementation of Official language

Efforts continued to further the implementation of the Government directives with regard to implementation of the Official Language. The Company was awarded the first prize amongst PSUs at Kolkata for implementation of Hindi by the Kolkata Town Official Language Committee and the second prize by Kendriya Hindi Parishad, Kolkata.

Women Empowerment

The Company provides a very conducive ambience for women employees. The percentage of women employees is on the rise with new recruitments. The present strength of women employees is 6.15% despite the fact that a large portion of the workforce constitutes shop floor workers.

The Company encourages activities pertaining to WIPS [Women in Public Sector] which is a Forum of women employees from participating organizations focused on the common aim of networking, experience sharing, interacting with various organization / other PSUs / bodies like National Commission, Women and Child Development Ministry, ILO and such other institutions. The objective inherent is to seek enhancement in women's role at the workplace and thereby increase their contribution in the growth of the Company. Women employees from the Company were encouraged to meet up and participate in Regional and National Meets organized by the Forum.

Progress on principles under 'Global Compact'

The Company remains committed towards fulfillment and furtherance of principles enumerated in the Global Compact. With this objective, the Company -- besides promoting greater environmental responsibility through Occupational Health & Safety Assessment Sequence [OHSAS] 18001:2007 certification of three of its Manufacturing Units -- is also initiating a Project on Wind Energy aiming at promoting clean technology. A 'Communication on Progress' on Global Compact detailing activities undertaken by the Company in furtherance of the principles, has been uploaded on the Company's website.

Vigilance

During the year under review, Vigilance Department had stressed upon improving administration using e-procurement/ auction. Customers, Vendors and employees were sensitized by organizing Vigilance Awareness Programmes to achieve total transparency in dealing with different stakeholders of the Company. The Vigilance Department always strives to help management to take initiatives to update existing rules, procedures and systems and to frame new rules, wherever required.

Preventive Vigilance is the set priority of the Vigilance Department and, accordingly, system studies were undertaken regularly by conducting surprise inspections, studying audit reports, reduction of discretionary areas and taking up complaints and grievances.

A draft Complaint/Grievance Handling Policy in compliance with the directive of the Central Vigilance Commission is under finalization to converge all complaints/grievances to Chief Vigilance Officer for investigation/administrative action. Special initiative has been taken for rotation of officials posted in sensitive positions. Minimization of corruption in the organization and bringing probity in public life, have continued to be at the forefront of the vigilance initiatives in the Company.

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

As required under Section 217 (1) (e) of the Companies Act,

1956, ("the Act") read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the information is annexed.

Directors' Responsibility Statement

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

- (i) That in the preparation of the accounts for the financial year ended 31 March 2010, the applicable accounting standards have been followed and there was no departure from such standards;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31 March 2010 and of the profit of the Company for the said financial year;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for detecting and preventing fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31 March 2010 on a 'going concern basis'.

Consolidated Financial Statement

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

Report on Corporate Governance

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

Particulars of Employees

A list of employees who received remuneration of Rs. 2,00,000 or more per month or Rs. 24,00,000 per annum is attached herewith pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Comments of Comptroller & Auditor General of India

The comments of the Comptroller & Auditor General of India, under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the financial year ended 31 March 2010 are set out elsewhere in the Annual Report.

Directors

In accordance with the provisions of Article 12 of the Articles of Association, Shri V N Sharma, Director [Manufacturing Businesses], Shri S K Mukherjee, Managing Director and Shri K Subramanyan, Director [Finance] would retire by rotation at the ensuing Annual General Meeting and they are eligible for reappointment at the said Meeting.

Shri Shri Prakash – a nominee of the Government of India, Ministry of Petroleum and Natural Gas – has, on 9 March 2010, joined your Board, as additional director, in place of Shri Maninder Singh, who resigned earlier. He shall hold office up to the date of the forthcoming Annual General Meeting as per Section 260 of the Act. A notice under Section 257 of the Act has been received proposing the candidature of Shri Shri Prakash as a director of your Company. An ordinary resolution under special business has been proposed for appointment of Shri Shri Prakash as director, whose period of office shall be subject to determination by retirement of directors by rotation.

On 14 June 2010 Shri Virendra Sinha was appointed a whole-time Director of the Company under the designation, Director [Service Businesses]. His appointment having been made under Section 260 of the Act, Shri Sinha shall hold office up to the date of the forthcoming Annual General Meeting as per provisions of the Section. A notice under Section 257 of the Act has been received proposing the candidature of Shri Sinha as a director of your Company. An ordinary resolution under special business has been proposed for his appointment as a whole-time director and his period of office shall be subject to determination by retirement of directors by rotation.

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

Shri Maninder Singh, who was appointed Government Nominee Director on the Board of your Company on 21 February 2006 vacated his office with effect from 30 December 2009. Shri P.Radhakrishnan, Director [Service Businesses], who was appointed as a whole-time Director of the Company on 11 March 2003 vacated his office upon attaining the age of superannuation from the services of the Company, with effect from 31 December 2009. The Board places on record its deep appreciation for the valuable services rendered by Shri Singh and Shri Radhakrishnan during their tenure as director of the Company.

Auditors

Your Company being a Government Company, Auditors are appointed or reappointed by the Comptroller and Auditor General of India in terms of Section 619(2) of the Companies Act, 1956. The remuneration of the Auditors for the year 2010-11 is to be determined by the members at the ensuing Annual General Meeting as per Sections 224(8)(aa) and 619 of the Act.

Auditors' Report

During the year under review, there was no audit qualification in the Auditors' Report. However, the Statutory Auditors have made an observation in their Audit Report that the present internal audit system, as conducted in a phased manner, is generally commensurate with the size and nature of the Company's business, but the same needs to be further strengthened by widening its coverage into various areas like

investments made and its follow-up and sale against verbal orders.

Explanatory 'Management reply' as approved by the Board:

The scope of Internal Audit was strengthened during the year and was considered fairly adequate. However, the Company, as a routine practice, reviews its Internal Audit programme on a yearly basis and effects modifications / improvements as deemed fit. The observations of the Statutory Auditors would be duly considered during such review.

The Statutory Auditors also commented in their Audit Report that during the course of their audit they had not come across any instance of fraud on or by the Company. However, an instance of accounting fraud / manipulation committed on a Joint Venture Company - Transafe Services Limited - was detected during 2009-10, which has resulted in a provision of Rs.11.65 crore in the Accounts of the Company.

Explanatory 'Management reply' as approved by the Board:

The Joint Venture Company has taken necessary corrective and administrative actions and relevant adjustments have been effected in the financial statements of the Company in terms of Accounting Standard 13.

Acknowledgement

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

The Board of Directors wishes to place on record its appreciation of the excellent contribution made by the employees at all levels and acknowledges their sincere co-operation, continued support and commitment towards the achievement of more new milestones. The Directors also wish to thank the customers, dealers, vendors, business associates/ consultants, bankers, auditors, solicitors and all other stakeholders for their valued support to and confidence reposed in the Company.

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

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

Registered Office:
Balmer Lawrie House
21 Netaji Subhas Road
Kolkata - 700 001
24 August 2010

On behalf of the Board of Directors
S K Mukherjee Managing Director
K. Subramanyan Wholtime Director

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH, 2010

1. CONSERVATION OF ENERGY

a) Energy conservation measures taken

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

- Specific energy consumption per unit of production was monitored regularly at all manufacturing plants and corrective actions taken as required.
- Power factor correction capacitors were instatted in corporate Head office to improve power factor from 0.83 to 0.98.
- Energy efficient CFLs were installed in all floors of corporate Head office to conserve energy.
- In SBU : LC, Chennai, Aluminium blades of cooling tower were replaced with FRP blades to reduce power consumption

b) Additional investment proposal for conservation of energy

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

c) Impact of the above on cost of production

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

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

Information on energy consumption is provided in the annexed Form A.

TECHNOLOGY ABSORPTION :

e) Efforts made in Technology Absorption

Information on technology absorption is given in the annexed Form B.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

f) Total foreign exchange used and earned :

		Rs. in Crore
Total Foreign Exchange used	:	130.28
Total Foreign Exchange earned	:	15.36

FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy

A. Power & Fuel Consumption

1. Electricity

	2009-10 Current Year	2008-09 Previous Year
(a) Purchased		
Units ('000 kwh)	9741.41	7206.74
Total amount (Rs. Lakh)	586.15	389.38
Rate/Unit (Rs./kwh)	6.02	5.40
(b) Own generation		
(i) Through diesel generator		
Units ('000 kwh)	1247.29	744.84
Units per ltr. of diesel oil	2.43	2.15
Cost/unit (Rs./unit)	12.84	11.73
(ii) Through steam turbine/generator Units		
Units per ltr. of fuel oil/gas	N.A.	N.A.
Cost/unit		

		2009-10 Current Year	2008-09 Previous Year
2. Coal	}		
Quantity (tonnes)		N.A.	N.A.
Total Cost			
Average Rate			
3. Coal Gas			
Quantity (therms)		63.66	65.29
Total Cost (Rs. lakh)		36.32	32.99
Average Rate (Rs./unit)		57.05	50.54
4. Furnace Oil			
Quantity (kl.)		2088.48	1485.01
Total amount (Rs. lakh)		739.95	530.09
Average Rate (Rs./unit)		35430.23	35736.46
5. Other/Internal Generation	}		
Quantity			
Total Cost		N.A.	N.A.
Cost/unit			
B. Consumption per unit of production		2009-10 Current Year	2008-09 Previous Year
Lubricating greases			
• Electricity (kwh/mt-kl)		74	74
• Furnace Oil (l/mt-kl)		20	18
Barrels & Drums			
• Electricity (kwh/mt)		1.59	1.54
• Furnace Oil (l/unit)		0.50	0.45
Synthetic Fat Liquors			
• Electricity (kwh/mt)		145	190
• Furnace Oil (l/unit)		53	52
Syntans			
• Electricity (kwh/mt)		146	207
• Furnace Oil (l/unit)		25	23

Notes :

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

FORM - B

Form for Disclosure of Particulars with respect to Technology Absorption

1. RESEARCH & DEVELOPMENT

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

- ▮ R&D work had been carried out in development of lubricants, leather chemicals & industrial packaging
- ▮ In lubricants (Greases & Lubricating oil), R&D efforts at value engineering and upgradation of existing products had been the priority areas. Further efforts were directed at development and commercialization of eco-friendly and biodegradable products, viz. long life Axle Bearing grease, biodegradable Gear oil /hot Rolling oil, Fire Resistant Hydraulic fluid, Biodegradable grease, etc. Grease processing technology using microwave heating and grease based on non soap polymer thickeners were being explored.
- ▮ In leather chemicals, the development thrust had been towards high performance fat liquors for sophisticated leather segment and on a range of polymeric tanning agents. Eco-friendly tanning agents are also being developed.
- ▮ In Industrial packaging, R&D efforts had been towards development of import substitute machines & equipments and also development of more efficient and improved manufacturing processes.

b) Benefits derived as a result of the above

- ▮ R&D efforts in lubricant and leather chemicals have helped the Company to strengthen its customer base as also to remain ahead of competitors in near future.
- ▮ R&D efforts in industrial packaging have helped the Company in improvement of productivity, quality and manufacturing processes thereby helped retaining technological leadership in the industry.

c) Future Plan and action

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

- ▮ Value addition of existing product ranges
- ▮ Development of new specialty / high performance products in lubricants and leather chemicals and also maximization of yields & introduction of new products in industrial packaging.
- ▮ Development of systems/equipments & incorporation of new processes in order to reduce cost of production.

d) Expenditure on R&D

	Rs. Lakh	
	2009-10	2008-09
Capital	52.95	47.20
Revenue	323.62	271.45
Total	376.57	318.65
Total R&D expenditure as % of Turnover	0.23	0.19

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS

a) Efforts in brief made towards the above

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

b) Benefits derived

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

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

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

[illegible]

Information as per Section 217 [2A] read with Companies [Particulars of Employment] Rules, 1975 and forming part of the Directors' Report for 2009-10 (contd.)								
Sl. No.	Name of the Employee	Designation	Age	Qualification	Experience	Date of Joining	Date of Birth	Remarks
23	Mr. [Name]	[Designation]	32:32	[Qualification]	2	2/2/	2/2/	[Remarks]
24	Mr. [Name]	[Designation]	2:3:22	[Qualification]	3	3/3/	2/2/	[Remarks]
25	Mr. [Name]	[Designation]	0:0:0	[Qualification]	0	01-15-76	2/2/	[Remarks]
26	Mr. [Name]	[Designation]	2:0:22	[Qualification]	3	2/2/	2/2/	[Remarks]
27	Mr. [Name]	[Designation]	2:2:2	[Qualification]	3	3/3/	3/3/	[Remarks]
28	Mr. [Name]	[Designation]	2:0:13	[Qualification]	2	3/2/2	3/2/2	[Remarks]
29	Mr. [Name]	[Designation]	2:2:2	[Qualification]	3	3/3/	3/3/	[Remarks]
30	Mr. [Name]	[Designation]	2:0:0	[Qualification]	3	3/3/	3/3/	[Remarks]
31	Mr. [Name]	[Designation]	2:2:3	[Qualification]	3	3/3/	3/3/	[Remarks]
32	Mr. [Name]	[Designation]	2:2:3	[Qualification]	3	3/3/	3/3/	[Remarks]
33	Mr. [Name]	[Designation]	2:2:2	[Qualification]	3	3/3/	3/3/	[Remarks]
34	Mr. [Name]	[Designation]	2:2:2	[Qualification]	2	2/2/	2/2/	[Remarks]
35	Mr. [Name]	[Designation]	2:2:3	[Qualification]	3	3/3/	3/3/	[Remarks]
36	Mr. [Name]	[Designation]	2:3:2	[Qualification]	2	3/3/	3/3/	[Remarks]
37	Mr. [Name]	[Designation]	3:0:2	[Qualification]	3	3/3/	3/3/	[Remarks]
38	Mr. [Name]	[Designation]	2:3:0	[Qualification]	3	3/3/	3/3/	[Remarks]
39	Mr. [Name]	[Designation]	2:0:0	[Qualification]	3	3/3/	3/3/	[Remarks]
40	Mr. [Name]	[Designation]	2:0:3	[Qualification]	2	2/2/	2/2/	[Remarks]
41	Mr. [Name]	[Designation]	3:0:0	[Qualification]	3	3/3/	3/3/	[Remarks]
42	Mr. [Name]	[Designation]	2:0:3	[Qualification]	3	3/3/	3/3/	[Remarks]
43	Mr. [Name]	[Designation]	3:3:2	[Qualification]	3	3/3/	3/3/	[Remarks]
44	Mr. [Name]	[Designation]	2:0:2	[Qualification]	3	3/3/	3/3/	[Remarks]
45	Mr. [Name]	[Designation]	0:2:0	[Qualification]	2	2/2/	2/2/	[Remarks]
NOTES								
[1]	[Text]							
[2]	[Text]							
[3]	[Text]							
[4]	[Text]							
[5]	[Text]							
[6]	[Text]							

Report on Corporate Governance

[Forming part of the Directors' Report for the year 2009-10]

Company's philosophy on good Corporate Governance

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

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

Board of Directors

a) Composition

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

During the financial year under report, the composition of Board of directors had undergone a few changes. Effective 31 December 2009 (after business hours), Shri P Radhakrishnan, Director (Service Businesses) who was in the whole-time employment, retired from the services of the Company upon attaining the age of superannuation and Shri Virendra Sinha was appointed Director (Service Businesses) with effect from 14 June 2010. Shri Shri Prakash was appointed as Government Nominee Director with effect from 9 March 2010, in place of the outgoing Government Nominee Director, Shri M. Singh.

Currently, the Board consists of 12 Directors, viz, 4 Whole-time Directors, 2 Non-Whole-time Government Nominee Directors and 6 Non-Whole-time Independent Directors. The Composition of the Board is fully compliant with Clause 49 of the Listing Agreement with Stock Exchanges, the provisions of the Companies Act, 1956 as well as the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010. The background of the Directors is set out herein below:

Whole-time Directors

Shri S K Mukherjee (Managing Director)
Shri V N Sharma (Director - Manufacturing Businesses)
Shri K Subramanyan (Director - Finance)
Shri Virendra Sinha (Director - Service Businesses)
Government Nominee Directors

Shri VLVSS Subba Rao

Shri Shri Prakash

Independent Directors

Shri K C Murarka

Shri Arun Seth

Shri M P Bezbaruah

Shri P K Bora

Shri Asish K Bhattacharyya

Smt. Abha Chaturvedi

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

Shri S K Mukherjee

Managing Director

Shri S K Mukherjee was appointed as Managing Director on 1 April 2005 based on direction by the Government of India and was further re-appointed at the 91st Annual General Meeting held on 26 September 2008. He has served the Company in various capacities since January 1976. Shri Mukherjee is a Bachelor of Commerce and is a qualified Cost Accountant (AICWA). He has a total working experience of 41 years including 34 years in the Company during which he gained specialization in the various functional areas like Accounts & Finance, Taxation and General/Strategic Management. Shri Mukherjee's expertise is built on assignments both at the Strategic Business Unit as well as at the Corporate levels.

Shri V N Sharma

Director [Manufacturing Businesses]

Shri V N Sharma was appointed as a Whole-time Director on 20 January 2005 based on direction by the Government of India and was further re-appointed at the 90th Annual General Meeting held on 25 September 2007. He is a Bachelor of Technology (Chemical Engineering) and also holds Post Graduation Diploma in Business Management. Shri Sharma has a total working experience of 35 years during which he has developed expertise in the functional areas of Production and Operations Management, Project Management, R & D Management as well as General Management.

Shri K Subramanyan

Director [Finance]

Shri K Subramanyan was appointed as a Whole-time Director on 30 December 2005 based on direction by the Government of India and was further re-appointed at the 92nd Annual General Meeting held on 24 September 2009. He is a Bachelor of Commerce and a qualified Chartered Accountant (ACA). He has a working experience of 32 years during which he has developed

expertise in the functional areas of Accounts & Finance, Taxation and General Management.

Shri Virendra Sinha

Director [Service Businesses]

Shri Virendra Sinha was appointed as a Whole-time Director on the Board on 14 June 2010 based on direction by the Government of India. He is a Bachelor of Arts and holds a Masters Degree in Business Administration. He has a working experience of 32 years during which he has developed expertise in Marketing, International Trade especially in operation of multi-modal logistics hubs and container freight stations and in General Management.

Shri VLVSS Subba Rao

Government Nominee Director

Shri VLVSS Subba Rao was appointed as non-executive Director on the Board on 13 October 2008 based on direction from the Government of India. He is a Government Nominee Director on the Board. Pursuant to Section 257 of the Companies Act, 1956, he was appointed as a Director at the 92nd Annual General Meeting held on 24 September 2009. He holds a Master Degree in Economics and is a member of Indian Economic Services. He has a working experience of about 23 years during which he has developed knowledge and expertise in the functional areas of Finance, Project Appraisal, Trade Logistics, Training and economic administration.

Shri Shri Prakash

Government Nominee Director

Shri Shri Prakash was appointed as non-executive Director on the Board on 9 March 2010 based on direction from the Government of India. He is a Government Nominee Director on the Board. Shri Shri Prakash is a Master of Arts and belongs to Central Secretariat Services cadre. He has a working experience of 20 years during which he has developed knowledge and expertise in the functional areas of Administration, Vigilance and Training.

Shri K C Murarka

Independent Director

Shri K C Murarka was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, he was appointed as a Director at the 92nd Annual General Meeting held on 24 September 2009. Shri Murarka is an Independent Director of the Company. Shri Murarka is a Bachelor of Science. He has a working experience of 41 years during which he has gained expertise in the areas of marketing, research & development with specialization in manufacturing of dyes and chemicals.

Shri Arun Seth

Independent Director

Shri Arun Seth was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, he was appointed as a Director at

the 92nd Annual General Meeting held on 24 September 2009. Shri Seth is a Bachelor of Technology and Master in Business Administration. He has a working experience of over 31 years including experience in the Telecom Industry in the course of which Shri Seth has developed commercial and technical expertise in Information Technology and Telecommunication.

Shri M P Bezbaruah

Independent Director

Shri M P Bezbaruah was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, he was appointed as a Director at the 92nd Annual General Meeting held on 24 September 2009. Shri Bezbaruah is a Master of Arts as well as Masters in Public Administration. He is a retired IAS and has a working experience of 37 years in the area of civil services.

Shri P K Bora

Independent Director

Shri P K Bora was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, he was appointed as a Director at the 92nd Annual General Meeting held on 24 September 2009. Shri Bora is a Master of Arts (in English) and also a retired IAS. He has a working experience of 40 years during which he gained expertise in Development Administration & Financial Administration as also in Tea & Tourism industries.

Shri Asish K Bhattacharyya

Independent Director

Shri Asish K Bhattacharyya was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, he was appointed as a Director at the 92nd Annual General Meeting held on 24 September 2009. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost & Works Accountants of India, besides being a Master of Commerce and a D.Phil; he also holds a Diploma in Management Accounting (ICA). Shri Bhattacharyya has a working experience of 37 years during which he has acquired expertise in Accounting, Finance, Business Valuation and Corporate Governance.

Smt. Abha Chaturvedi

Independent Director

Smt. Abha Chaturvedi was appointed by the Board as Director on 26 December 2008 based on direction from the Government of India. Pursuant to Section 257 of the Companies Act, 1956, she was appointed as a Director at the 92nd Annual General Meeting held on 24 September 2009. She is a Ph D. She has a working experience of 38 years in the areas of teaching, research and management consultancy. Her areas of specialization are Human Resource, Organization Behaviour and Organization Sociology.

The particulars as to the directorship of the Directors (who are currently on the Board) in other companies and their

membership in various Board level Committees as on 30 June 2010 are enumerated as follows:

Name of the Director	No. of companies/bodies corporate, other than the Company, in which the Director holds Directorship.	Membership held by the Director in various Committees ¹ across all companies in which he is a Director	Chairmanship held by the Director in various Committees ¹ across all companies in which he is a Director	Chairmanship held by the Director in other Boards	Whether attended the last Annual General Meeting of the Company held on 24 September 2009
Shri S K Mukherjee	6	2	0	0	Yes
Shri VLVSS Subba Rao	0	1 ²	1	0	No
Shri Shri Prakash	0	0	0	0	NA ³
Shri V N Sharma	4	1	0	1	Yes
Shri K Subramanyan	3	3	1	0	Yes
Shri Virendra Sinha ⁴	1	0	0	0	N.A.
Shri K C Murarka	1	1	0	0	No
Shri Arun Seth	7	0	0	1	No
Shri M P Bezbaruah	0	0	1	0	Yes
Shri P K Bora	0	1	0	0	Yes
Shri Asish K Bhattacharyya	2	3	0	0	No
Smt. Abha Chaturvedi	0	0	0	0	No

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

²Shri Subba Rao was inducted as a member of the Audit Committee with effect from 29 January 2010.

³Shri Shri Prakash was appointed as Government Nominee Director with effect from 9 March 2010.

⁴Shri Virendra Sinha was appointed as a Whole-time Director with effect from 14 June 2010.

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

c) Attendance at the Board Meetings

Attendance of the Directors at the Board meetings held during the financial year 2009-10 is shown below:

Name of the Director	Board Meetings held during 2009-10					
	15 June 2009	27 July 2009	29 October 2009	30 December 2009	29 January 2010	27 March 2010
Shri S K Mukherjee	3	3	3	3	3	3
Shri M Singh*	3	5	5	NA	NA	NA
Shri VLVSS Subba Rao	3	3	5	5	3	3
Shri Shri Prakash**	NA	NA	NA	NA	NA	3
Shri P Radhakrishnan***	3	3	3	3	NA	NA
Shri V N Sharma	3	3	3	3	3	3
Shri K Subramanyan	3	3	3	3	3	3
Shri K C Murarka	5	5	X	3	5	5
Shri Arun Seth	5	5	3	5	5	5
Shri M P Bezbaruah	X	3	3	3	3	3
Shri P K Bora	3	3	3	3	3	3
Shri Asish K Bhattacharyya	3	3	3	3	3	3
Smt. Abha Chaturvedi	3	3	5	3	3	3

* Shri M Singh, Government Nominee Director, ceased to be a Director with effect from 30 December 2009

** Shri Shri Prakash was inducted as Additional Director with effect from 9 March 2010

*** Shri P Radhakrishnan, whole-time Director ceased to be a Director on retirement from the services of the Company upon attaining the age of superannuation on 31 December 2009

Committees of the Board

1. Audit Committee

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

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

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

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

The Audit Committee met 5 times during the year. The details regarding the attendance of the Members at the meetings are enumerated as follows:

Name of the Member	Audit Committee Meetings held during 2009-10				
	15 June 2009	27 July 2009	29 Oct. 2009	29 Jan 2010	27 Mar. 2010
Shri M P Bezbaruah	X	3	3	3	3
Shri M Singh*	3	X	X	NA	NA
Shri VLVSS Subba Rao**	NA	NA	NA	NA	3
Shri Asish K Bhattacharyya	3	3	3	3	3
Shri K C Murarka	X	X	X	X	X
Shri P K Bora	3	3	3	3	3
Shri S K Mukherjee	3	3	3	3	3

* Shri M Singh, Government Nominee Director, ceased to be a Director with effect from 30 December 2009

**Shri Subba Rao, Government Nominee Director, was inducted as member of the Audit Committee at the Board Meeting held on 29 January 2010.

2. Shareholders'/ Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee reviews and monitors the grievances of shareholders and investors. The constitution of the Committee had undergone a change during the Financial year under review consequent upon [a] Shri P Radhakrishnan, Director (Service Businesses) retiring from the services of the Company on attaining the age of superannuation

and Shri K Subramanyan, Director (Finance) being inducted as a member of the Committee in his place and [b] Shri VLVSS Subba Rao becoming a Committee member in place of Shri M. Singh after the latter's resignation from the Board as a Government Nominee Director.

The Committee, as on 31 March 2010, consists of three Members, with non-executive Government Nominee Director as Chairman and with the Managing Director and the Director (Finance) as Members. On 29 July 2010, the Committee met and took on record the status of investors' grievances as well as the services rendered during the financial year 2009-10. The terms of reference of the Committee are as per the terms set out in the Listing Agreement.

The particulars of investors' complaints during 2009-10 were published along with the Unaudited Financial Results of the respective quarters and Audited Annual Financial Results in compliance with Clause 41 of the Listing Agreement.

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

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

Nature of Shareholders' communication received and redressed during the period from 1 April 2009 to 31 March 2010.

The Company had received nil communications in the nature of complaint and 407 general communications during the financial year 2009-10 and all of them were resolved/replied to within a maximum period of 120 hours from the time of receipt.

Nature of communication	General communication Resolved		Complaints Resolved		Grievances Resolved	
	Within 120 hours	Beyond 120 hours	Within 120 hours	Beyond 120 hours	Within 120 hours	Beyond 120 hours
Non-receipt of share certificates lodged for transfer	21	NIL	NIL	NIL	NIL	NIL
Non-receipt of share certificates after sub-division, consolidation, duplicate and renewal of share certificates	NIL	NIL	NIL	NIL	NIL	NIL
Loss of share certificates	38	NIL	NIL	NIL	NIL	NIL
Change of address	49	NIL	NIL	NIL	NIL	NIL
Transmission, Registration of power of attorney, death, marriage certificates etc.	32	NIL	NIL	NIL	NIL	NIL
Non-receipt of dividend	65	NIL	NIL	NIL	NIL	NIL
Revalidation/ issue of fresh Dividend warrant	74	NIL	NIL	NIL	NIL	NIL
Recording of Electronic Clearing data under the National Electronic Clearing Service (NECS) implemented by RBI or mandates or bank details	60	NIL	NIL	NIL	NIL	NIL
Queries from SEBI	NIL	NIL	NIL	NIL	NIL	NIL
Queries from CLB, Stock Exchanges and Depositories	2	NIL	NIL	NIL	NIL	NIL
Queries from RBI, Income-Tax	NIL	NIL	NIL	NIL	NIL	NIL
Legal notices/ Cases etc.	NIL	NIL	NIL	NIL	NIL	NIL
Request for Nomination	NIL	NIL	NIL	NIL	NIL	NIL
Miscellaneous	66	NIL	NIL	NIL	NIL	NIL
Total	407	NIL	NIL	NIL	NIL	NIL

3. Share Transfer Committee

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

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

4. Remuneration Committee

Formation of a Remuneration Committee is a non-mandatory requirement under the Listing Agreement. The Company being a Government Company within the meaning of Section 617 of the Companies Act, 1956, the Whole-time Directors of the Company are Presidential appointees and their remuneration is fixed by the Government of India from time to time. Nevertheless, a Remuneration Committee has been constituted by the Board at its meeting held on 30 January 2009 to look into matters relating to managerial remuneration and such other issues relating to compensation that may be laid down or provided for under the Companies Act, 1956, the Listing Agreement and the applicable Government

Guidelines. The Committee consists of three members, viz., Smt. Abha Chaturvedi, Independent Director -- who is the Chairperson - Shri VLVSS Subba Rao, Government Nominee Director and Shri Arun Seth, Independent Director. During the financial year 2009-10, the Committee met once, viz. on 8 April 2009 to examine various issues that had become relevant in the context of pay revision of the officers. The said meeting was attended by all the members.

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

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

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

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

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

A shareholder's satisfaction survey was conducted in August 2009. Responses reflected that the services to the shareholders are generally satisfactory. The Company is committed to persistently improve and raise the standard of service to the shareholders.

Secretarial Audit

During the Financial year 2009-10, Secretarial Audit as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out on quarterly basis by Practicing Company Secretary for reconciliation of the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Legal Compliance Audit

With a view to ensure better compliance with the provisions of Clause 49(l)(C)(iii) of the Listing Agreement, the Company conducts a Legal Compliance Audit every year. For the financial year 2008-09, this audit has been duly conducted in the year 2009-10 to check the quality of compliance of all applicable laws under which the Company and its Strategic Business Units operate. The Board has reviewed the report of such legal compliance audit and found the same generally satisfactory.

Board Procedure

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

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

Payment of Dividend through National Electronic Clearing Services (NECS)

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

Transfer of Unclaimed Dividend to the Investor Education and Protection Fund

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

Accordingly, the amount of unclaimed final dividend, which was lying in the 'unpaid dividend account' of the Company, for the financial year 2001-02 has been deposited with the "Investor Education and Protection Fund" of the Central Government, by the Company on 16 November 2009.

The details of dividends remaining unclaimed as on 30 June 2010, which may, in future be required to be transferred to the

Investor Education and Protection Fund by the Company are as below:

Date of Dividend Payment	For the financial year	Total amount of Dividend (Rs.)	Dividend per share (Rs.)	Amount of unclaimed dividend as on 30 June 2010 (Rs.)	% of Unclaimed Dividend on the total Dividend	Due date* for transfer to Investor Education and Protection Fund
1 October 2003	2002-03	5,04,86,851.00	3.10	562457.80	1.11	1 October 2010
1 October 2004	2003-04	5,70,01,284.00	3.50	518621.80	0.91	1 October 2011
29 September 2005	2004-05	8,95,73,446.00	5.50	821766.00	0.92	29 September 2012
25 September 2006	2005-06	14,65,74,729.00	9.00	1235859.00	0.84	25 September 2013
3 October 2007	2006-07	21,98,62,093.50	13.50	1938036.00	0.88	31 October 2014
3 October 2008	2007-08	27,68,63,377.00	17.00	2470744.00	0.89	1 November 2015
29 September 2009	2008-09	32,57,21,620.00	20.00	2818992.42	0.87	30 October 2016

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

During 1 April 2009 to 31 March 2010, the Company filed with the Registrar of Companies, West Bengal, the quarterly statements duly certified by a Practicing Company Secretary regarding the amounts which were credited to the Investor Education & Protection Fund pursuant to circular issued by Ministry of Law, Justice & Company Affairs, Department of Company Affairs vide F. No. 5/199-IPC-I, dated 21-6-2002.

Quarter Ended	Due date of compliance	Date of compliance
30 June 2009	5 July 2009	3 July 2009
30 September 2009	5 October 2009	1 October 2009
31 December 2009	5 January 2010	5 January 2010
31 March 2010	5 April 2010	5 April 2010
30 June 2010	5 July 2010	2 July 2010

General Body Meetings

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

Date and Time	Venue	Type of Meeting	Special Resolution Passed
24 September 2009 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	92nd Annual General Meeting	NIL
26 September 2008 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	91st Annual General Meeting	NIL
25 September 2007 at 10.30 a.m.	G. D. Birla Sabhagar 29, Ashutosh Choudhury Avenue, Kolkata - 700 019	90th Annual General Meeting	NIL

Resolutions passed through Postal Ballot

During the financial year 2009-10, the Company passed a Special Resolution through Postal Ballot in accordance with Section 192A of the Companies Act, 1956 for effecting certain alterations in the Objects Clause of its Memorandum of Association pursuant to Section 17(1) of the Companies Act, 1956.

The Notice of the Postal Ballot dated 10 November 2009 together with the text of the Resolution were mailed to the Members on 26 November 2009 as per the provisions of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The Company completed dispatch of postal ballot forms along with postage prepaid business reply envelopes to the Members whose name appeared on the Register of Members / list of beneficiaries as on 20 November 2009.

The Board of Directors of the Company had earlier, at its meeting held on 29 October 2009, appointed Shri P. V. Subramanian, Company Secretary in whole-time practice, as Scrutinizer for conducting the Postal Ballot process involving passing of the Special Resolution.

The Scrutinizer submitted his detailed Report on the results of Postal Ballot on 11 January 2010 to the Company after verification and scrutiny of the Postal Ballots received. Based on the Report of the Scrutinizer, the result of the Postal Ballot was declared by Shri V N Sharma, whole-time Director of the Company, at the Registered Office of the Company, in the presence of Shareholders on 14 January 2010. He declared the Special Resolution passed with requisite majority. The said results were also published in the Business Standard [English] and the vernacular newspaper Aajkal on 15 January 2010 and in Business Standard [Hindi] on 16 January 2010.

Voting Pattern

Sl. No.	Particulars	No. of Postal Ballot Forms	No. of Shares
1	Total Postal Ballot forms received	560	1,02,50,843
2	Less: Invalid Postal Ballot forms	53	1,04,871
3	Total no. of Valid Votes polled	507	1,01,45,972 (100.00%)
4	Total No. of the Votes polled in favour of the Special Resolution	464	1,01,45,540 (99.996%)
5	Total No. of votes polled against the Special Resolution	43	432 (0.004%)

Disclosures

- a) There was no materially significant related party transaction executed during the financial year ended 31 March 2010 requiring disclosure under Clause 49 of the Listing Agreement, except as has been mentioned under

Clause 14.22(i) and (ii) of Schedule-14 of the Notes on the Annual Accounts which were all carried out at arm's length prices and all disclosures have been made in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

- b) There was no non-compliance by the Company on capital market related matters and no penalty or stricture was imposed on the Company by the stock exchanges, SEBI or any other statutory authorities during the financial year ended 31 March 2010.
- c) The Company has with effect from March 2003 introduced a Code for Prohibition of Insider Trading. The Company Secretary being the Compliance Officer, monitors adherence to the Code.
- d) The Company has filed requisite returns, documents and forms within the statutory time frame with the Registrar of Companies, West Bengal, as required under various provisions of the Companies Act, 1956.
- e) Pursuant to Clause 49 (VII)(1) the Company has obtained Certificate from the Statutory Auditors on compliance of the various conditions as stipulated under Clause 49 of the Listing Agreement and a copy of such Certificate is attached to this report.
- f) The CEO (Managing Director) and the CFO [Director (Finance)] have jointly certified to the Board, with regard to reviewing the financial statements, cash flow statements and effectiveness of internal control and other matters as required under Clause 49 of the Listing Agreement.
- g) A Remuneration Committee has been constituted by the Board.
- h) The Company introduced the 'Whistle Blower Policy' with effect from 9 April 2010 as per Clause 49 of the Listing Agreement. Although this is a non-mandatory requirement of the Listing Agreement, it has been introduced to promote and encourage transparency in the Company. The existence of the mechanism has been appropriately communicated within the Company.
- i) On and from 9 April 2010, the Company also introduced a 'Fraud Prevention Policy' with the object of promoting high standards of professionalism, honesty, integrity and ethical behaviour. This policy meets the requirements laid down in the Guidelines on Corporate Governance for Public Sector Enterprises, 2010, which were made effective by the Government in May 2010.
- j) Remuneration Policy

By virtue of Article 7A of the Articles of Association of the Company, the President of India is entitled to determine terms and conditions of appointment of the Directors. This interalia includes determination of remuneration payable to the Whole-time Directors. The Company circulates/ discloses to the Members such terms of appointment & remuneration/any variation thereof together with memoranda of interest of Directors in accordance with Section 302 of the Companies Act, 1956. The Company

pays sitting fees of a sum of Rs. 10,000/- per meeting of the Board or Committee thereof attended by each of the non-executive Independent Directors. No sitting fee is paid

to the Whole-time/Non-Wholetime Government Nominee Directors for the meetings of Board of Directors or Committees attended by them.

Details of remuneration paid to the Directors during 2009-10 are enumerated hereunder, which includes arrear for the period 1 January 2007 to 31 March, 2009 as arrear of Pay revision:

(All figures in Rs.)

Name of Director	Salaries and allowances	Contribution to provident fund	Contribution to gratuity fund	Other benefits and perquisites	Sitting fees	Total Remuneration
Shri S K Mukherjee	4272946.00	340895.00	126224.00	419971.09	-	5160036.09
Shri VLVSS Subba Rao	-	-	-	-	-	-
Shri Shri Pakash	-	-	-	-	-	-
Shri P Radhakrishnan	3968194.20	222344.00	-	201180.00	-	4391718.20
Shri V N Sharma	2891243.00	287709.00	116743.13	349658.00	-	3645353.13
Shri K Subramanyan	3165992.33	274982.00	116743.13	394669.28	-	3952386.74
Shri K C Murarka	-	-	-	-	-	-
Shri Arun Seth	-	-	-	-	20000.00	20000.00
Shri M P Bezbaruah	-	-	-	-	90000.00	90000.00
Shri P K Bora	-	-	-	-	110000.00	110000.00
Shri Asish K Bhattacharyya	-	-	-	-	110000.00	110000.00
Smt Abha Chaturvedi	-	-	-	-	60000.00	60000.00

k) The Code of Conduct for Directors and Senior Management Personnel of the Company is operational. Declaration by the CEO under Clause 49 of the Listing Agreement has been set out elsewhere in the Annual Report.

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

Name of the Director	Shares held in the Company
Shri S K Mukherjee	383
Shri V N Sharma	1650*
Shri K Subramanyan	101
Shri Virendra Sinha	258**

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

** Including 126 shares held jointly [with his wife as the first holder]

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

Shareholders' Information

Date and time of the 93rd Annual General Meeting: 24 September 2010 at 10.30 a.m.

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

Financial year ended on:

31 March 2010.

Dividend Payment date:

The dividend warrants would be posted or dividends would be transferred through NECS on or after 29 September 2010 and within 30 days from the date of declaration as provided in the Companies Act, 1956.

Date of Book Closure:

9 September 2010 to 24 September 2010 (Both days inclusive)

The shareholders are requested to submit NECS mandate / bank particulars, on or before 17 September 2010 at the following address:

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

Shares in Suspense Account

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

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

Name and address of the Stock Exchanges	Stock code	Annual Listing Fee for 2009-10 paid to the Stock Exchanges on
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	523319	26 April 2010
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400051	BALMLAWRIE	12 April 2010
ISIN Code of the Company	INE 164A01016	

Means of Communication and Address for Correspondence

- Financial results are generally published in Financial Express (English), Business Standard (English), Aajkal (Bengali) and Jansatta (Hindi).

- The financial results and other notices issued by the Company are also posted on the website www.balmerlawrie.com

- The Company has created an exclusive e-mail ID viz, blsharegrievance@balmerlawrie.com to enable the investors lodge their complaint/grievance, if any.

- All communications relating to share registry matters may be addressed to:

Link Intime India Pvt. Ltd.

59-C, Chowringhee Road, 3rd Floor

Kolkata - 700 020

Phone: (033) 2289 0540

Telefax: (033) 2289 0539

E-mail: kolkata@linkintime.co.in

OR

Balmer Lawrie & Co. Ltd.

Secretary's Department

21, Netaji Subhas Road

Kolkata - 700 001

Phone: (033) 2222 5322/5314

Fax: (033) 2222 5292

E-Mail: dey.sk@balmerlawrie.com

or mukhopadhyay.c@balmerlawrie.com

Distribution of Shareholding on the basis of face value of equity shares held as on 31 July 2010

Face value of Equity shares (Rs.)	Number of Shareholders	Percentage of total Shareholders	Number of Shares	Percentage of total Shareholding
Upto 50	10668	56.86	229883	1.41
51 TO 100	3148	16.78	273795	1.68
101 TO 200	2224	11.85	351084	2.16
201 to 300	751	4.00	194574	1.19
301 TO 400	442	2.36	160003	0.98
401 TO 500	395	2.11	189596	1.16
501 TO 1000	572	3.05	435731	2.68
1001 TO 2000	314	1.67	469524	2.88
2001 TO 3000	90	0.48	219710	1.35
3001 TO 4000	40	0.21	144559	0.89
4001 TO 5000	21	0.11	95226	0.58
5001 TO 10000	51	0.27	368895	2.27
10001 AND ABOVE	47	0.25	13153501	80.17
TOTAL	18763	100.00	16286081	100.00

Distribution of Shareholding as on 31 July 2010 on the basis of category of Shareholders

	Category	No. of shares held Shareholding	Percentage of
A	Promoter's Holding		
1	Promoters		
	- Indian promoters	NIL	NIL
	- Foreign promoters	NIL	NIL
	Sub-Total	NIL	NIL
B	Non-Promoter's Holding		
	2. Institutional Investors		
	a. Mutual Funds and UTI	941175	5.78
	b. Banks, Financial Institutions, Insurance Companies (including Central/State Govt. Institutions/ Non-Government Institutions)	1489011	9.14
c.	Foreign Institutional Investors	281950	1.73
	Sub-Total	2712136	16.65
3	Others		
	a. Bodies Corporate*	10558617	64.83
	b. Indian Public	2889992	17.75
	c. Non-Resident Indians/ Overseas Corporate Bodies	125336	0.77
	d. Any other	-	-
	Sub-Total	13573945	83.35
	GRAND TOTAL	16286081	100.00

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

Categories of Shareholders as on 31 July 2010

Category	Number of Physical Shares	Number of Dematerialized Shares	Total number of Shares	Percentage of Equity holding
Foreign Nationals	17806	389480	407286	2.50
Financial Institutions and Banks	12306	1472685	1484991	9.12
Balmer Lawrie Investments Limited (a Government company)	0	10064700	10064700	61.80
UP State Government	4020	0	4020	0.02
Mutual Fund	650	940525	941175	5.78
Bodies Corporate	8664	485253	493917	3.03
Directors & their relatives	742	1650	2392	0.01
Public	377309	2510291	2887600	17.88
TOTAL	421497	15864584	16286081	100.00

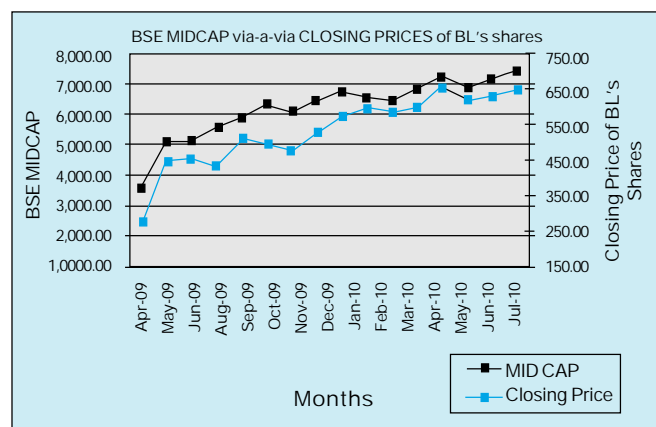
Percentage of physical and dematerialized shares as on 31 July 2010

Form of Shareholding	%
Physical	2.59
Dematerialized	97.41
Total:	100.00

Market Price (High and Low) and the Volume of transactions in the Shares of the Company as per National Stock Exchange (for the period April 2009 to July 2010)

Month	High (Rs.)	Low (Rs.)	Volume of Transactions during the month (No.s)
April 2009	318.00	239.00	126088
May 2009	448.00	275.05	266525
June 2009	493.00	401.15	401814
July 2009	473.00	403.05	372253
August 2009	523.00	416.30	401987
September 2009	539.80	470.00	385530
October 2009	521.00	469.00	190417
November 2009	536.85	451.15	300351
December 2009	583.80	520.00	432299
January 2010	753.90	552.65	2021349
February 2010	654.40	570.10	381927
March 2010	630.00	576.50	320590
April 2010	685.00	592.55	560835
May 2010	665.75	563.00	263844
June 2010	680.00	585.55	549107
July 2010	682.00	596.10	293580

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



Location of Business

Name of the business	Location	ISO 9001: 2000 accreditation	ISO 9001:2008 accreditation	ISO 14001:2004 accreditation
Greases & Lubricants	Manufacturing Units:			
	Chennai*	3		3
	Kolkata	3		3
	Mumbai	3		-
	Silvassa	3		3
	Taloja	3		-
	Marketing Offices:			
	Bangalore	-		-
	Calicut	-		-
	Chennai	-		-
	Kolkata	-		-
	Mumbai	-		-
	New Delhi	-		-
	Raipur	-		-
	Secunderabad	-		-
	Vadodara	-		-
	Chandigarh	-		-
Industrial Packaging	Chennai	3		3
	Kolkata	3		-
	Mumbai	3		-
	Silvassa	3	-	-
	Asaoti	-	3	-
	Marketing Office:			
	New Delhi, Baroda and at all the places mentioned above			
Leather Chemicals	Manufacturing units			
	Chennai	-		-
	Manali*	3		3
	Technical Service Centers:			
	Chennai	-		-
	Kanpur	-		-
	Kolkata	-		-
	Ambur	-		-
	Ranipet	-		-
	Vaniyambadi	-		-
	Marketing office:			
	Chennai	-		-
	Kolkata	-		-
	Delhi	-		-
	Kanpur	-		-
	Ranipet	-		-
	Vaniyambadi	-		-
	Ambur	-		-
Logistics Infrastructure	Chennai	3		3
	Kolkata	3	3	3
	Navi-Mumbai	3		3
Logistics Services:	Ahmedabad	-		-
	Bangalore	-	3	-
	Chennai	-	3	-
	Coimbatore	-	-	-
	Delhi	-	3	-
	Hyderabad	-	3	-
	Karur	-	-	-
	Kochi	-	-	-
	Kolkata	-	-	-
	Lucknow	-	-	-
	Mumbai	-	3	-
	Pune	-	-	-
	Thiruvananthapuram	-	-	-
	Tuticorin	-	-	-
	Visakhapatnam	-	-	-

Name of the business	Location	ISO 9001: 2000 accreditation	ISO 9001-2008 accreditation	ISO 14001:2004 accreditation
Engineering & Technology Services and Refinery & Oil Field Services	Kolkata	-	3	-
Tea Blending & Packaging	Kolkata	-	-	-
Travel and Tours	Ahmedabad	-	3	-
	Bangalore	3		-
	Bhubaneswar	-		-
	Chennai	3		-
	Delhi	3		-
	Hyderabad	3		-
	Kanpur	-		
	Kolkata	3		-
	Lucknow	3		-
	Mumbai	3		-
	Pune	-		
	Tiruvananthapuram	-		-
	Vadodara***	-	3	-
	Chandigarh	-		
	Dehradun			

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

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

To
The Members of
Balmer Lawrie & Co. Ltd.

I, S. K. Mukherjee, Managing Director of Balmer Lawrie & Co. Limited hereby declare that myself and all Designated Personnel (viz. all wholetime directors and officers in the rank of general manager and above) of the Company, have affirmed compliance with the applicable Code of Conduct for the year ended 31 March 2010.

Kolkata
29 July 2010

S. K. Mukherjee
Managing Director

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

We have examined the compliance of conditions of Corporate Governance by Balmer Lawrie and Company Ltd ("the company"), for the year ended 31 March 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India, and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate

Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For J. GUPTA & CO.
Firm Reg. No.: 314010E
Chartered Accountants

S.P. Datta
Partner
Membership No.13852

Kolkata
August 20, 2010
12, Waterloo Street
2nd Floor, Room No. 10
Kolkata - 700 069

Management Discussion and Analysis

[Forming Part of the Directors' Report for 2009-10]

Balmer Lawrie & Co. Ltd. is a multi-product, multi-location company engaged in both manufacturing and service businesses striving to maximize shareholder value against a backdrop, which required the Company to weather the impact of the global economic slowdown that began in the financial year 2008-09 and the after-effects of which continued into 2009-10.

Eight Strategic Business Units (SBUs) constitute the business of your Company and these are being discussed separately herein below:

1. INDUSTRIAL PACKAGING (SBU-IP)

Industry Structure and developments

The Company is the largest manufacturer of 200 litre steel drums in the Industrial Packaging segment. This Strategic Business Unit [SBU] of the Company offers a wide product range, which includes 165, 200 and 210 litre capacity mild steel barrels from its six manufacturing units spread across the country.

The products are sold through the Company's pan-India marketing network. The consumers -- who use the containers for safe packing, transport and storage of their products -- are leading manufacturers in the lubricating oils & greases, transformer oil, agrochemicals, fine chemicals, paint, food products, chemicals and bitumen segments.

Low growth rate, surplus capacities and a large number of manufacturers leading to depressed margins have characterized operations in the Industrial Packaging industry during 2009-10. Cold rolled steel is the main input material for the SBU, an item which was significantly affected by the vagaries of rising input costs.

Despite the above, the SBU continues to hold its lead position in terms of market share.

Opportunities & Threats

The major Opportunities for the SBU lie in:

- | Wider & varied product range
- | Multi-locational presence and well accepted quality standards across diverse industry segments along with wide and patronising customer base.
- | Leading edge technology and manufacturing expertise built over decades.
- | Continued value addition as a packaging, filling and logistics service provider to attract a large volume/variety of customers.
- | Consolidation of market players in the Industry.

The major Threats being faced by the SBU are:

- | Excess manufacturing capacity in the industry leading to depressed pricing.
- | Tender based supplies with wafer-thin margins.

- | Growing competition from alternative packaging products, such as, plastic drums.
- | Price fluctuation in the steel industry leading to unstable input cost and hence unstable product pricing.

Segmentwise or Productwise Performance

The SBU posted a year of strong growth in terms of volume and turnover activated by a substantial growth in demand for the products offered by the SBU. Effective cost management added to the positive contribution resulting in the SBU recording its highest volume sales, turnover and a sharp increase in profits during 2009 - 10.

Outlook

The demand for the products of the SBU improved considerably in the year under review and 2010-11 portends to be a better year. The SBU expects its volume to improve and sustain its market share.

The SBU has since commissioned (in June 2010) its new plant at Chittoor in Andhra Pradesh, which would substantially add to the production capacity enabling the SBU to cater to the increasing demand.

Risks & Concerns

Increased competition from plastic drum manufacturers is an area of concern. Escalation in input costs, specially steel and paint often results in less than commensurate product price adjustments and has generally subjected the Industry, in which the SBU operates, to operational pressures. The SBU continues to lay focus on product quality and customer service.

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 has been obtained for all plants of the SBU. Five out of the six plants under the SBU are certified to ISO 9001:2000 Quality Management Systems and one plant is certified to ISO 14001:2004 Standards. Additional checks are maintained through Internal Audit, Vigilance Inspection etc.

Discussion on Financial Performance with respect to Operational Performance

The performance of the SBU: IP showed significant improvement compared to the previous year on account of higher sales volume owing to increased market demand and improved contribution due to relatively stable steel prices, efficiency improvement and cost reduction measures.

Material Developments in Human Resources / Industrial Relations

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

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

Industry Structure and developments

The lubricant industry in India presently has a turnover in excess of Rs.10,000 crore per annum entailing a volume of about 1.4 million tons. India is the sixth largest producer of lubricants in the world and the third largest in Asia, after China and Japan. The market is characterized by intense competition with a large number of players including the PSU oil majors, MNCs, number of Indian companies - large, medium & small - and also the unorganized sector.

The lubricant market can be bifurcated into industrial lubricants and automotive lubricants, with the automotive sector representing about 65% of the total lubricant market. Impressive growth in the core sector industries and automobile sector along with revival of the overall economy have been instrumental in creating new opportunities for the lubricant industry in which the SBU:G&L operates.

In the long term, the overall prospect for the lubricant market looks positive owing to the projected growth of the Indian economy. The lower per capita consumption of lubricants in India, when compared with that of the developed nations, is an indicator of the growth potential; however, industry volume growth could be tempered by the reduced consumption of lubricants arising from improvement in efficiencies, use of sophisticated lubricants e.g. with longer drain intervals, new technological developments etc.

Opportunities and Threats

Growth of the economy with emphasis on infrastructure development and greater industrialisation would expectedly lead to growth in the consumption of lubricants. The growth in the automobile sector - particularly commercial vehicles, small cars and 4-stroke two-wheelers offers opportunity for lubricant manufacturers to launch value-added, high quality engine oils and other lubricants suited for such engines. Growing concern for the environment is expected to lead to development and growth of eco-friendly biodegradable lubricants. The SBU is advantageously placed in this respect with ongoing work at its R&D centre.

Spiraling prices of lubricating base oil - which is a major input material - pushes up the lubricant prices and affects the margins of the lubricant manufacturers. Availability of base oil is also an area of concern at times.

Segmentwise or Productwise Performance

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

- (a) Processing Business or Contract manufacturing for others including oil / lube companies, and
- (b) Direct Sales

The Direct Sales segment may be categorized into [a] Institutional / industrial, [b] Retail and [c] Export. In the Institutional / industrial category, the major segments are Steel, the Coal / mining, Jute, Petroleum Exploration, Railways, Defence etc.

The SBU registered good growth both in volume and profitability with better margins arising from cost effective formulations and relatively economical raw material prices for major part of the year. The grease processing business reflected a growth of about 28% compared to 2008-09 but the oil processing volume dropped by around 12%. Direct sales registered healthy growth of over 30%.

The SBU achieved highest ever production and sales volumes as well as turnover and profit during the year.

Outlook

As indicated earlier, the industry has good growth prospects linked to the country's economic growth. The SBU with its strong R&D and other technical service capabilities, multi-locational production facilities, focused marketing and dedicated manpower, expects to increase its share in the industry.

Risks and Concerns

The margins are under pressure in the current year with spiraling price of base oils exacerbated by the commitment in some of the customer segments to supply products at fixed prices in terms of contractual obligations.

Internal Control Systems and their Adequacy

The SBU has adequate internal control system suited to its business needs. In-house developed Greases & Lubricants Integrated Operating Software [GLIOS] including On-line Depot Management System is operational across all locations facilitating greater operational efficiency and better monitoring of performance.

The SBU has detailed Management Information System in place. The Quality and Environment Management System at all plants are certified to ISO 9001:2000 and ISO 14001:2004 standards. All the plants have also received OHSAS 18001 Certification. Implementation of ERP is being considered.

Discussion on Financial Performance with respect to Operational Performance

SBU: G&L achieved all-time high levels of production, sales volume, turnover and profit during the year despite the intense competition and the strategic advantages enjoyed by some of the leading players in the industry.

Some of the causative factors underlying the impressive performance are improved production / delivery from all units of the SBU, cost effective substitution of raw materials through R&D, introduction of new products, close monitoring of base oil prices and timely purchase decision, discontinuation of low margin / unremunerative business lines etc..

Material Development in Human Resources / Industrial Relations

The industrial relation scenario in all the Divisions / Units of SBU: G&L continues to be cordial and peaceful at all levels.

3. LOGISTICS SERVICES (SBU-LS)

Industry Structure and developments

A complex issue facing Logistics Services industry in India is the diversity in the country's regional, geographical and legislative aspects. The diversity has spawned other issues such as inappropriate industry practices and disparities in terms of regulatory compliance.

Another relevant aspect which needs to be considered in assessing the position of the industry is the impact of the unprecedented global recession in 2008-09 which continued to be felt during the first half of 2009-10. Only towards the later half, did the industry show some signs of improvement. India's modest GDP growth of 7.4% -- much better than what was anticipated in the beginning of the year - has, however, been a positive development. It is anticipated that accelerated growth in the GDP would be a trigger for further growth in the industry.

SBU-LS through wide range of logistics solutions -- covering import consolidation by air and ocean, customs clearance, handling of project cargo through multimodal transportation, chartering of aircrafts and vessels, express service and door-to-door services -- is trying to cope up with the effects of the recession which has impacted industrial / sectoral development.

Opportunities and Threats

The wide spread terrorism at international and national levels has necessitated stiffening of security measures all over the globe. This along with rightsizing of the airline services across the world has resulted in hardening of rates which has had a negative impact on the SBU revenue in view of its long-term contracts.

The Ministry of Shipping and Surface Transport continues to put restrictions with regard to handling of Government and PSU import cargo movement by sea. This has a far reaching and serious impact on the growth of sea import business of the SBU.

The SBU has spent considerable time and money towards successfully developing customized tracking and tracing software solution for providing better service to customers and to improve bottom-lines in this adverse industry situation. The SBU is also aiming to put in place differentiation through improvement of service quality.

Segmentwise or Productwise Performance

The SBU had a lower turnover in 2009-10 than the previous year, which was primarily on account of the effect of the global recession which continued to impact the operations in the first half of 2009-10 and more so in the air-chartering segment. However, with better cost control, the SBU achieved profitability which was marginally higher than the previous year. Air cargo and related services continue to be core activities of the SBU, as these contributed to about 70% of the turnover.

Outlook

With the world economy slowly emerging from the clutches of a widespread slowdown and with allotment

of higher funds to infrastructure sector in the national budget, the SBU expects to perform better in the coming year(s).

As per the CRISIL Research Report, the Indian Logistics Industry, which is currently valued at Rs.3.6 trillion, is expected to grow at 11% CAGR [Compounded Annual Growth Rate] for the next 3 years which is definitely an encouraging prospect for all the Industry players including SBU: LS.

Risks and Concerns

The Industry is highly fragmented and competitive with virtually no entry barriers. Most of the global logistics service providers have considerable presence in India so the environment is fraught with competition. There are pricing related risks connected more specifically with predatory / un-remunerative pricing arising out of the entry of global players and the presence of a large number of unorganised players in the logistics business. Globally the industry is gradually adapting itself to operating within the security constraints / systems which have been put in place but these tend to put pressure on the turnover and resultant profitability of the SBU. The activities of the SBU which were heavily focused on Europe and the United States of America has been affected by shift in EXIM trade from India to China, and other South East & Far East countries.

Internal Control Systems and their Adequacy

The SBU has in place an effective internal control mechanism which includes external and periodical internal audits. All major branches and the SBU offices are certified to ISO 9001:2008 standards.

Discussion on Financial Performance with respect to Operational Performance

Despite intensive marketing efforts, the turnover and profitability of the SBU-LS was affected on account of depressed market conditions and increased competition during 2009-10. The dip in turnover during the year was primarily due to lower turnover in the air-chartering segment.

Material Development in Human Resources / Industrial Relations

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

4. TRAVEL AND TOURS (SBU-T&T)

Industry Structure and Developments

According to International Air Transport Association (IATA), 60,000 travel agents worldwide sell around 220 billion US Dollars worth of airline tickets on behalf of 230 member airlines. In India there are about 2900 accredited IATA agents. The SBU is one of the largest IATA affiliated travel agencies in the country operating in the organized sector. The travel industry has numerous other non-IATA agents operating in the country in addition to the IATA approved agents.

During 2009-10, the aviation industry and the travel trade

were very adversely impacted by the global economic downturn and austerity measures put in place by all customers. As such there was a steep fall in both domestic and international travel.

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

- | Two new branches were opened by the SBU at Chandigarh and Dehradun to strengthen the network.
- | Baroda and Ahmedabad branches have been duly certified under ISO 9001:2008 accreditation.
- | The SBU was awarded by the Lufthansa and Kenya Airways for its efficiency and effectiveness in the travel business.

Although the SBU issued 4.5% more tickets in the financial year 2009-10, the turnover showed a drop. This was largely due to the lower average cost per air-ticket on account of intense price competition amongst airlines and shift of passengers from the executive class to the economy class as a consequence of the economic slowdown.

Opportunities and Threats

Opportunities for the SBU lie in revival of the global economy and the resultant increase in travel & tours both by the corporates and the individual traveller. Though PSUs & Government Departments, who are major customers for the SBU, are continuing with austerity measures, there are signs of change in the travel & tourism scenario which is a positive signal for SBU-T&T.

Introduction of Low-fare and budget airlines operating on various domestic & international routes and the resultant substantial growth in international & domestic traffic / tourism is perceived as a major opportunity for the SBU.

As regard threat perceptions, the major threats for the SBU lie in reduction of commission & incentives by the Airlines along with all airlines targeting directly at the individual and the corporate traveller through the web. The SBU also faces stiff challenge from tie-ups between the Banks and the Airlines offering higher discounts to clients. Growth in the number of online ticketing agencies is also posing a substantial threat to the profitability of the SBU.

Segmentwise or Productwise Performance

SBU: T&T has two main segments viz., Domestic travel and international travel. During the year under review, performance in both the segments fell somewhat short of both budgeted targets and last year's performance on account of the factors explained above, which ultimately culminated in the segmental sales / income during 2009-10 being 8% lower as compared with the actual in 2008-09.

Outlook

By and large, 2009-10 was a challenging year for the SBU. The SBU's major customers are the Government

Departments, Ministries and PSUs. This segment was adversely affected by the government guidelines issued to bring austerity on travel expenditure. Travel by the executive class in the domestic segment was restricted as also restrictions placed on travel in business and first class on the International sectors. With the economy looking up and these restrictions eased, the prospects are positive for further development of the Company's travel business.

SBU: T&T is working with Air India to provide end-to-end travel solution for athletes, players and officials, who would be arriving in India for the Commonwealth Games 2010 and this is expected to have favourable impact on turnover and revenue of the SBU during 2010-11 besides adding to the visibility of the Company.

Risks and concerns

The travel business of the Company has been unfavourably impacted by lower incentive and zero commission by some of the airlines. While the domestic airlines have restored the basic IATA commission structure, a number of European carriers have decided to continue with the practice of zero commission. With the popularisation of the internet and the airlines making all efforts to directly reach customers through web offerings, it poses a serious threat to the business of the SBU in the medium to long-term. The SBU is planning to focus on the Tours Business, which would cushion these challenges. Another area of concern has been the intense competition with the large number of private sector operators including small players who are offering disproportionate discounts and wafer-thin service fee.

Despite reduction in incentive and zero per cent commission by European carriers, intense competition has increased the expectations of the customers for free / add-on services coupled with discounts. These could affect the SBU's bottom-lines adversely in times to come.

Recovery/collection of debts is an area of concern for the SBU as large clients especially the Government Departments & the PSUs have different and cumbersome procedures for settling bills and in addition the former have budgetary constraints.

Internal Control Systems and their Adequacy

The Internal Audit controls and checks assigned were duly carried out by the SBU during the year. The systems and procedures followed by the SBU have been found to be adequate from internal control stand point.

Discussion on Financial Performance with respect to Operational Performance

During 2009-10, the overall turnover of the SBU was affected by the global economic downturn especially in the period April to December 2009 as compared to the previous year. Nevertheless, the profitability during 2009-10 improved through better operating efficiencies.

The SBU with sustained efforts, has also maintained its business volume in terms of number of tickets sold.

Material Development in Human Resources / Industrial Relations

The SBU continued to maintain cordial industrial relations at all its offices.

5. LOGISTICS INFRASTRUCTURE (SBU-LI)

Industry Structure and Development

Logistics Infrastructure comprises two activities (a) Container Freight Stations (CFS) and (b) Warehousing and Distribution (W&D).

CFSs operate as an extension of the Port and help decongesting the Port. It provides facilities for storage of containers, customs clearance, aggregation and segregation of long distance cargo, warehousing and transportation to and from Ports. Thus the Port concentrates on quick turnaround of containers and container ships, while storage, customs clearance etc., are done at the CFS.

Ports are the gateway to international trade and handle over 90% of foreign trade. More than 50% of the world's sea trade is containerized. The Indian Container traffic has been showing growth in line with the GDP and Foreign Trade growth.

The recession in International Trade and the severe downturn in the Shipping Industry which was seen in the second half of 2008-09 continued during the major part of 2009-10. Consequently, there was a steep drop in import containers during the first half of the year especially at Chennai and Nhava Sheva. As the CFS business is inextricably linked to the shipping industry and the EXIM trade, the month-on-month steep decline in import cargo has severely affected the performance of the CFSs. The downturn was most pronounced at Chennai and Mumbai, where the Company's two large CFSs are located and as such the operations at the two CFSs were the most affected. Kolkata Port, however, showed significant growth in the second half of the financial year and as such the eventual performance at CFS - Kolkata was in line with expectations.

With a view to diversification, the SBU has been exploring possibilities of setting up CFSs / Logistics Hubs at other locations; but a number of ports, which till recently registered growth have shown either a flat growth or a decline in the volume of containers handled in the year gone by. Nevertheless, this is seen only as a temporary aberration and EXIM volumes are likely to go up in the coming years. To cater to the growth opportunities, the SBU has acquired additional land at Mumbai and Kolkata to expand its CFS operations and is actively pursuing its plans to set up CFSs / Logistics Hubs at other locations.

Warehousing & Distribution (W&D) has been a traditional activity of the Company for a number of decades but the Kolkata facility only handled bulk metals. With the growth in organized sector like retail, consumer durables etc., during the last few years, the SBU has initiated steps to set up covered warehouses. At Kolkata the availability of covered warehousing space was doubled during the year. The overall performance has been encouraging.

Opportunities and Threats

The global economy, especially, the Indian economy began showing signs of recovery in the second half of 2009-10. Since then, in line with the growth, the resultant volume of cargo being handled by the SBU for export and imports (containerized as well as bulk) as well as volumes from the warehousing & distribution sector have shown modest growth.

Ports continue to lay emphasis on quick turnaround time for vessels and reducing congestion at the docks which provides a stimulus to volumes handled by the CFSs and W&D activity of the Company. Planned investments in new ports / container terminals did suffer a set back during the year but it is anticipated that the same would be back on track in the near future.

There are three other factors which could have a dampening effect on business. Firstly, importers and exporters have been clearing their cargo expeditiously; this would cut their own costs but prune the revenues of the SBU. Secondly, new Container Freight Stations have been opened during the year at Mumbai, Chennai and Kolkata further intensifying competition and resulting in diversion of volume. Thirdly, CFSs owned and operated by the shipping lines constitute a major threat to the SBU. The shipping lines are not only moving deeper into the value chain by getting into every aspect of shipping and embarking on total logistics solutions, they are also ferociously cutting costs and thereby trying to maximize revenue. Severe price pressures and reduction in margins are thus anticipated for the future especially in the near-term although in the medium to long-term, these are expected to be offset by increase in volumes.

To counter the above, the SBU has introduced improved service and facility parameters to provide Total Customer Service. Use of technology as a competitive tool for creating product differentiation, such as, container tracing, induction of OCR technology etc. are also being made.

Segmentwise or Productwise Performance

CFS-Kolkata has performed extremely well in 2009-10 and posted a 2% volume growth in import coupled with 1% increase in its bottom line compared to the previous year. However, the two largest CFSs at Chennai and Mumbai operated well below their capacity for most part of the financial year due to major drop in import volumes handled by the two ports. As such, overall the CFS segment of the SBU showed a decline of 2% in the total volume of containers handled.

Warehousing and Distribution activity having posted break-even level after many years in 2008-09, has shown a profitable growth in 2009-10.

Outlook

Even though domestic growth and the EXIM trade have shown an up-trend, the performance of the CFSs has not shown significant improvement, primarily due to the poor financial position of the major shipping lines, who

continue to record big losses as a fallout of the economic slowdown. As such, the pressure on margins is expected to continue in the near term. The SBU has taken a number of initiatives to improve the overall volume and has taken up expansion of the Kolkata CFS as well as speeding up completion of Chennai CFS. Further, the SBU is proceeding ahead with its plan to set up new facilities with specific emphasis on the east and south coast.

Risks and Concerns

More than 50% of the country's EXIM container traffic moves through Jawaharlal Nehru Port Trust at Navi Mumbai. Increasing saturation of this port along with excess industry capacity and shipping lines setting up their own CFSs are major areas of concern. Moderate to significant risk also stems from the competition emerging from new CFSs entering business. Kolkata Port with its historical legacy of being a river port has made efforts to improve performance but congestion is making it look less attractive to the shipping lines. Adverse changes in Customs Regulations and Port policies are also inherent risk factors for the SBU. Over capacity in the industry and the resultant pricing pressures have led to erosion of revenue.

Internal Control Systems and their Adequacy

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

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

Discussion on Financial Performance with respect to Operational Performance

In the backdrop of extremely adverse economic environment and depressed market conditions, the SBU, which in the past was a major bottom-line generator, suffered a decline in its turnover and profit as compared to the previous year.

Material Development in Human Resources / Industrial Relations

Industrial relations at all the Container Freight Stations and Warehousing & Distribution units have been cordial throughout the year.

6. **Leather Chemicals (SBU-LC)**

Industry Structure & Developments

The Company's SBU-LC manufactures and markets performance chemicals for Leather processing primarily in the form of Fat liquors & syntans. In addition, the SBU is positioning itself to enter into Leather Finishing Chemicals as also international construction for Chemicals utilizing the synergy with its syntan range of products.

India's Leather and Leather products industry is valued

at 7 Billion US Dollars of which 3.5 Billion US Dollars represent export earnings, mainly from the European Union and the USA. The European Union accounts for about 40% of Indian Export of Leather and Leather Products. Leather industry is the eighth largest foreign exchange earner for the country.

The declining trend of exports as a result of the global economic meltdown witnessed in 2008-09 continued in the first half of 2009-10 but exports picked up considerably in the second half and has since grown at an accelerated pace to end the year at a level similar to 2008-09.

The Leather Chemicals Industry experienced a low market growth and high competitive pressures in 2009-10, which were due to the adverse impact of global recession on the Leather Industry and volatility in prices of raw materials throughout the year. Severe pressure on the margins and bottom-lines of the SBU: LC was concomitant to these macro-economic factors.

Opportunities and Threats

The Indian Leather industry has carved a niche for itself globally in research, fashion, colour forecasting, exports and in employment generation. India has become one of the global sourcing centres for finished leather and leather products owing to the availability of vast raw materials in the form of goat, cow, buffalo and sheep hides. The ongoing nationwide infrastructure development and low cost of production compared to other countries have imparted an edge to India in its pursuit of becoming a global major in this industry. Domestic consumption of leather goods too has also received a boost with the emergence of modern retailing outlets in all major cities, which has paved the way for the entry of branded leather products in the market place. These developments augur well for the growth of the Leather Chemicals industry in India.

Against the above backdrop, the objective of SBU-LC is to expand upon its reach in the domestic market and to further build upon its presence in the international arena.

The threat perceptions of the SBU-LC are essentially linked to the continuing effects of the global recession in the European and the US markets combined with volatility in input prices which can cut margins of the SBU. Imports account for a significant share of leather chemicals consumed by the Indian leather industry. Strengthening of the Rupee against US Dollar and Euro can increase the price advantage of imports to the detriment of domestic industry.

Segment-wise or product-wise performance

2009-10 witnessed the SBU-LC recording a volume growth of about 16% in the Fat Liquor segment over the previous year. During the year, the SBU augmented the fat liquor range introducing a number of new advanced products.

In the syntans segment, the SBU achieved an impressive growth of around 10% over the sales volume of the previous year. Overall volume growth for the SBU in 2009-10 was about 14% over the preceding year.

Outlook

The Leather Industry in India is poised for making huge investments, which would, as per estimation, triple production, double exports and create one million new jobs. The sector is totally de-reserved and open for 100% Foreign Direct Investment under automatic route; this has created exciting opportunities for increased consumption of Leather Chemicals in India. Also on the anvil are the plans for broadening the product range by offering finishing chemicals and providing cost-effective products through innovation in formulations and processes.

Risks and concerns

The continuous spiraling of raw material, energy and other input costs have relentlessly squeezed the margins of the SBU on account of the need to absorb higher raw material cost, which is the prime area of concern. It may also be noted that certain materials have been designated as Substance of Very High Concern [SVHC], which must be eliminated from the Company's final product to continue exports to the European market; this is a significant risk. However, testing for elimination of these in the final product has been initiated and appropriate measures would be taken.

Internal control systems and their adequacy

The SBU has internal control systems commensurate with the complexity and scale of operation. The SBU has a computerized business operation system. The manufacturing units, Product Development and marketing functions are certified for Integrated Management System comprising of ISO 9000:2000, ISO 14000 and ISO 18000 standards.

Discussion on Financial Performance with respect to Operational Performance

Sales volume and turnover of the SBU: LC increased significantly and compared with the financial year 2008-09. The improved performance of the SBU as compared to the last year arose from higher sales volume and better margins, which were attributable to cost effective substitution of raw materials through R&D efforts.

Material Development in Human Resources / Industrial Relations

Industrial relations continue to be satisfactory. A new production incentive scheme has also been introduced.

7. REFINERY & OILFIELD SERVICES (SBU-ROFS)

Industry Structure and Developments

The Refinery & Oilfield Services portfolio was evolved in the year 2008 from the activities of "Mechanized Tank Sludge Cleaning & Hydrocarbon Recovery" system operated by the Company over the last one decade under the erstwhile Engineering & Technology Services Division.

Amongst other services, the SBU offers services to guard against vapour loss of petroleum products from storage tanks. The SBU has begun its marketing activities offering

high technology driven services, like composite repair service, non-metallic technology for repair of pipelines and tanks to avoid unplanned shutdowns and prevent external corrosion along with decontamination services for refinery and petrochemical plants. Major thrust has been given to market such new services.

Opportunities and Threats

The SBU currently enjoys a market leadership in 'In-situ' tank sludge cleaning and hydrocarbon recovery and has processed more than 80,000 KL of oily sludge during the last decade. The SBU also provides mechanized lagoon sludge treatment and hydrocarbon recovery services and has processed more than 35,000 KL of oily sludge during the last five years. The process, now established for lagoon sludge treatment, is considered by clients as more technologically advanced. In order to maintain its leadership in this area and to meet market demand the SBU is working on capacity augmentation and fresh sanction of capital investment has been made during the year. However, the SBU is yet to reach its desired level of productivity.

The SBU is constantly striving to provide State-of-the-art technologies in niche areas with the object of improving environmental protection & safety as well as productivity in oil refineries, oil installations and exploration sites.

The SBU provides a window of opportunities for the Company to grow in areas where the long standing relationships with various Oil companies and association with Ministry of Petroleum and Natural Gas can be leveraged. The application areas under exploration are high technology oil and gas field which need related services and offer good growth potential.

The major threat being faced by the SBU lies in the fact that there are negligible entry barriers into this business for new players.

Outlook

The SBU is actively working to expand its tie-up with relevant international technology suppliers and simultaneously attempting to intensify marketing efforts by popularizing new technologies through improved client awareness in the new areas encompassing decontamination, composite repair etc. besides its current business.

More areas of business have already been identified in association with the technology suppliers to enhance the basket of services under offer by the SBU in the field of refinery and oil field services. The SBU is also in touch with other industries where petroleum products are stored and hence require periodic cleaning, such as steel and power plants.

Risks and Concerns

Major risk for the SBU lies in the development of ever increasing competitive technology and processes. The SBU also needs to intensify client interface, which will ultimately secure financial benefit from the technological advantage at the disposal of the SBU in the form of

suitable products and services. An aspect of concern here is the question of alignment of the various tenders to be in line with the technical specifications and minimizing gap in basic understanding as to the scope of work from the perspective of the customer.

Another significant risk factor is the possibility of loss of market share due to customers resorting to manual cleaning / chemical cleaning of tanks or selling sludge instead of adopting mechanized processes.

Since there is no entry barrier, private sector competition cannot be ruled out and, in this connection, it is worth mentioning that the market penetration strategies adopted by private enterprises are quite different from that of PSUs like the Company which have to be suitably countered.

Based on a scan of the risk factors, the SBU is aiming to lay down improved service and facility parameters so as to provide 'Total Customer Service' at reduced cost and time with increased recovery.

Internal Control Systems and their Adequacy

The SBU has well defined and established working procedures and control systems. The SBU has been accredited with ISO 9001:2008 during the year. These procedures are reviewed periodically and constantly upgraded.

Discussion on Financial Performance with respect to Operational Performance

The SBU has recorded a double-digit increase in turnover during the financial year and the bottom-line has increased significantly.

Material Developments in Human Resources / Industrial Relations

The SBU operates with a lean manpower and there is a need to increase its manpower with improved knowledge base to work at various sites. Accordingly, emphasis has also been laid on strengthening its marketing base by direct recruitment and also broaden the span of its marketing associates to cover the country.

The SBU has increased its operation areas to enable and cope with the requirements of simultaneous working in multiple locations throughout the country. To cope with such spread, technical personnel were inducted to enable uninterrupted simultaneous operation at such locations. In addition, an extensive training programme was conducted for up-gradation of skill of the operating personnel at site.

All these have resulted into cordial industrial relations throughout the units of the SBU.

8. TEA (SBU-TEA)

Industry structure and developments

India's Tea production during the year 2009 was around 980 Million Kg, down by about 2 Million Kg from last year, though domestic consumption has grown by about 3% to touch 832 Million Kg.

Tea exports from India in 2009 was of the order of about 191 Million Kg, which was lower than the exports in 2008. Exports were hit in the first half of 2009 due to drought-like condition in the growing regions and shortfall in overseas demand.

Opportunities and Threats

Although the SBU does not have any manufacturing facility/tea garden, the SBU possesses a Packaging Unit and continues to leverage on its strength in packing high value-added tea for buyers in Japan.

However, the major tea consuming / importing countries are driven by price considerations in sourcing tea where the SBU as a Merchant Exporter continues to face stiff competition from the Producer-Exporters, who are better placed to offer teas at more competitive rates.

Segmentwise or Productwise Performance

Export sales of the SBU during the year 2009-10 was relatively down compared to the previous year.

Outlook

Japanese importers comprise the largest overseas market for the SBU: Tea. Supply to Japan may, however, be adversely affected on account of rising price consciousness coupled with demand for low/no pesticide content in the tea being exported.

Risks and Concerns

The increasing demand of developed countries, such as Japan, for supply of tea having no chemical/pesticides residue and also conforming to use of chemicals and their residue levels as designated by their Ministry of Health, is a concern not only for the SBU, but also for the entire Indian tea industry.

The major area of concern for the SBU continues to be manpower cost which is too high commensurate with the volume of business it generates. The Company is actively reviewing its various options.

Internal Control Systems and their adequacy

The activities of the SBU are strictly governed by the Internal Control System laid down by the Company.

Discussion on Financial Performance with respect to Operational Performance

Overall, the SBU's performance has been unsatisfactory due to lack of market and wage cost disproportionate to the volume.

Material Developments in Human Resources/ Industrial Relations

Industrial relations in the SBU remained cordial.

CORPORATE SOCIAL RESPONSIBILITY

- a. The Corporate 'Vision and Mission' enshrine the commitment of the Company to achieve business goals with a high degree of environmental and social responsibility thereby ensuring continued focus on Corporate Social Responsibility [CSR].

- b. In furtherance of this focus, the Company remains committed to the socio-economic development and upliftment of the disadvantaged and economically weaker sections and empowerment of women. The Company earmarks a portion of its net profit for funding different CSR projects. These projects are implemented in collaboration with NGOs / VSSOs of repute, under the supervision/ monitoring of the Company.
- c. With a view to bring in greater alignment of the Company and its activities with CSR and to provide due thrust to CSR activities, the following flagship schemes with specific agenda were introduced during 2009-10:
 - (i) Balmer Lawrie Initiatives for Self-Sustenance [BLISS]

This Scheme is intended to promote self-sustenance of disadvantaged / economically backward sections of the society and the focus groups are SCs / STs, Persons with Disabilities and Women. The focus areas covered under the initiative are [a] Education, [b] Training and [c] Entrepreneurial support. Projects under the Scheme are generally coordinated centrally from the Corporate Office.
 - (ii) Samaj Mein Balmer Lawrie [SAMBAL]

The thrust under SAMBAL is taking care of overall development and improvement in quality of life of different communities, particularly from the disadvantaged groups, in and around the Company's Work Centres. The areas covered under this Scheme are [a] Education and Vocational Training, [b] Health Care including Old Age Care, [c] Drinking Water, [d] Sanitation, [e] Income Generating Projects, [f] Provision of Civic Amenities, [g] Environmental / Green Initiatives and [h] Disaster Relief and Rehabilitation. Projects under this Scheme are administered by respective Regional HR setups.
- d. During 2009-10, the Company spent an approximate amount of Rs. 101 lakh under the 'Tribal Sub Plan [TSP]' / 'Special Component Plan [SCP]', 'Gender Budgeting' and in providing disaster relief & rehabilitation assistance under CSR.
- e. The projects undertaken and the beneficiaries thereof include the following:-
 - (i) Two Projects aimed at facilitating education of 99 physically challenged children and one project to provide sustenance to 30 destitute children.
 - (ii) A 3-year programme for integrated village development [covering two villages in two states], which would ultimately benefit 340 households in these villages.
 - (iii) One-time medical check up and health care for 200 personnel.
 - (iv) Old-Age care for 33 destitute women.
 - (v) Contribution made towards improving civic facilities in Thiruvattiyoor Village in Tamil Nadu and traffic management in the city of Kolkata.
 - (vi) Setting up of a Vocational Training Centre to provide training and income generation for 40 women.

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

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

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

Auditor's Report to the Members of Balmer Lawrie & Company Limited

1. We have audited the attached Balance Sheet of Balmer Lawrie & Company Limited (the Company) as at 31st March 2010, and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the accounts of the Regions audited by Branch Auditors in accordance with the letter of appointment issued by the Comptroller and Auditor General of India. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 ('the order') as amended, issued by the Central Government of India in terms of Sec 227(4A) of the 'Companies Act, 1956' of India (the Act), we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comment in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books. The related Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with in preparing this report;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Profit and Loss Account, Balance Sheet and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3 C) of section 211 of the Act;
 - (v) This being Government Company, the provisions of the Section 274(1) (g) of the Act relating to disqualifications of directors are not applicable; vide Government of India, Department of Company Affairs Notification No. GSR 829(E) dated 21 October, 2003.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes and accounting policies thereon and annexed thereto, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet of the state of the Company's affairs as at 31st March 2010;
 - (ii) in the case of Profit and Loss Account, of the Profit for the year ended that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
Partner

Kolkata, July 29, 2010

Membership. No. 13852

Annexure to Auditor's Report

The Annexure referred to in paragraph 3 of the Auditor's Report of even date to the members of Balmer Lawrie & Company Limited ('the Company') on the financial statements for the year ended 31st March, 2010. We report that:

1. a. The Company has maintained proper record showing full particulars including quantitative details and situations of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which plant and machinery are verified every year, and other fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, in accordance with its programme, plant and machinery and certain other fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- c. In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of the fixed assets during the year.

Annexure to Auditor's Report (Contd.)

2. a. The inventory of the Company has been physically verified during the year by the management. In our opinion, having regard to the nature and location of inventory, the frequency of verification is reasonable.
- b. In our opinion, the procedure of physical verification of the inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. a. The Company has granted loans to two organizations under Joint Venture arrangement, to the extent of Rs.2547.92 lacs.
- b. Rate of interest and other terms and conditions on which the loans have been given are prima facie, not prejudicial to the interest of the Company.
- c. Payment of the principal amount and interest are regular. Accordingly paragraph (iii)(d) of the order is not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of businesses, for the purchase of inventory and fixed assets and for the sale of goods and services.

Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure on the part of the Company to correct major weaknesses in the aforesaid internal control system.
5. a. In our opinion and according to the information and explanation given to us, transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;
- b. In view of our comment in paragraph (3) above, each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
6. The Company has not accepted any deposits from the public within the meaning of the sections 58A, 58AA of the Act and the rules framed there under.
7. In our opinion, the Company's present internal audit system as conducted in phased manner, by a firm of chartered accountants, is commensurate with its size and nature of its business but the same needs to be further strengthened with regard to widening the coverage of various areas like investments made and its follow-up and sale against verbal orders.
8. We have broadly reviewed the books of account maintained by the Company in respect of the products of Grease and Lubricants (Petroleum products) and Tea Blending where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 209(1) (d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

To the best of our knowledge and according to the information and explanations given to us, the Central Government under the aforesaid Act has not prescribed the maintenance of cost records for any other products or services of the Company.
9. a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty, Cess and any other material statutory dues applicable to it.
- b. According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, service-tax, excise duty and cess as at 31st March, 2010 aggregating to Rs. 7037.98 lacs, which have not been deposited on account of a dispute, are as mentioned in note on accounts showing the amounts involved and the forum where dispute is pending.
10. The Company has no accumulated losses as at 31st March 2010, and it has not incurred any cash losses during the financial year ended on the date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. The Company has no debenture holder.

Annexure to Auditor's Report (Contd.)

12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the provisions of any Special Statute applicable to Chit Fund, Nidhi Fund or Mutual Benefit Fund/Societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion, and according to the information and explanations given to us, and on an overall basis, the term loans have been applied for the purposes for which they were obtained. The Company did not have any outstanding term loan as at 31 March, 2010.
17. On an overall examination the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long term investment during the year.
18. In view of our comment in paragraph (3) above, the question of any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act does not arise.
19. The Company has not issued any debentures during the year and no amount is outstanding in respect of debentures as on the balance sheet date.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our audit, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company nor reported during the year, nor have we been informed of such case by the management. However, an instance of accounting fraud/manipulation committed on a joint venture unit of the company which has resulted in provision of Rs. 1165.12 lacs as referred in Para 14.17 of the Notes on Accounts.

For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
Partner
Membership. No. 13852

Kolkata, July 29, 2010

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT,
1956 ON THE ACCOUNTS OF BALMER LAWRIE & CO. LIMITED,
KOLKATA FOR THE YEAR ENDED 31 MARCH 2010.**

The preparation of financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29 July 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Balmer Lawrie & Co. Limited, Kolkata for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Sd/-
(Nandana Munshi)
Principal Director of Commercial
Audit & Ex-Officio Member,
Audit Board – I,
KOLKATA

Place : Kolkata
Date : 24 August, 2010

Balance Sheet as at 31st March, 2010

		SCHEDULES		As at 31st March, 2009	
		Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Sources of Funds					
Shareholders' Funds					
Share Capital	1	1,628.61		1,628.61	
Reserves and Surplus	2	44,567.42	46,196.03	37,206.15	38,834.76
Deferred Taxation Liability	14.26		1100.08		530.08
			<u>47296.11</u>		<u>39364.84</u>
Application of Funds					
Fixed Assets					
Gross Block	3	31,088.27		30,155.49	
Less : Depreciation		13,473.44		13,086.39	
Less : Impairment of Assets		117.40		150.87	
Net Block		<u>17,497.43</u>		<u>16,918.23</u>	
Capital expenditure in Progress					
Including Pre-Production Expenses		1,949.67		308.93	
Advance against Capital Expenditure		<u>240.08</u>	19,687.18	<u>77.04</u>	17,304.20
Investments	4		4,394.12		5,005.96
Net Current Assets					
Current Assets, Loans and Advances					
Inventories	5	9,169.68		7,884.72	
Debtors	6	24,467.31		23,356.23	
Cash and Bank Balances	7	26,716.58		24,873.32	
Loans and Advances	8	9,043.41		6,838.09	
		<u>69,396.98</u>		<u>62,952.36</u>	
Less :					
Current Liabilities and Provisions	9				
Current Liabilities		37,386.80		34,401.80	
Provisions		<u>8,795.37</u>		<u>11,495.88</u>	
		<u>46,182.17</u>		<u>45,897.68</u>	
Net Current Assets			23,214.81		17,054.68
			<u>47,296.11</u>		<u>39,364.84</u>
Notes on Accounts	14				
Significant Accounting Policies	15				

The Schedules referred to above form part of the Accounts.

As per our report attached
For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, the 29th July, 2010

S. K. Mukherjee
Managing Director

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

P. K. Bora
Abha Chaturvedi
V. Sinha
V. N. Sharma
Directors

Amit Ghosh
Secretary

Profit and Loss Account for the year ended 31st March, 2010

SCHEDULES		Rs./Lakhs	2008-09 Rs./Lakhs
Income			
Sales			
Manufactured Goods		73,877.77	63,058.22
Less : Excise Duty		7,791.75	7,921.85
		66,086.02	55,136.37
Trading Goods		181.11	200.51
Turnkey Projects		798.41	2,197.09
Services		94,267.36	1,06,342.53
Other Income	10	5,925.57	5,780.08
		1,67,258.47	1,69,656.58
Expenditure			
Raw Materials Consumed		47,480.62	41,331.71
Purchases			
- Trading Goods		149.90	152.09
- Turnkey Projects		1,260.16	2,109.07
Cost of Services		76,747.09	87,101.46
General Expenditure	11	25,677.96	22,746.43
Depreciation		1,160.62	1,051.67
Accretion(-) / Decretion			
to Inventories	12	(529.82)	(1.52)
Prior Period Adjustments	13	14.04	9.30
		1,51,960.57	1,54,500.21
Profit before Taxation		15,297.90	15,156.37
Provision for Taxation - Current		2,998.70	5,785.00
- Deferred	14.26	570.00	(880.00)
- Fringe Benefit Tax		0.00	90.00
Profit after Taxation		11,729.20	10,161.37
Balance Brought Forward		12,203.91	8,853.32
Available for Appropriation		23,933.11	19,014.69
Proposed Final Dividend		3,745.80	3,257.22
Corporate Tax on Dividend		622.13	553.56
Transfer to General Reserve		3,000.00	3,000.00
Balance Carried Forward		16,565.18	12,203.91
Earnings per Share (Rs.) [Basic & Diluted]		72.02	62.39

Notes on Accounts 14

Significant Accounting Policies 15

The Schedules referred to above form part of the Accounts

As per our report attached
For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
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Amit Ghosh
Secretary

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 1

SHARE CAPITAL

		Rs./Lakhs	As at 31st March, 2009 Rs./Lakhs
Authorised			
3,00,00,000 (3,00,00,000) Equity shares of Rs.10 each		3,000.00	3,000.00
Issued and Subscribed			
90,65,547 (90,65,547) Equity shares of Rs.10 each fully paid up in cash		906.56	906.56
4,48,130 (4,48,130) Equity shares of Rs.10 each allotted as fully paid shares pursuant to amalgamation of Steel Containers Ltd. and Industrial Containers Ltd. with the company		44.81	44.81
67,72,404 (67,72,404) Equity shares of Rs.10 each allotted as fully paid Bonus Shares by way of capitalisation of General Reserve and Share premium		677.24	677.24
		1,628.61	1,628.61

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

SCHEDULE 2

RESERVES AND SURPLUS

	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	As at 31st March, 2009 Rs./Lakhs
Share Premium Account				
As per last Account		3,626.77		3,626.77
Foreign Projects Reserve				
As per last Account	5.00		5.00	
Less : Transferred to General Reserve	5.00	—	—	5.00
General Reserve				
As per last Account	21,370.47		18,370.47	
Add : Transferred from Foreign Projects Reserve	5.00		—	
Add : Transferred from Profit & Loss Account	3,000.00	24,375.47	3,000.00	21,370.47
Profit and Loss Account		16,565.18		12,203.91
		44,567.42		37,206.15

Schedules forming part of the Balance Sheet as at 31st March , 2010

SCHEDULE 3

(in Rs. / Lakhs)

(A) Assets held for active use

FIXED ASSETS

PARTICULARS	GROSS BLOCK			Original Cost as at 31st March, 2010	DEPRECIATION				IMPAIRMENT OF ASSETS			NET BLOCK	
	Original cost as at 1st April, 2009	Additions during the year	Total cost of items sold or scrapped / Adjusted		Upto 31st March, 2009	For the year	On Items sold or Scrapped / Adjusted (*)	Total	As at 1st April, 2009	For the Year	Balance as on 31.3.2010	W.D.V. as at 31st March 2010	W.D.V. as at 31st March 2009
Land - Freehold	1,208.22	-	1.86	1,206.36	-	-	-	-	-	-	-	1,206.36	1,208.22
- Leasehold	2,362.59	369.24	-	2,731.83	451.16	49.67	-	500.83	-	-	-	2,231.00	1,911.43
Buildings & Sidings	9,105.05	348.12	5.35	9,447.82	1,946.89	197.00	(4.46)	2,148.35	74.52	(4.31)	70.21	7,229.26	7,083.64
Plant & Machinery	11,478.92	426.71	129.38	11,776.25	6,566.19	573.55	109.64	7,030.10	43.35	(1.24)	42.11	4,704.04	4,869.38
Spares for Plant & Machinery	621.51	10.08	472.62	158.97	593.10	10.69	462.08	141.71	10.54	(10.54)	-	17.26	17.87
Electrical Installation and Equipment	1,914.43	249.39	99.30	2,064.52	1,156.03	99.51	75.71	1,179.83	17.41	(16.24)	1.17	883.52	740.99
Furniture and Fittings	557.81	62.27	24.83	595.25	404.61	35.01	23.91	415.71	-	-	-	179.54	153.20
Typewriters, Accounting Machine and Office Equipment	1,795.94	194.68	101.79	1,888.83	1,313.00	148.13	99.66	1,361.47	1.14	(1.14)	-	527.36	481.80
Tubewells, Tanks and Miscellaneous Equipment	936.02	42.03	8.57	969.48	549.43	38.08	7.21	580.30	3.91	-	3.91	385.27	382.68
Vehicles	81.69	4.99	10.91	75.77	24.27	6.82	6.98	24.11	-	-	-	51.66	57.42
Intangible Assets	-	79.88	-	79.88	-	9.32	-	9.32	-	-	-	70.56	-
VTotal (A)	30,062.18	1,787.39	854.61	30,994.96	13,004.68	1,167.78	780.73	13,391.73	150.87	(33.47)	117.40	17,485.83	16,906.63

Balmer-Laurie & Co.Ltd.

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 3 (Continued)
(B) Assets held for Disposal

(in Rs. / Lakhs)

P A R T I C U L A R S	GROSS BLOCK				DEPRECIATION				IMPAIRMENT OF ASSETS			NET BLOCK	
	Original Cost as at 1st April, 2009	Additions during the year	Total cost of items sold or scrapped / Adjusted	Original Cost as at 31st March, 2010	Upto 31st March, 2009	For the year	On Items sold or Scrapped / Adjusted (*)	Total	As at 1st April, 2009	For the year	Balance as on 31.3.2010	W.D.V. As at 31st March 2010	W.D.V. As at 31st March 2009
Land - Freehold	–	–	–	–	–	–	–	–	–	–	–	–	–
- Leasehold	6.18	–	–	6.18	0.69	–	–	0.69	–	–	–	5.49	5.49
Buildings & Sidings	10.19	–	–	10.19	5.22	–	–	5.22	–	–	–	4.97	4.97
Plant & Machinery	34.39	–	–	34.39	33.29	–	–	33.29	–	–	–	1.10	1.10
Spares for Plant & Machinery	25.01	–	–	25.01	25.01	–	–	25.01	–	–	–	–	–
Electrical Installation and Equipment	5.36	–	–	5.36	5.32	–	–	5.32	–	–	–	0.04	0.04
Furniture and Fittings	1.16	–	–	1.16	1.16	–	–	1.16	–	–	–	–	–
Typewriters, Accounting Machine and Office Equipment	3.04	–	–	3.04	3.04	–	–	3.04	–	–	–	–	–
Tubewells, Tanks and Miscellaneous Equipment	7.98	–	–	7.98	7.98	–	–	7.98	–	–	–	–	–
Total (B)	93.31	–	–	93.31	81.71	-	-	81.71	–	–	–	11.60	11.60
Grand - Total (A+B)	30,155.49	1,787.39	854.61	31,088.27	13,086.39	1,167.78	780.73	13,473.44	150.87	(33.47)	117.40	17,497.43	16,918.23
2008-09	28,847.69	2,240.83	933.03	30,155.49	12,526.68	1,057.13	497.42	13,086.39	211.24	(60.37)	150.87	16,918.23	

Depreciation for the year as above

Less: Prior Period Adjustment

Depreciation as per Profit & Loss Account

2009-10
Rs.

1,167.78

7.16

1,160.62

2008-09
Rs.

1,057.13

5.46

1,051.67

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 4

INVESTMENTS

		As at 31st March, 2009	
		Rs./Lakhs	Rs./Lakhs
Unquoted, unless otherwise stated			
Long Term Investments			
(a) Trade Investments			
Fully paid up – at cost			
3,57,591	(3,57,591) Equity Shares of Rs. 10 each in Bridge and Roof Co.(India) Ltd.	14.01	14.01
1,95,900	(1,95,900) Equity Shares of Rs. 10 each in Biecco Lawrie Ltd. (carried in books at a value of Re. 1)		
1,13,61,999	(79,03,998) Equity Shares of Rs. 10 each in Transafe Services Ltd. 1,165.12		611.84
	[Incl. 34,58,001 Equity Shares acquired in 2009-10 (2008-09 - includes 18,23,998 Equity shares allotted during 2008-09 on rights basis)]		
	Less : Provision for diminution in value 1,165.12 (carried in books at a value of Re. 1)	0.00	
45,00,000	(45,00,000) Ordinary Shares of Rs. 10 each in AVI-OIL India [P] Ltd.	450.00	450.00
9,800	(9,800) Shares of Dhs. 1000 each in Balmer Lawrie (UAE) LLC	890.99	890.99
63,19,978	(63,19,978) Equity Shares of Rs. 10 each in Balmer Lawrie-Van Leer Ltd.	1,164.55	2,519.55
			1,164.55
			3,131.39
(b) Investment in Subsidiary Company			
Balmer Lawrie (UK) Ltd.			
Fully Paid up-at cost			
33,80,312	(33,80,312) Ordinary Shares of Pound 1 each	1,874.06	1,874.06
(c) Other Investments			
Fully paid up-at cost			
71	(71) Equity Shares of Rs. 100 each in Duncan Brothers & Co. Ltd. (Quoted)	0.06	0.06
172	(172) 1/2 % Redeemable Registered Debentures of Rs. 100 each in the East India Clinic Ltd.	0.17	0.17
280	(280) 5% Non-redeemable Debenture Stock 1957 of Rs. 100 each in the East India Clinic Ltd.	0.28	0.28
		0.51	0.51
		4,394.12	5,005.96
Quoted Investment-at cost			
	[Market value Rs. 0.15 Lakhs (2008/09 - Rs. 0.15 Lakhs)]	0.06	0.06
Unquoted Investment-at cost			
		4,394.06	5,005.90
		4,394.12	5,005.96

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 5

INVENTORIES

			As at 31st March, 2009
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Raw Materials [net of provision Rs. 116.98 lakhs (2008-09 - Rs. 125.89 lakhs)]		4,964.37	4,281.76
Finished Products [net of provision Rs. 171.25 lakhs (2008-09 - Rs. 52.81 lakhs)]		2,921.64	2,607.45
Work-in-Progress [net of provision Rs. Nil lakhs (2008-09 - Rs. 20.55 lakhs)]		749.62	651.05
Stock-in-Transit			
Raw Materials	96.10		39.35
Finished Products	199.79	295.89	82.73
Stores and Spare Parts [net of provision Rs. 33.72 lakhs (2008-09 - Rs. 0.93 lakhs)]		238.03	221.90
Loose Tools		0.13	0.48
		<u>9,169.68</u>	<u>7,884.72</u>

SCHEDULE 6

DEBTORS

			As at 31st March, 2009
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Debts due for more than six months			
Unsecured			
Considered Good	3,403.16		3,798.13
Considered doubtful	889.16		877.94
	<u>4,292.32</u>		<u>4,676.07</u>
Less: Provision for Doubtful Debts	889.16	3,403.16	877.94
Other Debts			
Unsecured			
Considered Good	21,064.15	21,064.15	19,558.10
		<u>24,467.31</u>	<u>23,356.23</u>

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 7

CASH AND BANK BALANCES

As at
31st March, 2009

	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Cash in hand [(including cheques and stamps - Rs. 0.01 Lakhs (2008-09 - Rs. 3.74 Lakhs)]		13.41		15.07
With Scheduled Banks				
In Current Accounts	4,119.70		4,486.64	
In Short term Deposit Account	22,478.96		20,242.93	
In Dividend Accounts	104.06	26,702.72	81.08	24,810.65
With Standard Chartered Bank, Dubai				
In Current Account [Maximum Amount at any time during the year Rs. 47.60 Lakhs (2008-09 - Rs. 47.60 Lakhs)]		0.45		47.60
		<u>26,716.58</u>		<u>24,873.32</u>

SCHEDULE 8

LOANS AND ADVANCES

As at
31st March, 2009

	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Advances recoverable in Cash or in kind or for value to be received - Considered Good				
Secured	874.30		899.92	
[Due from Director and another officer- Rs. 1.96 Lakhs Maximum amount due at any time during the year - Rs. 2.97 lakhs (2008/09 - Due Rs. 2.97 Lakhs and Maximum amount due - Rs. 3.64 Lakhs)]				
Unsecured				
Holding Company				
Balmer Lawrie Investments Limited	5.09		1.26	
Others	5,849.75		3,865.89	
Considered Doubtful	85.00		99.71	
	<u>6,814.14</u>		<u>4,866.78</u>	
Less: Provision	85.00	6,729.14	99.71	4,767.07
Deposits - Unsecured				
Considered Good		1,801.89		1,584.05
Balance with Customs, Port Trust Central Excise, etc., Considered Good		512.38		486.97
		<u>9,043.41</u>		<u>6,838.09</u>

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 9

CURRENT LIABILITIES AND PROVISIONS

As at
31st March, 2009

	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Current Liabilities				
Sundry Creditors				
- Due to micro and small enterprises		31.35		24.32
- Due to others		36,611.08		33,149.20
Amounts received in advance against contracts		640.31		1,147.20
Investor Education and Protection Fund shall be credited by the following amount namely :				
- Unclaimed Dividend		104.06		81.08
[Refer Note below]				
		<u>37,386.80</u>		<u>34,401.80</u>
Provisions				
Provision against Guarantee obligations	772.86		1,159.29	
Less : payment made during the year	<u>386.43</u>	386.43	<u>386.43</u>	772.86
Proposed Final Dividend		3,745.80		3,257.22
Taxation, net of Advance Payment		4,663.14		7,465.80
		<u>8,795.37</u>		<u>11,495.88</u>
		<u>46,182.17</u>		<u>45,897.68</u>

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

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010

SCHEDULE 10

OTHER INCOME

	Rs./Lakhs	2008-09 Rs./Lakhs
Income from Long Term Investments		
Trade Investments		
Dividend	734.10	689.20
Interest on Advances, Deposits		
Deferred Credit and Overdue Debts (Gross)	2,082.72	1,572.90
[Tax deducted at source Rs. 296.74 Lakhs (2008/09 - Rs. 140.55 Lakhs)]		
Profit on Disposal of Fixed Assets	46.90	232.53
Surrender / Transfer of Leasehold Rights	0.00	934.40
Export Incentive	36.25	17.25
Rent	289.52	279.55
Packing and Despatching	412.99	339.64
Discount and Commission	1.68	1.96
Claims	39.71	7.25
Liabilities/Provisions		
no longer required written back	714.09	659.75
Sundries	1,567.61	1,045.65
	<u>5,925.57</u>	<u>5,780.08</u>

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010

SCHEDULE 11

GENERAL EXPENDITURE

	<u>Rs./Lakhs</u>	<u>2008-09 Rs./Lakhs</u>
Salaries,Wages,Bonus,Pensions and Gratuity [includes Pensions to Ex-Directors Rs. 1.29 Lakhs (2008/09 - Rs. 1.64 Lakhs)]	9,964.98	8,842.39
Contribution to Provident and Other Funds	945.15	579.93
Workmen and Staff Welfare Expenses	889.99	693.58
Manufacturing Expenses	659.96	563.64
Excise Duty [Refer Note no. 14.19]	154.41	271.18
Consumption of Stores and Spare Parts	422.15	394.27
Repairs and Maintenance		
Buildings	696.17	617.68
Plant & Machinery	168.28	136.39
Others	259.32	204.70
Power and Fuel	1,561.80	1,390.62
Electricity and Gas	228.33	219.65
Rent	472.23	518.37
Insurance	89.39	85.86
Packing, Despatching, Freight and Shipping Charges.	1,945.65	1,519.36
Rates and Taxes.	187.23	114.30
Interest [includes Rs. Nil Lakhs on Fixed Loans (2008/09 - Rs. 32.93 Lakhs)]	254.91	518.04
Auditor's Remuneration and Expenses	13.47	13.16
Bad Debts written off	157.70	87.96
Advances written off	12.92	37.41
Fixed Assets written off	16.79	63.57
Inventory written off	0.07	—
Provision for slow / non-moving inventory	136.87	150.18
Provisions for Debts, Deposits, Loans and Advances considered doubtful	222.04	420.34
Provision for diminution in value of investments	1,165.12	0.00
Loss on disposal of Fixed Assets	5.10	0.20
Selling commission	346.54	353.00
Cash Discount	364.97	268.81
Bank Charges and Discount	119.55	121.46
Travelling Expenses	815.56	802.45
Printing and Stationery	172.33	225.43
Motor Car Expenses	70.05	69.09
Telephone, Telex, Postage, Cables and Telegrams	254.26	256.24
Donations	5.00	1.27
Turnover Tax/Additional Tax on Sales Tax	—	0.49
Amortisation of Deferred Revenue Expenditure (VRS)	—	23.56
Expenditure on VRS for current year	30.95	44.46
Miscellaneous Expenses	2,943.18	3,189.15
	<u>25,752.42</u>	<u>22,798.19</u>
Less : Provision for Debts,Deposits,Loans & Advances and Investments considered doubtful,written back	74.46	51.76
	<u>25,677.96</u>	<u>22,746.43</u>

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010

SCHEDULE 12

ACCRETION (-) DECRETION TO INVENTORIES

	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	2008-09 Rs./Lakhs
Stocks and Work-in-Progress				
Opening Balance				
Trading Goods	—		24.45	
Work-in-Progress	651.05		724.47	
Finished Products	2,690.18	3,341.23	2,590.79	3,339.71
Less: Closing Balance				
Work-in-Progress	749.62		651.05	
Finished Goods				
[including in transit				
Rs. 199.79 Lakhs				
(2008/09 - Rs. 82.73 Lakhs)]	3,121.43	3,871.05	2,690.18	3,341.23
		(529.82)		(1.52)

SCHEDULE 13

PRIOR PERIOD ADJUSTMENTS

	Rs./Lakhs	2008-09 Rs./Lakhs
Expenditure		
General Expenditure	6.88	3.84
Depreciation	7.16	5.46
	14.04	9.30
Net Debit	14.04	9.30

Notes on Accounts

SCHEDULE-14

- 14.1 (a) Fixed Deposit with bank amounting to Rs. 2.12 lakhs (Rs. 2.12 lakhs) are lodged with certain authorities as security.
- (b) Conveyance deeds of certain land costing Rs.1,770.94 lakhs (Rs. 1,807.80 lakhs) and buildings, with written down value of Rs. 113.94 lakhs (Rs. 117.13 lakhs) are pending registration / mutation.
- (c) Certain buildings & sidings with written down value of Rs. 4,173.24 lakhs (Rs.4,157.90 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 finalizing the agreements with Kolkata Port Trust for renewal of such pending cases.
- 14.2 Contingent Liabilities as at 31st March, 2010 not provided for in the accounts are:
- (a) Disputed demand for Excise Duty, Income Tax, Sales Tax and Service Tax amounting to Rs. 7,037.98 lakhs (Rs. 6,101.52 lakhs) against which the Company has lodged appeal/petition before appropriate authorities. Details of such disputed demands as on 31st March, 2010 are given in Annexure - A.
- (b) Claims against the company not acknowledged as debts amounts to Rs. 721.76 lakhs (Rs. 697.48 lakhs) in respect of which the Company has lodged appeals/petitions before appropriate authorities. In respect of employees/ex-employees related disputes financial effect is ascertainable on settlement.
- (c) Bills discounted with banks Rs. 75.77 Lakhs (Rs. Nil Lakhs).
- 14.3 Counter guarantees given to Standard Chartered Bank , Bank of Baroda , HSBC , State Bank of India and Indusind Bank in respect of guarantees given by them amounts to Rs. 3,578.24 lakhs (Rs. 4,290.27 lakhs).
- 14.4 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for [net of advances paid - Rs. 55.41 lakhs (2008-09 Rs. 48.12 lakhs)] amounted to Rs. 1,513.33 lakhs (Rs. 1,564.85 lakhs).
- 14.5 There are no Micro , Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date except as is shown below :

Name of the supplier	Amount due as on		Interest paid for delayed payments		Interest due and payable for delayed payments	
	31-03-2010 (Rs. / Lakhs)	31-03-2009 (Rs./ Lakhs)	2009-10 (Rs. / Lakhs)	2008-09 (Rs./ Lakhs)	31.03.2010 (Rs. / Lakhs)	31.03.2009 (Rs./ Lakhs)
Plastic Processors	2.38	2.54	—	0.04	0.36	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by the auditors.

- 14.6 The amount of exchange difference credited to Profit & Loss account is Rs. 238.35 lakhs (Rs. (-) 471.01 lakhs).
- 14.7 Confirmation letters have been issued in respect of debts , loans and advances and deposits of the company but not responded to in many cases. Hence unconfirmed balances are subject to reconciliation and consequent adjustments , if any, would be determined / made on receipt of such confirmation.
- 14.8 Remuneration of Managing Director and Wholetime Directors :

	2009-10 Rs./Lakhs	2008-09 Rs./Lakhs
Salaries	142.98	(37.65)
Contribution to Provident and Gratuity Fund	14.85	(22.66)
Perquisites	13.66	(11.00)
	<u>171.49</u>	<u>(71.31)</u>

Notes on Accounts (Contd.)

14.9 Auditors' remuneration and expenses :

	2009-10 Rs./Lakhs	2008-09 Rs./Lakhs
Statutory Auditors		
– Audit Fees	3.00	(3.00)
– Tax Audit Fees	0.70	(0.70)
– Other Capacity for Limited Review and Other certification jobs	2.40	(1.90)
Branch Auditors		
– Audit Fees	6.20	(6.20)
– Other Capacity	–	–
– Expenses relating to audit of Accounts	1.17	(1.36)
	<u>13.47</u>	<u>(13.16)</u>

14.10 Particulars in respect of goods manufactured :

(a) Capacity and Production:

Class of Goods	Unit	Installed Capacity (Single Shift Basis)	Actual Production		
			With own materials	With customers' materials	Total
Greases & Lubricating Oils	M.T./K.L	74,280 (73,200)	34,266 (25,375)	8,944 (9,530)	43,210 (34,905)
Barrels and Drums	Nos.	39,08,500 (39,08,500)	39,19,666 (30,62,636)	– (–)	39,19,666 (30,62,636)
Blended Tea including Bulk, Packets and Tea Bags	M.T.	3,000 (3,000)	82 (224)	43 (83)	125 (307)
Leather Auxiliaries	M.T.	3,900 (3,350)	5,964 (5,222)	– (–)	5,964 (5,222)

- (i) Under the Industrial Policy Statement dated 24 July, 1991 and the notifications issued there under, no licensing is required for the Company's products.
- (ii) Installed Capacities are as certified by the Management.

Notes on Accounts (Contd.)

14.10 (b) Stock & Sale of Goods Manufactured (with own materials) :

Class of Goods	Unit	Opening		Closing		Sales	
		Qty.	Value	Qty.	Value	Qty.	Value
			Rs./Lakhs		Rs./Lakhs		Rs./Lakhs
Grease & Lubricating Oils	M.T./ K.L.	3,170 (3,116)	2,190.28 (2,022.76)	3,648 (3,170)	2,569.74 (2,190.28)	33,764 (25,254)	29,961.38 (24,133.62)
Barrels and Drums	Nos.	42,235 (44,858)	335.65 (372.03)	52,583 (42,235)	423.46 (335.65)	38,08,392 (29,73,062)	35,155.64 (30,521.47)
Blended Teas including Bulk, Packets and Tea Bags	M.T.	2 (46)	3.09 (25.25)	1 (2)	1.51 (3.09)	82 (267)	128.40 (438.64)
Leather Auxiliaries	M.T.	274 (300)	146.28 (153.52)	254 (274)	126.92 (146.28)	5,964 (5,248)	4,456.96 (3,956.05)
Others including Manufacturing Scrap			14.88 (16.43)		0.80 (14.88)		1,097.54 (967.33)
			<u>2,690.18</u> <u>(2,590.79)</u>		<u>3,121.43</u> <u>(290.18)</u>		<u>70,799.92</u> <u>(60,017.11)</u>

14.10 (c) Stock & Sale of Goods Manufactured (with customers' materials) :

Class of Goods	Unit	Opening		Closing		Sales	
		Qty.	Value	Qty.	Value	Qty.	Value
			Rs./Lakhs		Rs./Lakhs		Rs./Lakhs
Greases & Lubricating Oils	M.T./ K.L.	- (-)	- (-)	- (-)	- (-)	8,944 (9,530)	3,064.75 (3,013.96)
Blended Teas including Bulk, Packets and Tea Bags	M.T.	- (-)	- (-)	- (-)	- (-)	43 (83)	13.10 (27.15)
			<u>-</u> <u>(-)</u>		<u>-</u> <u>(-)</u>		<u>-</u> <u>(3,077.85)</u> <u>(3,041.11)</u>

Notes on Accounts (Contd.)

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

	<u>Unit</u>	<u>Quantity</u>	<u>Value</u> <u>Rs./Lakhs</u>
Steel	M.T.	71,854 (56,276)	24,227.05 (21,954.31)
Lubricating Base Oils	K.L	30,361 (21,543)	11,337.22 (10,037.23)
Additives and other Chemicals	M.T./K.L.	4,728 (4,382)	4,051.42 (3,470.00)
Vegetable and Other Fats	M.T.	3,229 (2,284)	1,940.02 (1,435.32)
Tea	M.T.	124 (267)	93.19 (258.10)
Drum Closures	Set	37,64,118 (27,08,131)	1,130.89 (820.01)
Paraffin Wax	M.T.	1,131 (1,162)	737.66 (820.88)
Paints	Ltr.	7,46,665 (5,98,418)	763.46 (553.65)
Others			3,199.71 (1,982.21)
			<u>47,480.62</u> <u>(41,331.71)</u>

14.12 Value of Raw Materials, Components and Spare Parts consumed:

<u>Raw Materials</u>	<u>Rs./Lakhs</u>	<u>(%)</u>	<u>Rs./Lakhs</u>	<u>(%)</u>
Imported	2,521.31	5.31	(1,594.44)	(3.86)
Indigenous	44,959.31	94.69	(39,737.27)	(96.14)
	<u>47,480.62</u>	<u>100.00</u>	<u>(41,331.71)</u>	<u>(100.00)</u>
<u>Spares & Components</u>				
Imported	2.46	2.11	(6.58)	(5.58)
Indigenous	113.98	97.89	(111.43)	(94.42)
	<u>116.44</u>	<u>100.00</u>	<u>(118.01)</u>	<u>(100.00)</u>

14.13 (a) Purchase and Sale of Trading Goods :

<u>Class of Goods</u>	<u>Unit</u>	<u>Quantity</u>	<u>Purchase</u> <u>Value</u> <u>Rs./Lakhs</u>	<u>Quantity</u>	<u>Sale</u> <u>Value</u> <u>Rs./Lakhs</u>
Leather Auxiliaries	M.T.	– (–)	– (–)	– (12)	– (31.23)
Speciality Containers	Nos.	49 (19)	137.83 (152.09)	49 (19)	164.62 (169.28)
Others			12.07 (–)		16.49 (–)
			<u>149.90</u> <u>(152.09)</u>		<u>181.11</u> <u>(200.51)</u>

Sales of Leather Chemicals do not include Nil MT (5 MT) used for internal consumption.

Notes on Accounts (Contd.)

14.13 (b) Stock of Trading Goods :

Class of Goods	Unit	Quantity	Opening	Quantity	Closing
			Value		Value
			Rs./Lakhs		Rs./Lakhs
Leather Auxiliaries	M.T.	–	–	–	–
		(17)	(24.42)	(–)	(–)
			–	–	–
Others			(0.03)	(–)	(–)
Total			–		–
			(24.45)		(–)

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

	Rs./Lakhs	Rs./Lakhs
Raw Materials	1,998.09	(1,295.05)
Components and Spare Parts	10.66	(19.63)
Capital Goods	160.78	(192.61)
	2,169.53	(1,507.29)

14.14 (b) Expenditure in Foreign Currency:

Services	10,762.61	(11,865.95)
Others	96.04	(85.30)
	10,858.65	(11,951.25)

14.14 (c) Earnings in Foreign Currency:

Export of Goods and Components calculated on F.O.B basis as invoiced	684.12	(967.34)
Interest and Dividend	597.08	(593.46)
Services	250.22	(323.88)
Freight, Insurance, Exchange Gain and Miscellaneous items	4.62	(14.26)
	1,536.04	(1,898.94)

Earnings from services exclude deemed exports of Rs. 207.60 Lakhs (Rs. 39.82 lakhs).

14.15 Research and Development expenditure charged to Profit & Loss Account during the year 2009-10 amounts to Rs. 323.62 lakhs (Rs. 271.45 lakhs).

14.16 Excess Income Tax provision in respect of four earlier years amounting to Rs. 1976.30 lakhs (Rs. Nil Lakhs) has been set-off with the current year's provision.

14.17 A major irregularity in the accounts of Transafe Services Limited (TSL), a joint venture company promoted by the Company in 1991, was detected leading to its accounts for the year 2009-10 showing substantial loss after incorporation of rectification entries. TSL is operating primarily in the Logistics sector, where the long term prospects are bright. However, the Company, following the policy of conservative accounting, has during the year provided Rs. 1165.12 lakhs, being the full value of investments in TSL in terms of Accounting Standard - 13 "Accounting for Investments" towards diminution in value.

Notes on Accounts (Contd.)

14.18 Operations at the Lube Blending Plant at Taloja remain suspended since 2006-07 due to unremunerative orders.

14.19 The amount of Excise duty deducted from the amount of "Sales - Manufactured Goods" is relatable to Sales made during the period and the amount of Excise Duty recognised separately in Schedule 12 - "General Expenditure" is related to the difference between the closing stock and the opening stock.

14.20 Employee Benefits

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

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

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

The company do not have any Loans and Advances in the nature of Loans provided to its Subsidiary / Joint Venture Companies / Associates as at the year end except as is disclosed in 14.22 below.

14.22 Related Party Disclosure

i) <u>Name of Related Party</u>	<u>Nature of Relationship</u>
Balmer Lawrie Investments Ltd.	Holding Company
Balmer Lawrie (U.K.) Ltd.	Wholly owned Subsidiary
Transafe Services Ltd	Joint Venture
Balmer Lawrie - Van Leer Ltd.	Joint Venture
Balmer Lawrie (UAE) Llc.	Joint Venture
Avi - Oil India (P) Ltd.	Joint Venture
Proseal Closures Ltd.	Subsidiary of Balmer Lawrie Van Leer Ltd.
PT Imani Ganda Utama	Joint Venture of Balmer Lawrie (UK) Ltd. (w.e.f. 15-02-2010)
Shri S K Mukherjee, Managing Director	Key Management Personnel
Shri P Radhakrishnan, Director (Services Businesses)	Key Management Personnel (Till 31-12-2009)
Shri V N Sharma, Director (Manufacturing Businesses)	Key Management Personnel
Shri K Subramanyan, Director(Finance)	Key Management Personnel

Notes on Accounts (Contd.)

ii) Transactions with Related Parties						Rs./Lakhs	
Type of Transaction		Holding Company	Subsidiary	Joint Ventures	Key Management Personnel	TOTAL	
a)	Sale of Goods	31/03/10 31/03/09	1.13 0.91	- -	54.10 0.41	- -	55.23 1.32
b)	Purchase of Goods	31/03/10 31/03/09	- -	- -	1207.94 949.92	- -	1207.94 949.92
c)	Value of Services Rendered	31/03/10 31/03/09	17.96 14.19	- -	467.83 427.56	- -	485.79 441.75
d)	Value of Services Received	31/03/10 31/03/09	- -	- -	3.35 5.55	173.83 74.41	177.18 79.96
e)	Sale of Fixed Assets	31/03/10 31/03/09	- -	- -	- 1453.00	- -	- 1453.00
f)	Purchase of Fixed Assets	31/03/10 31/03/09	- -	- -	- 5.59	- -	- 5.59
g)	Income from leasing or hire purchase agreement	31/03/10 31/03/09	- -	- -	1.10 33.56	- -	1.10 33.56
h)	Investment in shares as on	31/03/10 31/03/09	- -	1,874.06 1,874.06	2,505.54 3,117.38	- -	4,379.60 4,991.44
i)	Loans given as on	31/03/10 31/03/09	- -	- -	2,547.92 -	1.96 2.97	2,549.88 2.97
j)	Dividend Income	31/03/10 31/03/09	- -	- -	733.74 688.84	- -	733.74 688.84
k)	Dividend Paid	31/03/10 31/03/09	2,012.96 1,711.01	- -	- -	- -	2,012.96 1,711.01
l)	Interest Income	31/03/10 31/03/09	- -	- -	201.11 81.89	0.01 0.03	201.12 81.92
m)	Amount received on a/c. of salaries, etc. of Employees deputed or otherwise	31/03/10 31/03/09	8.46 6.75	- -	63.48 24.74	- -	71.94 31.49
n)	Guarantee given during the year ended	31/03/10 31/03/09	- -	- -	- -	- -	- -
o)	Net outstanding recoverable as on	31/03/10 31/03/09	5.29 1.26	- -	359.24 767.13	1.96 2.97	366.49 771.36
p)	Net outstanding payable as on	31/03/10 31/03/09	- -	- -	181.53 116.61	- -	181.53 116.61
q)	Balance outstanding against guarantee given as on	31/03/10 31/03/09	- -	- -	386.43 772.86	- -	386.43 772.86

Notes on Accounts (Contd.)

- 14.23 The Engineering & Technology Services Division of the Company had during the year 2009-10 undertaken various project assignments for which accounting has been done based on Accounting Standard - 7 (AS-7) - Construction Contracts. The relevant particulars of the project activity are as follows :

	2009-10 Rs./Lakhs	2008-09 Rs./Lakhs
(a) Amount of contract revenue recognised as revenue in the period	798.41	2,197.08
(b) Method used to determine the contract revenue recognised in the period	Percentage Completion Method	
(c) Methods used to determine the stage of completion of contracts in progress	Based on certification of physical progress	
(d) Aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date for contracts in progress		
- Costs incurred	Nil	1,713.38
- Recognised Profit	Nil	153.16
(e) Advances received for contracts in progress	—	—
(f) Amount of retentions for contracts in progress	Nil	124.54
(g) Gross amount due from customers for contract work as an asset	Nil	Nil
(h) Gross amount due to customers for contract work as a liability	Nil	Nil

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

14.24 Segment Reporting

Information about business segment for the year ended 31st March, 2010 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.

14.25 Earnings per Share

- Earnings per share of the company has been calculated considering the Profit after Taxation of Rs.11,729.20 lakhs (Rs.10,161.37 lakhs) as the numerator.
- The weighted average number of equity shares used as denominator is 1,62,86,081 (1,62,86,081) and face value per share is Rs. 10.
- The nominal value of shares is Rs.1,628.61 lakhs (Rs. 1,628.61 lakhs) and the earnings per share (Basic and Diluted) for the year on the above mentioned basis comes to Rs. 72.02 (Rs. 62.39)

Notes on Accounts (Contd.)

14.26 Accounting for Deferred Taxation

The major components of the net deferred tax liability are :

	2009-10		2008-09	
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Net Opening Balance [A]		530.08		1410.08
Provision for the Current Year				
Liability for timing difference arising during the year on account of				
a) Provision for loans, debts, deposits, advances & investment, written back	25.31		17.59	
b) Adjustments for VRS expenditure	24.19		1.07	
c) Depreciation Allowance	—	49.50	—	18.66
Less:				
i) Fixed Assets written-off in accounts	5.71		21.61	
ii) Depreciation Allowance	0.22		25.57	
iii) Provision for Leave /LTA / PRMBS ,etc.	253.37		213.88	
iv) Salary Revision	(902.27)		444.79	
v) Provision for slow/non-moving inventory	46.48		51.05	
vi) Provision for loans, debts, deposits & advances	75.99		141.76	
		520.50		(-) 898.66
Net Deferred Tax Liability for the year [B]		570.00		(-) 880.00
Balance of Deferred Taxation liability [A+B]		1100.08		530.08

14.27 Disclosure of Interests in Joint Venture Companies

<u>Name of Joint Venture Company</u>	<u>Proportion of Shareholding</u>	<u>Country of Incorporation</u>
Balmer Lawrie (UAE) Lic.	49%	United Arab Emirates
Balmer Lawrie Van Leer Ltd	40%	India
Transafe Services Ltd.	50%	India
Avi Oil India (P) Ltd.	25%	India

The Company's proportionate share of the estimated amount of contracts remaining to be executed on Capital Accounts relating to the Joint Venture Companies and not provided for in their respective financial statements amounts to Rs. 269.59 lakhs (Rs. 165.52 lakhs).

The aggregate amounts of each of the assets, liabilities, income and expenses related to the interests in the Joint Venture companies are as follows :-

Assets	-	Rs. 40,693 lakhs (Rs. 39,862 lakhs)
Liabilities	-	Rs. 31,264 lakhs (Rs. 30,319 lakhs)
Income	-	Rs. 37,060 lakhs (Rs. 33,800 lakhs)
Expenses	-	Rs. 37,141 lakhs (Rs. 32,710 lakhs)

Notes on Accounts (Contd.)

14.28 Cost of Services is comprised of :

	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Air / Rail travel costs	56,273.97	(61,914.31)
Air / Ocean freight	17,384.14	(22,367.18)
Transportation / Handling	2,382.18	(2,215.69)
Other Service charges	706.80	(604.28)
	<u>76,747.09</u>	<u>(87,101.46)</u>

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

Asset Classification (*)	<u>Rs./Lakhs</u>	<u>Rs./Lakhs</u>
Leasehold Land	1,260.00	(-)
Building	337.12	(115.22)
Plant & Machinery	307.79	(143.81)
Electrical Installation & Equipment	18.98	(10.74)
Typewriters ,Accounting Machine & Off. Equipment	1.44	(0.89)
Tubewells, Tanks & Misc. Equipment	24.33	(38.27)
	<u>1,949.67</u>	<u>(308.93)</u>

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

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

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

(b) Figures in brackets relate to previous year.

Significant Accounting Policies

SCHEDULE 15

1. Fixed Assets and Depreciation

- a) Fixed Assets are valued at cost of acquisition inclusive of any other cost attributable to bringing the same to their working condition.
- b) Fixed Assets manufactured/constructed in-house are valued at actual cost of raw materials, conversion cost and other related costs.
- c) Cost of leasehold land is 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 realisable value and are shown separately in the financial statements. Loss determined, if any, is recognised in the profit and loss statement.
- f) The company reviews the depreciation policies followed for various items of assets, its useful life and circumstances prevailing in the business so as to make a more appropriate preparation or presentation of the financial statements. Necessary adjustment is made in the depreciation charge for the assets, if any significant variation is noticed in the pattern of economic benefits embodied in the assets. Based on the above technical review, certain items of Electrical Installations and Equipment, Furniture and Fittings and Typewriter, Accounting Machine and Office Equipment are being depreciated at the rate of 15%, 20% and 25% respectively on straight line basis.
- g) Depreciation is provided in accordance with the provisions of the Companies Act, 1956, prevailing from time to time at the straight line method except (i) for mobile phones at the rate of 50% per annum, (ii) for items given to employees under the furniture equipment scheme which has been provided at the rate of 25% per annum for computers and 15% per annum for other items and (iii) for assets whose actual cost does not exceed Rs. 5000, which has been depreciated fully in the year of addition of the asset, irrespective of the date of such addition.
- h) Machinery Spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular, are treated as fixed assets and depreciated over a period of five years (by charging depreciation @ 20% p.a. on straight line basis) or the residual life of the Principal asset, whichever is lower.

2. Valuation of Investments

The long term investments made by the company appear at cost inclusive of acquisition charges. Provision is made

for diminution in value considering the nature and extent of permanent diminution. Current investments appear at lower of cost or fair value.

3. Valuation of Inventories

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

4. Recognition of Revenue

Revenue is recognised in compliance with the following :

- a) In case of sale of goods :

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

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

As per the percentage of completion method after progress of work to a reasonable extent.
- d) In case of other income:
 - i) Interest on a time proportion basis taking into account the outstanding principal and the relative rate of interest.
 - ii) Dividend from investments in shares on establishment of the Company's right to receive.

5. Employee Benefits

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

Significant Accounting Policies (Contd.)

- b) Employee benefits in respect of Gratuity, Leave Encashment, Long Service Awards and Leave Travel Assistance are charged to Profit & Loss Account on the basis of actuarial valuation made at the year end.
 - c) Post retirement medical benefit is also recognised on the basis of actuarial valuation made at the year end.
6. **Payments made under Voluntary Retirement / Separation Schemes**
- a) Compensation comprising of Ex - gratia, Notice-Pay and Rehabilitation Grant payable to employees separating under Voluntary Retirement / Separation Scheme till 31 March, 2005 is treated as Deferred Revenue Expenditure and is written off as per following instalments :-
 - (i) Paid upto December, 1999 - Five equal yearly instalments ;
 - (ii) Paid during January, 2000 - Sixty equal monthly instalments.
 - b) Compensation under Voluntary Retirement/ Separation Scheme with effect from
1st April, 2005 - Charged off in the same financial year .
7. **Treatment of Prior Period and Extraordinary Items**
- a) Prior period items which arise in the current period as a result of error or omission in the preparation of prior period's financial statement are separately disclosed in the current statement of profit & loss . However, differences in actual income/expenditure arising out of over or under estimation in prior period are not treated as prior period income/expenditure.
 - b) Income / Expenditure upto Rs. 10000 in each case pertaining to prior years is charged to the current year.
 - c) Extraordinary items, i.e., gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the statement of accounts.
8. **Foreign Currency Translations**
- a) All transactions in foreign currency other than those specified below are converted at the exchange rate prevailing on the respective dates of transactions.
 - b) Current assets (other than inventories) and current liabilities are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
 - c) Long Term Investment, Inventories and Fixed Assets are carried at cost .
 - d) In case of foreign branch, translation of the financial statement is made on the following basis -
 - i) Revenue items except opening and closing inventories are converted at average rate. Opening and closing inventories are translated at the rate prevailing at the commencement and close respectively.
 - ii) Fixed Assets and depreciation are converted at the exchange rate on the date of the transactions.
 - iii) Other Current Assets and Current Liabilities are converted at the exchange rate as on the date of the Balance Sheet.
 - e) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account except as stated above.
 - 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 recognised in the Profit & Loss Account.
9. **Accounting for Research & Development**
- a) Revenue Expenditure is shown under Primary Head of Accounts with the total of such expenditure being disclosed in the Notes.
 - b) Capital expenditure relating to research & development is treated in the same way as other fixed assets.
10. **Treatment of Grant/Subsidy**
- a) Revenue grant/subsidy in respect of research & development expenditure is set off against respective expenditure.
 - b) Capital grant/subsidy against specific fixed assets is set off against the cost of those fixed assets.
 - c) When grant/ subsidy is received as compensation for extra cost associated with the establishment of manufacturing units or cannot be related otherwise to any particular fixed assets the grant/subsidy so received is credited to capital reserve. On expiry of the stipulated period set out in the scheme of grant/ subsidy the same is transferred from capital reserve to general reserve.
 - d) Revenue grant in respect of organisation of certain events is shown under Sundry Income and the related expenses there against under normal heads of expenditure.
11. **Accounting for Borrowing Cost**
- Borrowing Costs that are directly attributable to the acquisition, construction or production of assets which take substantial period of time to get ready for its intended use are capitalised as part of the cost of those assets . Other Borrowing Costs are recognised as expense in the period in which they are incurred.
12. **Impairment of Assets**
- An assessment is made at each Balance Sheet date to

Significant Accounting Policies (Contd.)

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

13. Cash Flow Statement

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

14. Segment Reporting

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

15. Intangible Assets

(a) Expenditure incurred for acquiring intangible assets like software of Rs. 5,00,000 and above and license to use software per item of Rs. 25,000 and above, from which economic benefits will flow over a period of time, is capitalised and amortised over the estimated

useful life of the asset or five years , whichever is earlier, from the time the intangible asset starts providing the economic benefit.

(b) In other cases, the expenditure is charged to revenue in the year in which the expenditure is incurred.

16. Provisions, Contingent Liabilities and Capital Commitments

(a) Provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

(b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company.

(c) Capital commitments and Contingent liabilities disclosed are in respect of items which exceed Rs. 1,00,000 in each case.

(d) Contingent liabilities are considered only on conversion of show cause notices issued by various Government authorities into demand.

As per our report attached
For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, the 29th July, 2010

S. K. Mukherjee
Managing Director

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

P. K. Bora
Abha Chaturvedi
V. Sinha
V. N. Sharma
Directors

Amit Ghosh
Secretary

PART - I

ANNEXURE - A

Statement of Disputed Dues as on 31st March, 2010 (Not provided for in the accounts)

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)		Period to which the amount relates	Forum where dispute is pending
		2009-10	2008-09		
Sales Tax Act.	Sales Tax	17.67	17.67	Asst year 1994/95	Tribunal, Mumbai
		1.55	1.55	Asst year 1994/95	Tribunal, Mumbai
		1.35	-	Asst year 2004/05	Dy. Commissioner, Mumbai
		36.00	-	Asst year 2003/04	Dy. Commissioner, Mumbai
		1.53	-	Asst year 2003/04	Dy. Commissioner, Mumbai
		87.25	-	Asst year 2003/04	Dy. Commissioner, Mumbai
		2.33	-	Asst year 2003/04	Dy. Commissioner, Mumbai
		0.26	-	Asst year 2004/05	Dy. Commissioner, Mumbai
		0.81	-	Asst year 2003/04	Dy. Commissioner, Mumbai
		-	0.52	Asst year 1998/99	Dy. Commissioner, Mumbai
		-	9.67	Asst year 1998/99	Dy. Commissioner, Mumbai
		-	0.40	Asst year 1998/99	Dy. Commissioner, Mumbai
		-	1.02	Asst year 1998/99	Dy. Commissioner, Mumbai
		-	0.35	Asst year 1999/00	Dy. Commissioner, Mumbai
		-	2.02	Asst year 1999/00	Dy. Commissioner, Mumbai
		-	1.54	Asst year 1999/00	Dy. Commissioner, Mumbai
		-	1.79	Asst year 1999/00	Dy. Commissioner, Mumbai
		5.78	5.78	Asst year 2000/01	Dy. Commissioner, Mumbai
		0.90	0.90	Asst year 2000-01	Dy. Commissioner, Mumbai
		0.61	0.61	Asst year 2001/02	Dy. Commissioner, Mumbai
		8.08	8.08	Asst year 2000/01	Dy. Commissioner, Mumbai
		4.85	4.85	Asst year 2001/02	Dy. Commissioner, Mumbai
		1.35	1.35	Asst year 2000-01	Dy. Commissioner, Mumbai
		1.68	1.68	Asst year 2001-02	Dy. Commissioner, Mumbai
		1.37	1.37	Asst year 2001-02	Dy. Commissioner, Mumbai
		0.73	0.73	Asst year 2002-03	Dy. Commissioner, Mumbai
		0.72	0.72	Asst year 2002-03	Dy. Commissioner, Mumbai
		2.34	2.36	Asst year 2002-03	Dy. Commissioner, Mumbai
		-	3.78	Asst year 1996-97 (WBST Act. 1994)	Appllate & Revisional Board West Bengal
		-	55.90	Asst year 2002-03	Asst. Commissioner, Mumbai
		43.97	43.97	Asstt Yr 2003/04	Asst. Commissioner, Mumbai
		0.26	0.26	Asst year 2002-03	Jt Commissioner, Mumbai
		105.20	24.36	Asst year 2002-03	Jt Commissioner, Mumbai
		1.78	1.78	Asstt Yr 2001/02 (WBST Act. 94)	Dy. Commissioner, West Bengal
		2.18	2.18	Asstt Yr 2001/02 (CST Act. 56)	Dy. Commissioner, West Bengal
		16.91	15.84	Asstt Yr 2002/03 (WBST Act. 94)	Dy. Commissioner, West Bengal
		1.50	1.50	Asstt Yr 2002/03 (CST Act. 56)	Dy. Commissioner, West Bengal
		13.25	13.25	Asstt Yr 2003/04 (WBST Act. 94)	Dy. Commissioner, West Bengal
		25.73	25.73	Asstt Yr 2003/04 (CST Act. 56)	Dy. Commissioner, West Bengal
		13.17	13.17	Asst yr 1992/93	CTO, Kochi
		69.38	69.38	Asstt Yr 1993/94	CTO, Kochi
		2.25	2.25	Asstt Yr 2005/06	CTO, Kochi
		6.63	6.63	Asstt Yr 2005/06	CTO, Kochi
		15.62	15.62	Asstt Yr 1993/94	Appeal pending before STAT, Kochi
		1.82	1.82	Asstt Yr 2003/04	Asst. Commissioner, Chennai
		14.95	14.95	Asstt Yr 2008/09	Appeal pending with AAC
		1.64	1.64	Asstt Yr 2008/09	Appeal pending with AAC
		14.65	14.65	Asstt Yr 1998/99	Appeal pending before STAT
		15.16	44.38	Asstt Yr 2004/05	Dy. Commissioner, West Bengal
		48.17	93.90	Asstt Yr 2004/05	Dy. Commissioner, West Bengal
		72.94	109.13	Asst. Year 2005/06	Appeal pending with Sales Tax Appellate & Revision Board
		127.67	157.83	Asst. Year 2005/06	- do -
		9.76	9.76	Asstt Yr 1998/99	AAC, Chennai
SUB TOTAL		801.77	808.62		

Statement of Disputed Dues as on 31st March, 2010
(Not provided for in the accounts)

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)		Period to which the amount relates	Forum where dispute is pending
		2009-10	2008-09		
Central Excise Act	Excise Duty	91.15	91.15	1994-95	High Court, Allahabad
		262.30	262.30	July'97	Appellate Tribunal, Kolkata
		16.31	16.31	Feb.'2004	Appellate Tribunal, Kolkata
		287.53	275.87	Jul 00 to Dec 02	Commissioner, Mumbai
		44.47	42.50	Feb.'2004	Jt Commissioner, Mumbai
		-	1.17	March' 2006	Asstt Commissioner, Mumbai
		-	0.92	March' 2006	Asstt Commissioner, Mumbai
		-	13.21	Jan.' 2006	Asstt Commissioner, Mumbai
		14.28	-	April'08	Addl. Commissioner, Mumbai
		2.16	1.98	2006/07	Commissioner (Appeal), Mumbai
		1.25	-	March' 2009	Commissioner (Appeal), Gurgag
		-	3.04	Apr 02 to Jun 06	Commissioner, Mumbai
		-	0.54	Jul 06 to Feb 07	Commissioner, Mumbai
		-	0.84	Mar 07 to Dec 07	Asst. Commissioner, Mumbai
		-	0.61	Jan 08 to Aug 08	Asst. Commissioner, Mumbai
		-	0.48	Sep 08 to Jan 09	Asst. Commissioner, Mumbai
		-	15.63	Apr 07	Jt Commissioner, Mumbai
		0.16	-	Feb.'2010	Dy. Commissioner (Central Excise), Kolkata
		2.46	-	March'2010	- do -
		3.30	3.94	March, 2002	Asstt Commissioner, Mumbai
		30.92	30.92	2008-09	Commissioner (Appeal), Mumbai
		195.94	175.00	2004-05	Commissioner (Appeal), Mumbai
		-	41.31	March' 2006	Commissioner (Appeal), Mumbai
	SUB TOTAL	952.22	977.72		
	Cess	75.63	70.70	Asstt Yr 1999/00	High Court, Mumbai
	„	62.38	58.24	Asstt Yr 2000/01	High Court, Mumbai
	SUB TOTAL	138.01	128.94		
Service Tax Act	Service Tax	250.60	239.24	Aug.'02 - March'05	Commissioner of Central Excise (Adjn), Mumbai
		151.81	144.33	April'05 - March'06	- Do -
		161.35	152.80	July, 2007	- Do -
		165.71	-	14-05-2009 to 29-12-09	Commissioner of Registered Commissionerate, Mumbai
		31.54	-	14-05-2009 to 29-12-2009	- Do -
		5.98	-	May, 2005 to Nov.-2007	Asst. Commissioner of Service Tax, Chennai
		3,054.72	3,054.72	01.10.2002 to 31.03.2007	CESTAT
		1.14	1.14	November, 2007	Joint Commissionr (Service Tax) West Bengal
		6.85	6.85	November, 2007	- Do -
		26.89	-	07-12-2009	Addl. Commissioner (Service Tax) West Bengal
		2.40	-	10-03-2010	Dy. Commissioner (Service Tax) West Bengal
		4.38	-	28, November, 2007	CESTAT, Ahmedabad
		1.92	-	21-07-2009	Commissioner of Central Excise (Appeals), Chennai
		716.14	-	April'08 to March'09	Commissioner of Central Excise, Mumbai
		4,581.45	3,599.08		
		545.65	545.65	Asst. Year 2004-05	I.T.A.T, Kolkata
		10.01	41.51	Asst. Year 2005-06	I.T.A.T, Kolkata
		8.88	-	Asst. Year 2006-07	I.T.A.T, Kolkata
		564.54	587.16		
	GRAND TOTAL	7,037.98	6,101.52		

Annexure - B
Employee Benefits (Refer note no. 14.20)

Particulars	Gratuity (Funded)		Post-retirement Medical (Non-Funded)	Leave Encashment (Non-Funded)		Leave Travel Assistance (\$) (Non-Funded)		Long Service Award (Non-Funded)		Trust managed Provident (Funded)	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	Rs. / Lacs
I. Net Asset / (Liability) recognised in the Balance Sheet as at March 31, 2010											
1 Present value of funded obligations - A	2,713.21	2,247.47	154.17	125.74	2,222.03	1,612.40	105.45	105.45	38.55	35.66	10,435.73 9,508.50
2 Fair Value of Plan Assets - B	2,311.28	1,099.27	-	-	-	-	-	-	-	-	10,506.68 9,602.32
3 (Deficit) / Surplus - (A - B)	(401.93)	(1,148.20)	(154.17)	(125.74)	(2,222.03)	(1,612.40)	(105.45)	(105.45)	(38.55)	(35.66)	70.95 93.82
4 Net Asset / Liabilities	-	-	-	-	-	-	-	-	-	-	70.95 93.82
- Assets	(401.93)	(1,148.20)	(154.17)	(125.74)	(2,222.03)	(1,612.40)	(105.45)	(105.45)	(38.55)	(35.66)	-
- Liabilities											
II. Expense Recognised in the Profit & Loss Account for the year ended March 31, 2010											
1 Current Service Cost	157.18	142.72	-	-	443.34	355.24	-	-	-	-	521.41 864.20
2 Interest on Defined Benefit Obligation	177.07	68.49	9.68	8.69	122.43	80.72	-	3.76	2.60	2.56	794.29 734.15
3 Expected Return on Plan Assets	179.77	85.92	-	-	-	-	-	-	-	-	768.80 668.66
4 Net Actuarial Losses / (Gains) recognised during the year	247.09	1,208.89	28.14	18.28	-	-	-	97.16	6.64	2.45	5.08 (186.33)
5 Past Service Cost	-	-	-	-	-	-	-	-	-	-	-
6 Excess Contribution made in earlier years to be adjusted in future years	-	-	-	-	-	-	-	-	-	-	-
Total (1+2-3+4)	401.57	1,334.18	37.82	26.97	565.77	435.96	-	100.92	9.24	5.01	551.98 743.36
Actuarial return on Plan Assets	-	-	-	-	-	-	-	-	-	-	-
III. Change in present value of obligation during the year ended March 31, 2010											
1 Opening Defined Benefit Obligation	2,247.47	887.97	125.74	118.33	1,612.40	1,009.05	105.45	89.33	35.66	33.31	9,508.50 8,385.14
2 Service Cost	157.18	142.72	-	-	443.34	355.24	-	-	-	-	521.41 864.20
3 Interest Cost	177.07	68.49	9.68	8.69	122.43	80.72	-	3.76	2.60	2.56	794.29 734.15
4 Actuarial Losses / (Gains)	199.64	1,211.99	28.14	18.28	207.75	167.39	-	97.16	6.64	2.45	(60.48) (114.59)
5 Benefits Paid	68.16	63.70	9.39	19.56	163.89	-	-	84.80	6.35	2.66	327.99 360.40
6 Closing Defined Benefit Obligation (1+2+3+4-5)	2,713.20	2,247.47	154.17	125.74	2,222.03	1,612.40	105.45	105.45	38.55	35.66	10,435.73 9,508.50

Annexure - B
Employee Benefits (Refer note no. 14.20)

Particulars	Gratuity (Funded)		Post-retirement Medical (Non-Funded)		Leave Encashment (Non-Funded)		Leave Travel Assistance (\$) (Non-Funded)		Long Service Award (Non-Funded)		Trust managed Provident (Funded)	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
IV. Change in fair value of Plan Assets during the year ended March 31, 2010												
1 Opening Fair Value of Plan Assets	1,099.27	1,073.95	-	-	-	-	-	-	-	-	9,610.02	8,358.12
2 Expected Return	179.77	85.92	-	-	-	-	-	-	-	-	768.80	668.66
3 Actuarial (Losses) / Gains on Plan Assets	(47.44)	3.10	-	-	-	-	-	-	-	-	(65.56)	71.74
4 Assets Distributed on settlements	-	-	-	-	-	-	-	-	-	-	-	-
5 Contribution by employer	1,148.20	-	-	-	-	-	-	-	-	-	521.41	864.20
6 Benefits Paid	68.16	63.70	-	-	-	-	-	-	-	-	327.99	360.40
7 Closing Fair Value of Plan Assets (1+2+3-4+5-6)	2,311.64	1,099.27	-	-	-	-	-	-	-	-	10,506.68	9,602.32
V. The Major categories of Plan Assets as a percentage of total Plan Assets												
1 Government of India Securities / State Govt (s) Securities	30.78%	22.64%		Not	Not	Not	Not	Not	Not	Not	31.88%	30.43%
2 Corporate Bonds	58.75%	54.42%	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	51.29%	48.67%
3 Others	10.47%	22.94%									16.83%	20.90%
VI. Principal Actuarial Assumptions as at March 31, 2010												
1 Discount Rate (p.a.)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.50	8.50
2 Expected Rate of Return on Plan Assets (p.a.)	8.00	8.00	Not	Not	Not	Not	Not	Not	Not	Not	8.00	8.00
			Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable		

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

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

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

(§) Consequent to change in compensation structure of employees, Leave Travel Assistance payable to employees has made as one month's basic salary to be paid within 12 months of end of financial year.

Hence, actuarial valuation for this facility was not required to be carried out for 2009-10.

Annexure - C (Note 14.24)
Information About Business Segments for the Year Ended 31st. March 2010

	Industrial Packaging		Logistics Infrastructure & Services		Travel and Tours		Greases and Lubricants		Others		Consolidated Total	
	2009-2010 Rs./Lakhs	2008-09 Rs./Lakhs	2009-2010 Rs./Lakhs	2008-2009 Rs./Lakhs	2009-2010 Rs./Lakhs	2008-2009 Rs./Lakhs	2009-2010 Rs./Lakhs	2008-2009 Rs./Lakhs	2009-2010 Rs./Lakhs	2008-2009 Rs./Lakhs	2009-2010 Rs./Lakhs	2008-2009 Rs./Lakhs
SEGMENT REVENUE												
External Revenue	34,362.69	29,936.77	33,491.16	39,763.73	60,836.88	66,228.68	28,609.69	23,093.09	6,448.59	7,772.01	1,63,749.01	1,66,794.28
Inter-Segment Revenue	1,010.23	902.63	33.04	87.43	44.26	33.86	24.30	39.57	114.77	64.91	1,226.60	1,128.40
Total Segment Revenue	35,372.92	30,839.40	33,524.20	39,851.16	60,881.14	66,262.54	28,633.99	23,132.66	6,563.36	7,836.92	1,64,975.61	1,67,922.68
Less :												
Inter-Segment Revenue											1,226.60	1,128.40
Add :												
Other Unallocable Revenue											3,509.46	2,862.30
TOTAL REVENUE											<u>1,67,258.47</u>	<u>1,69,656.58</u>
SEGMENT RESULT												
Profit / (Loss) before Interest & Tax	2,582.04	1,712.40	8,991.79	10,240.95	2,402.92	2,271.81	3,058.82	1,606.38	(131.99)	439.88	16,903.58	16,271.42
Less :												
Interest Expense											254.91	518.04
Prior Period Adjustment											14.04	9.30
Other Unallocable Expenditure (net of Unallocable Revenue)											1,336.73	587.71
TOTAL PROFIT BEFORE TAX											<u>15,297.90</u>	<u>15,156.37</u>
OTHER INFORMATION												
Segment Assets	12,611.38	12,040.81	15,083.03	12,721.57	12,004.85	10,805.02	13,027.16	12,749.14	5,908.50	6,648.02	58,634.92	54,964.56
Other Unallocable Assets											34,843.36	30,297.96
Total Assets											<u>93,478.28</u>	<u>85,262.52</u>
Segment Liabilities	5,137.16	3,013.95	12,099.68	11,954.03	4,387.07	3,444.24	6,500.10	6,280.09	1,847.63	1,900.59	29,971.64	26,592.90
Other Unallocable Liabilities											16,210.53	19,304.78
Total Liabilities											<u>46,182.17</u>	<u>45,897.68</u>
Capital Expenditure	218.16	667.99	2,519.64	526.71	47.12	54.07	218.03	158.22	588.24	510.37	3,591.19	1,917.36
Depreciation	315.99	282.37	319.52	282.75	36.02	29.21	193.46	194.42	295.63	262.92	1,160.62	1,051.67
Impairment loss on Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Amortisation of Deferred Revenue Expenditure	-	21.71	-	0.20	-	-	-	-	-	1.64	-	23.55

Notes :

- Details of products / services included in each of the above Business Segments are given below :
Industrial Packaging - Barrels & Drums
Logistics Infrastructure & Services - Logistics Services & Logistics Infrastructure
Travel & Tours - Travel (Ticketing), Tours & Money Changing Activities
Greases & Lubricants - Greases & Lubricating Oils
Others - Engineering & Technology Services, Tea Blending & Packaging, Leather Chemicals etc.
- Segment Revenue, Segment Expenses and Segment Results include transfers between Business Segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods and are eliminated in consolidation.

Cash Flow Statement for the year ended 31st March, 2010

(Rupees in lakhs)

	Year ended March 31, 2010	Year ended March 31, 2009
A. Cash flow from operating activities		
Net profit before tax [Note 1]	15256	14924
Adjustment for		
Depreciation and fixed assets written off	1184	1121
Foreign Exchange	—	1
Interest / Dividend	(479)	(171)
Provision for diminution in value of investments	1165	—
Deferred Revenue Expenditure (charged off during the year)	—	24
Operating Profit Before Working Capital Changes	17126	15899
Trade and other receivables	(3315)	1363
Inventories	(1285)	751
Trade Payables	2157	3376
Cash generated from operations	14683	21389
Direct Taxes paid	(5870)	(1886)
Interest paid	(255)	(485)
NET CASH FROM OPERATING ACTIVITIES	8558	19018
B. Cash flow from investing activities		
Purchase of fixed assets	(3173)	(1884)
Sale of Fixed assets	65	543
Purchase of Investments	(553)	(292)
Dividend received	734	689
NET CASH FROM INVESTING ACTIVITIES	(2927)	(944)
C. Cash flow from financing activities		
Proceeds from Long Term Borrowings	—	(642)
Interest paid on Long Term Borrowings	—	(33)
Dividend paid	(3234)	(2748)
Corporate Tax on Dividend	(554)	(471)
NET CASH FROM FINANCING ACTIVITIES	(3788)	(3894)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	1843	14180
CASH & CASH EQUIVALENTS - OPENING BALANCE	24874	10694
CASH & CASH EQUIVALENTS - CLOSING BALANCE	26717	24874

As per our report attached
For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, the 29th July, 2010

S. K. Mukherjee
Managing Director

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

P. K. Bora
Abha Chaturvedi
V. Sinha
V. N. Sharma
Directors

Amit Ghosh
Secretary

Notes on Cash Flow Statement

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

	2009-10	(Rupees in lakhs) 2008-09
2. Net Profit after tax as per Profit & Loss Account	11729	10161
Add : Tax Provision (Net)	3569	4995
	15298	15156
Less : Profit / (Loss) on disposal of fixed assets (net)	42	232
Net profit before tax	15256	14924
3. Changes in Working Capital - computation (Excluding items shown separately)		
Current Assets		
Sundry Debtors	24467	23357
Loans & Advances	9043	6838
Inventories	9170	7885
	42680	38080
Current Liabilities		
Trade Payable	36903	34746
Net Current Assets	5777	3334
Changes	2443	(5490)
4. Component of Cash and Cash equivalent		
Cash and Bank Balances	26717	24874
	26717	24874
Changes	1843	14180

As per our report attached
For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
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Secretary

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

BALMER LAWRIE (UK) LTD

	<u>USD</u>	<u>Converted @ Rs. 44.43/USD</u>
a) Holding Company's Interest:		
Entire Issued Share Capital of Ordinary Shares of £ 1 each fully paid up at cost	53,37,478	23,71,44,148
b) Net aggregate amount of Subsidiary's profit/(loss) not dealt with in the Holding Company's accounts:		
i) for the subsidiary's financial year ended 31st March, 2010	2,08,578	92,67,121
ii) for the previous financial years (cumulative)	27,68,290	12,29,95,125
c) Net aggregate amount of Subsidiary's profit/(loss) dealt with in the Holding Company's accounts:		
i) for the Subsidiary's financial year ended 31st March, 2010	Nil	Nil
ii) for the previous financial years	Nil	Nil

S. K. Mukherjee
Managing Director

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

P. K. Bora
Abha Chaturvedi
V. Sinha
V. N. Sharma

Amit Ghosh
Secretary

The following particulars as on 31st March, 2010 are provided pursuant to the direction of the Ministry of Company Affairs vide their letter no. 47/567/2010 – CL-III dated 14th July, 2010 relating to Balmer Lawrie (UK) Limited

BALMER LAWRIE (UK) LTD		<u>USD</u>	<u>Converted @ Rs. 44.43/USD</u>
a)	Share Capital	53,37,478	23,71,44,148
b)	Reserves and Surplus	29,76,868	13,22,62,245
c)	Total Assets	71,82,483	31,91,17,720
d)	Total Liabilities	4,48,789	1,99,39,695
e)	Details of Investments (except in case of Investment in Subsidiary)	11,78,108	5,23,43,338
f)	Turnover	1,69,053	75,11,025
g)	Profit / (-) Loss before Taxation	2,42,024	1,07,53,126
h)	Provision for Taxation	33,446	14,86,006
i)	Profit / (-) Loss after Taxation	2,08,578	92,67,121
j)	Proposed Dividend	–	–

**Subsidiary Company –
Balmer Lawrie (UK) Limited**

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

Financial Statements for the year ended 31st March, 2010 is furnished in Indian
Rupees converted at the exchange rate as on 31.03.2010 - Rs. 44.43/USD

Directors' report for the year ended 31st March 2010

The directors present their report and the financial statements for the year ended 31 March 2010.

Statement of directors' responsibilities

The directors are responsible for preparing the Director's Report and financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable the director to ensure that the financial statements comply with the Companies Act 2006. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Awareness of relevant audit information

The directors at the time the report was approved are aware that:

- there is no relevant information of which the auditors are unaware and;

that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information to establish that the auditors are aware of that information.

Principal activity and review of business

The company's principal business activities were Leasing & Hiring of Marine Freight Containers and Tea warehousing, Blending & packaging. The company has exited both these business activities.

Proceeds from the sale of the above two businesses are being used to fund other business opportunities. In the financial year under report, the company formed an equal partnership Joint Venture with PT Imani Wicaksana, Indonesia to manufacture and market lubricating greases and other lubricants in Indonesia. The Joint Venture Company (JVC) has been formed on 15th February 2010 with BLUK investing US\$ 1.18 million (approx), equivalent to Indonesian Rupiah 11 billion being 50% of the paid up equity capital of the JVC.

The JVC is establishing a plant at an estimated cost of US\$ 5.3 million which is proposed to be funded with debt-equity ratio of 1:1. Work has since commenced on construction of the plant.

Results and dividends

The results for the year are set out on page 85.

The profit for the year was US\$208,578 (2009: loss US\$114,972).

The directors do not recommend the payment of a dividend (2009: \$nil).

Directors

The directors set out in the table below have held office during the period from 1 April 2009 to the date of this report.

The interests of the directors holding office on 31 March 2010 in the company's issued share capital were:

	Ordinary shares of £1 each	
	31 March 2010	1 April 2009
S K Mukherji		
K Subramanyan	—	—
(appointed 1 January 2010)		
V Sinha	—	—
P Radhakrishnan	—	—
(retired on 31 December 2009)		

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and Pentagon Financial Limited will therefore continue in office.

By order of the Board

S K Mukherji	K Subramanyan	V. Sinha
Director	Director	Director

19 July 2010

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

We have audited the financial statements of Balmer Lawrie (UK) Limited for the year ended 31 March 2010 set out on page 85 to 88. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kalbinder Sanghera ACA
Senior Statutory Auditor
For and on behalf of Pentagon Financial Limited
Statutory Auditor
Beech Court
Summers Road
Burnham
Buckinghamshire
SL1 7EP

Profit and Loss Account for the year ended 31st March 2010

	Notes	2010	(Rs./Lakhs)
			2009
Turnover		—	133.20
Cost of sales		—	(8.35)
Gross Profit		—	124.85
Selling and distribution costs		—	(19.61)
Administration expenses		35.65	(236.16)
Operating profit	2	35.65	(130.92)
Interest receivable and similar charges		75.11	119.35
Profit on sale of fixed assets	3	—	155.98
Interest payable and similar charges	4	(3.23)	—
Profit on ordinary activities before taxation		107.53	144.41
Tax on profit on ordinary activities	6	(14.86)	(195.49)
Retained profit for the year	11	92.67	(51.08)

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

Balance Sheet as at 31st March 2010

	Notes	2010	(Rs./Lakhs)
			2009
Fixed Assets			
Investments	7	523.43	—
Current Assets			
Debtors	8	29.68	51.57
Cash at bank and in hand		3161.50	3749.22
		3191.18	3800.79
Creditors : amounts falling due within one year	9	(20.55)	(199.40)
Net current assets		3170.63	3601.39
Total assets less current liabilities		3694.06	3601.39
Provision for liabilities and charges		—	—
		3694.06	3601.39
Capital and reserves			
Share capital	10	2371.44	2371.44
Profit and loss account	11	1322.62	1229.95
Shareholders' fund – equity interests	12	3694.06	3601.39

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

The financial statements were approved by the Board on 19th July 2010 and were signed on its behalf by :

S K Mukherji
Director

K. Subramanyan
Director

V. Sinha
Director

Balmer Lawrie (UK) Limited

Notes to the Financial Statements for the year ended 31st March 2010

		(Rs.Lakhs)	
		2010	2009
1. Accounting Policies			
1.1 Basis of preparation of financial statements			
The financial statements are prepared under the historical cost convention and have been prepared on a going concern basis.			
1.2 Compliance with accounting standards			
The accounts have been prepared in accordance with applicable accounting standards.			
1.3 Turnover			
Turnover represents amounts receivable for goods and services net of VAT.			
1.4 Cashflow statement			
The company is exempt from the requirement of Financial Reporting Standard 1, "Cashflow Statements" as it qualifies as a small company in accordance with the Companies Act 2005.			
1.5 Related party transactions			
The company has taken advantage of the exemption granted under Financial Reporting Standard 8 "Related Party Disclosures", not to disclose details of transactions with entities belonging to the group.			
1.6 Foreign currency translation			
The Company's activities are more dependent on the American dollar than sterling. Consequently, the company's financial statements are prepared in American dollars on applying the following bases :			
(a) Monetary assets and liabilities denominated in a foreign currency were translated into dollars at the foreign exchange rates ruling at the balance sheet date.			
(b) Revenue and expenses in foreign currencies were translated in dollars at the average rate for the year.			
(c) Any gains or losses arising on translation were taken to the profit and loss account.			
1.7 Investments			
Investments are carried at cost or valuation. Cost is based on the fair value of the consideration paid for the investment, including acquisition costs.			
Where a different value is demonstrated by a significant third party event, the investment is carried at a corresponding revalued amount. In the case of a permanent impairment in the carrying value of the asset, a write down provision is made in the profit and loss account.			
2. Operating Profit			
Operating profit/loss is stated after charging :			
Depreciation	0	80.85	
Auditors' remuneration	1.15	1.15	
3. Profit on sale of fixed assets			
Profit on disposal of fixed assets			
	-	155.98	
	-	155.98	
4. Interest payable and similar charges			
On bank loans and overdraft			
	3.23	0	
	3.23	0	
5. Directors' emoluments			
Emoluments for qualifying services			
	-	-	
6. Taxation on profit on ordinary activities			
Analysis of charge (credit) in period :			
Current Taxation			
UK corporation tax charge for the year			
	14.86	195.49	
Total current tax			
	14.86	195.49	
Deferred taxation			
Origination and reversal of timing difference (note 12)			
	-	-	
Tax on profit on ordinary activities			
	-	-	
The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28%. The actual tax charge for the current and the previous year varies from the standard rate for the reasons set out in the following reconciliation.			
Profit on ordinary activities before tax			
	107.53	144.41	
Tax on profit on ordinary activities at standard rate			
	30.11	40.43	
Factors affecting charge for the period :			
Expenses not deductible for tax purposes			
	-	38.24	
Other adjustments			
	(15.25)	-	
Balancing charges on disposal containers			
	-	116.82	
Total actual amount of current tax			
	14.86	195.49	

Balmer Lawrie (UK) Limited

Notes to the Financial Statements for the year ended 31st March 2010

	2010	2009
	(Rs./Lakhs)	(Rs./Lakhs)
7. Investment		
Cost		
As as 1 April 2009	—	—
Addition	523.43	—
As at March 31 2010	523.43	—
Provision:		
As at 1 April 2009	—	—
Provision for the year	—	—
As at March 31 2010	—	—
Net Book amount at March 31 2010	523.43	—

A 50 % investment with PT Imani Wickasana, in the newly formed joint venture company.

8. Debtors

Prepayments and accrued income	29.68	51.57
	29.68	51.57

9. Creditors : Amounts falling due within one year

Corporation tax provision	14.86	195.49
Accruals	5.69	3.90
	20.55	199.39

10. Share Capital

Authorised		
4,000,000 Ordinary Shares of 1 each	2745.18	2745.18
Allotted, Called Up & Fully Paid		
3,380,312 (2008 : 3,380,312)		
Ordinary Shares of 1 each	2371.44	2371.44

11. Statement of movement on reserves

	Profit and Loss account
Balance at 1 April 2009	1229.95
Retained loss for the year	92.67
Balance at 31 March 2010	1322.62

	2010	2009
	(Rs./Lakhs)	(Rs./Lakhs)
12. Reconciliation of movement in shareholders' funds		
Profit/ (Loss) for the financial year	92.67	(51.08)
Opening shareholders funds	3601.39	3652.47
Closing shareholders' funds	3694.06	3601.39

13. Related party transactions

The Company has taken advantage of the exemption granted under FRS 8 "Related Party Disclosures", not to disclose details of transactions with entities belonging to the group, on the grounds that consolidated financial statements are prepared by the ultimate parent company.

14. Ultimate parent company

The Company 's ultimate parent company and ultimate controlling party is Balmer Lawrie & Co.Limited, a company incorporated in India.

Balmer Lawrie (UK) Limited

Detailed Trading and Profit & Loss Account for the year ended 31st March 2010

	2010		(Rs./Lakhs) 2009	
Sales				
Lease rentals - Containers	-		130.71	
Other Income	-		2.49	
		-		133.20
Cost of sales				
Containers : Handling charges	-		3.30	
Storage charges	-		2.25	
Depot charges	-		2.52	
Repairs and maintenance	-	-	0.28	8.35
		-		124.85
Gross profit				
Administration expenses	(35.65)		236.16	
Selling expenses	-	(35.65)	19.61	255.77
Operating Profit/ (Loss)		35.65		(130.92)
Profit on disposal of fixed assets		-		155.98
Interest receivable and similar charges				
Bank interest Receivable		75.11		119.35
Interest payable and similar charges				
Bank interest Payable	(3.23)		-	
		(3.23)		-
Net profit before taxation		107.53		144.41

Direct, administration and selling expenses for the year ended 31st March, 2010

	2010	(Rs./Lakhs) 2009
Administration expenses		
Audit and accountancy	3.33	5.36
Bank charges	0.26	0.24
Legal and professional fees	9.69	0.40
Travel and subsistence	5.53	11.38
Sundries	-	1.38
Exchange gain	(54.46)	136.55
Depreciation	-	80.85
	(35.65)	236.16
Container selling expenses		
Commission on rental income	-	19.61

Auditors' Report on the Consolidated Financial Statements

To
The Board of Directors of
Balmer Lawrie and Company Limited

1. We have audited the attached Consolidated Balance Sheet of Balmer Lawrie and Company Limited ('the Company'), and its Subsidiary and four Joint Venture Companies (collectively referred to as 'the Group') as at 31st March, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of its subsidiary and the joint ventures whose financial statements reflect total assets of Rs. 42,554.72 lakhs as at 31st March, 2010, total revenues of Rs. 37,204.54 lakhs and net cash flows amounting to (-) Rs. 1,740 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of such subsidiary and joint ventures, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', and Accounting Standard (AS) 27, 'Financial Reporting of interests in Joint Ventures', prescribed by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the Company and its subsidiary and joint ventures included in the Consolidated Financial Statements.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid subsidiary and joint ventures, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2010;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

FOR J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S P Datta
Partner
Membership No. 13852

Kolkata
29th July 2010

CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED
Balance Sheet as at 31st March, 2010

SCHEDULES

				As at 31/3/2009	
		Consolidated with subsidiary Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with subsidiary Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs
Sources of Funds					
Shareholders' Funds					
Share Capital	1	1,629	1,629	1,629	1,629
Reserves and Surplus	2	46,389	55,107	39,424	48,122
		48,018	56,736	41,053	49,751
Loan Funds					
Secured	3		19,107		14,832
Unsecured	4		2,791		565
			21,898		15,397
Deferred Taxation Liability		1,096	1,807	529	1,374
		49,114	80,441	41,582	66,522
Application of Funds					
Fixed Assets (Net Block)					
Gross Block		31,209	67,475	30,155	57,812
Less : Depreciation		13,475	30,707	13,087	25,745
Less : Impairment of Assets		117	117	151	151
Net Block	5	17,617	36,651	16,917	31,916
Less : Accumulated Lease Equalisation Reserve					
Less : Provision for Non Performing Assets					
		17,617	36,651	16,917	31,916
Capital Expenditure in Progress including Pre-Production Expenditure		1,978	2,500	309	639
Advance against Capital Expenditure		240	240	78	78
		19,835	39,391	17,304	32,633
Investments	6	2,520	36	3,132	15
Net Current Assets					
Current Assets, Loans and Advances					
Interest accrued on Investment					
Inventories	7	9,176	22,412	7,885	27,612
Debtors	8	24,470	31,800	22,911	29,457
Cash and Bank Balances	9	30,213	30,508	29,133	29,457
Loans and Advances	10	9,126	11,886	6,838	7,886
		72,985	96,606	66,767	94,412
Less : Current Liabilities & Provisions	11				
Current Liabilities		37,415	45,544	34,125	47,681
Provisions		8,811	10,048	11,496	12,862
		46,226	55,592	45,621	60,543
		26,759	41,014	21,146	33,869
Miscellaneous Expenditure (to the extent not written off or adjusted)		49,114	80,441	41,582	5 66,522
Notes on Accounts					
		16			
Significant Accounting Policies		17			

The Schedules referred to above form part of the Accounts.

As per our report attached

For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, the 29th July, 2010

S. K. Mukherjee
Managing Director

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

P. K. Bora
Abha Chaturvedi
V. Sinha
V. N. Sharma
Directors

Amit Ghosh
Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF BALMER LAWRIE & CO. LIMITED
Profit and Loss Account for the year ended 31st March, 2010

SCHEDULES

		As at 31st March, 2009	
		Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs
Income			
Sales			
Manufactured Goods		73,878	1,08,705
Less : Excise Duty		7,792	8,511
		66,086	1,00,194
Trading Goods		184	215
Turnkey Projects		798	501
Services		94,267	95,471
Other Income	12	6,068	8,082
		1,67,403	2,04,463
Expenditure			
Raw Materials Consumed - Manufactured Goods		47,481	69,137
Purchases - Trading Goods		152	40
Purchases - Turnkey Projects		1,260	1,260
Cost of Services		76,747	77,992
General Expenditure	13	25,715	36,642
Depreciation		1,162	3,160
Accretion(-) / Decretion(+) to Inventories	14	(530)	(462)
Prior Period Adjustments	15	14	2,347
Exceptional Items		—	(974)
		1,52,001	1,89,142
Profit before taxation		15,402	15,321
Provision for Taxation - Current		3,015	3,373
- Deferred		566	(24)
- Fringe		—	—
Profit after taxation		11,821	11,972
Balance Brought Forward		13,769	21,375
Addition due to increase in stake		—	371
Available for Appropriation		25,590	33,718
Proposed Final Dividend		3,746	3,778
Corporate Tax on Dividend		622	653
Transfer to Minority Interest		—	34
Transfer to General Reserve		3,000	3,017
Balance Carried Forward		18,222	26,236
Earning Per Share		72.57	73.49
Notes on Accounts	16		
Significant Accounting Policies	17		

The Schedules referred to above form part of the Accounts.

As per our report attached

For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, the 29th July, 2010

S. K. Mukherjee
Managing Director

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

P. K. Bora
Abha Chaturvedi
V. Sinha
V. N. Sharma

Amit Ghosh
Secretary

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 1

SHARE CAPITAL

		As at 31st March, 2009			
		Consolidated with subsidiary Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with subsidiary Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs
Authorised	Equity shares	3,000	3,000	3,000	3,000
Issued and Subscribed					
90,65,547	Equity shares fully paid up in cash	907	907	907	907
67,72,404	Equity shares of Rs. 10 allotted as fully paid Bonus Shares by way of capitalisation of General Reserve and Share Premium	677	677	677	677
4,48,130	Equity shares of Rs. 10 each allotted as fully paid shares pursuant to amalgamation of Steel Containers Ltd. and Industrial Containers Ltd.	45	45	45	45
		1,629	1,629	1,629	1,629

SCHEDULE 2

RESERVES AND SURPLUS

Capital Reserve					
Central Investment Subsidy					
As per last Account	—	7	—	—	
Capital Reserve on Consolidation	512	468	820	1,370	
Share Premium Account					
As per last Account	3,627	3,675	3,627	3,627	
Special Reserve					
As per last Account.	—	—	—	207	
Add: Transferred from Profit and Loss Account.	—	—	—	41	
				248	
Foreign Projects Reserve					
As per last Account	5	5	5	5	
Less: Transferred to General Reserve	—	5	5	—	
	—	—	5	5	
Foreign Currency Translation Reserve	(347)	(353)	(167)	(9)	
General Reserve					
As per last Account	21,370	22,052	18,370	18,471	
Add : due to stake increase	—	—	—	1	
Add : Transferred from Contingency Reserve	—	—	—	248	
Add : Transferred from Foreign Projects Reserve	5	5	—	—	
Add : Transferred from Profit and Loss Account.	3,000	3,017	3,000	3,033	
	24,375	25,074	21,370	21,753	
Profit and Loss Account	18,222	26,236	13,769	21,375	
	46,389	55,107	39,424	48,122	

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 3

SECURED LOANS

			As at 31st March, 2009	
	Consolidated with subsidiary Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with subsidiary Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs
From Banks/Financial Institutions				
Cash Credit/Export Credit/Working Capital Demand				
Loan Secured by hypothecation of stocks and debtors	—	8,054	—	7,106
Term Loan				
Secured by way of pari-passu first charge on certain movable fixed assets as well as some immovable properties	—	11,046	—	7,726
Other Loans : Vehicle Loan	—	7	—	—
	—	19,107	—	14,832

SCHEDULE 4

UNSECURED LOANS

			As at 31st March, 2009	
	Consolidated with subsidiary Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs	Consolidated with subsidiary Rs./Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs./Lakhs
Other Loans and Advances				
Bank	—	1,752	—	565
Others	—	1,039	—	—
	—	2,791	—	565

Schedules forming part of the Balance Sheet as at 31st March , 2010

SCHEDULE 5
(A) Assets held for active use

FIXED ASSETS

(in Rs. / Lakhs)

	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK	As at 31st March, 2009
	Original Cost as at 1st April, 2009	Additions During the Year	Total Cost of Items sold or scrapped/ adjusted	Original Cost as at 31st March, 2010	Upto 31st March, 2009	For the Year	On items sold or scrapped/ adjusted	Total	Opening Impairment	For the Year	Closing Balance	As at 31st March, 2010	
Goodwill - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	121	—	—	121	96	12	—	108	—	—	—	13	25
Land Freehold - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	1,208 1,479	87 87	2 (74)	1,293 1,640	—	—	—	—	—	—	—	1,293 1,640	1,208 1,479
Land Leasehold - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	2,363 2,953	369 369	— (22)	2,732 3,344	451 463	50 58	—	501 521	—	—	—	2,231 2,823	1,912 2,490
Buildings & Sidings - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	9,105 14,587	358 517	5 (223)	9,458 15,327	1,947 3,540	197 512	(4) 81	2,148 3,971	75 75	(4) (4)	71 71	7,239 11,285	7,083 10,972
Plant & Machinery - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	11,479 31,581	427 1,371	129 (6,738)	11,777 39,690	6,567 16,770	574 2,098	110 (2,467)	7,031 21,335	43 43	(1) (1)	42 42	4,704 18,313	4,869 14,768
Spares for Plant & Machinery - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	622 622	10 10	473 473	159 159	594 594	11 11	462 462	143 143	11 11	(11) (11)	— —	16 16	17 17
Electrical Installation & Equipment - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	1,914 1,949	249 269	99 74	2,064 2,144	1,156 1,162	100 106	76 70	1,180 1,198	17 17	(17) (17)	— —	884 946	741 770
Furniture & Fittings - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	558 1,030	66 108	25 (1)	599 1,139	405 736	36 72	24 37	417 771	— —	— —	— —	182 368	153 294
Typewriters, Accounting Machine & Off.Equip. - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	1,796 1,999	195 226	102 (21)	1,889 2,246	1,313 1,451	148 204	100 11	1,361 1,644	1 1	(1) (1)	— —	528 602	482 547
Tubewells, Tanks & Miscellaneous Equipment - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	936 936	42 42	9 9	969 969	549 549	38 38	7 7	580 580	4 4	— —	4 4	385 385	383 383
Vehicles - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	82 361	26 37	11 (2)	97 400	24 216	7 43	7 5	24 254	— —	— —	— —	73 146	58 145
Technical Knowhow - Consolidated with Subsidiary Technical Knowhow - Consolidated with Subsidiary and Joint Venture Companies	102	22	—	124	87	5	—	92	—	—	—	32	15
Intangible Assets - Consolidated with Subsidiary Total - Consolidated with Subsidiary and Joint Venture Companies	— —	80 80	— —	80 80	— —	9 9	— —	9 9	— —	— —	— —	71 71	— —
Leased Assets - Consolidated with Subsidiary and Joint Venture Companies	—	—	—	—	—	—	—	—	—	—	—	—	—
Total - Consolidated with Subsidiary TOTAL(A) - Consolidated with Subsidiary and Joint Venture Companies	30,063 57,720	1,909 3,138	855 (6,525)	31,117 67,383	13,006 25,664	1,170 3,168	782 (1,794)	13,394 30,626	151 151	(34) (34)	117 117	17,606 36,640	16,906 31,905

Schedules forming part of the Balance Sheet as at 31st March , 2010

SCHEDULE 5 (Continued)
(B) Assets held for Disposal

FIXED ASSETS

(in Rs. / Lakhs)

	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK	
	Original Cost as at 1st April, 2009	Additions During the Year	Total Cost of Items sold or scrapped/ adjusted	Original Cost as at 31st March, 2010	Upto 31st March, 2009	For the Year	On items sold or scrapped/ adjusted	Total	Opening Impairment	For the Year	Closing Balance	As at 31st March, 2010	As at 31st March, 2009
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Land - Leasehold	6	—	—	6	1	—	—	1	—	—	—	5	5
Buildings & Sidings	10	—	—	10	5	—	—	5	—	—	—	5	5
Plant & Machinery	34	—	—	34	33	—	—	33	—	—	—	1	1
Spare for Plant & Machinery	25	—	—	25	25	—	—	25	—	—	—	—	—
Electrical Installation & Equipment	5	—	—	5	5	—	—	5	—	—	—	—	—
Furniture & Fittings	1	—	—	1	1	—	—	1	—	—	—	—	—
Typewriters, Accounting Machine and Office Equipment	3	—	—	3	3	—	—	3	—	—	—	—	—
Tubewells, Tanks and Miscellaneous Equipment	8	—	—	8	8	—	—	8	—	—	—	—	—
Vehicles	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL (B)	92			92	81			81				11	11
GRAND TOTAL - [A+B] - Consolidated with Subsidiary	30,155	1,909	855	31,209	13,087	1,170	782	13,475	151	(34)	117	17,617	16,917
GRAND TOTAL - (A+B)	57,812	3,138	(6,525)	67,475	25,745	3,168	(1,794)	30,707	151	(34)	117	36,651	31,916
2008-09													
GRAND TOTAL - Consolidated with Subsidiary	33,808	2,241	5,894	30,155	15,733	1,139	3,785	13,087	211	(60)	151	16,917	17,864
GRAND TOTAL	52,620	10,353	5,161	57,812	27,033	2,288	3,576	25,745	211	(60)	151	31,916	25,376
								2009-10	2008-09				
	Depreciation for the year as above - Consolidated with Subsidiary							1,170	1,139				
	Total - Consolidated with Subsidiary and Joint Venture Companies							3,168	2,288				
	Less: Prior Period Adjustment - Consolidated with Subsidiary							8	6				
	Total - Consolidated with Subsidiary and Joint Venture Companies							8	6				
	Depreciation as per Profit & Loss Account - Consolidated with Subsidiary							1,162	1,133				
	Total - Consolidated with Subsidiary and Joint Venture Companies							3,160	2,282				

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 6

INVESTMENTS

			As at 31st March, 2009	
	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs
Trade Investments				
Fully paid-up at cost				
3,57,591 Equity Shares of Rs. 10 each in Bridge and Roof Co.(India) Ltd.	14	14	15	15
1,95,900 Equity Shares of Rs. 10 each in Biecco Lawrie Ltd. (carried in books at a value of Re. 1)	—	—	—	—
1,13,61,999 Equity Shares of Rs. 10 each in Transafe Services Ltd (carried in books at a value of Re. 1)	—	—	612	—
45,00,000 Ordinary Shares of Rs. 10 each in AVI-OIL India [P] Ltd.	450	—	450	—
9800 Shares of Dhs. 1000 each in Balmer Lawrie(UAE) LLC	891	—	891	—
63,19,978 Equity Shares of Rs. 10 each in Balmer Lawrie-Van Leer Ltd. (Quoted)	1,165	—	1,164	—
Other Investments				
Fully paid up-at cost				
71 Equity Shares of Rs. 100 each in Duncan Brothers & Co. Ltd.(Quoted)	—	—	—	—
172 1/2 % Redeemable Registered Debentures of Rs. 100 each in the East India Clinic Ltd.	—	—	—	—
280 5% Non-redeemable Debenture Stock 1957 of Rs 100 each in the East India Clinic Ltd.	—	—	—	—
5586 units of Reliance Money Manager Fund -Institutional	—	—	—	—
Option - Daily Dividend Plan	—	22	—	—
	—	22	—	—
	2,520	36	3,132	15

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 7

INVENTORIES

	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs	As at 31st March, 2009	
			Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs
Raw Materials.	4,964	14,041	4,283	19,938
Finished Products.	2,922	3,456	2,607	3,255
Trading Goods.	6	6	—	—
Work-in-Progress.	750	1,752	651	1,635
Stock-in-Transit				
Raw Materials	96	2,084	39	2,800
Finished Products	200	200	83	83
Trading Goods	—	—	—	—
	296	2,284	122	2,883
Stores and Spare Parts	238	951	222	900
Loose Tools.	—	152	—	350
Material With Third Party	—	58	—	—
Less: Provision for write down of inventories	—	288	—	1,349
	9,176	22,412	7,885	27,612

SCHEDULE 8

DEBTORS

Debts due for more than six months

Unsecured				
— Considered Good.	3,403	3,444	3,294	8,003
— Others	—	2	—	—
— Considered doubtful	889	1,100	878	953
	4,292	4,546	4,172	8,956
Less: Provision for doubtful Debts	889	1,100	878	953
	3,403	3,446	3,294	8,003
Other Debts				
Unsecured				
— Considered Good.	21,064	28,201	19,617	21,454
— Others	3	153	—	—
	21,067	28,354	19,617	21,454
	24,470	31,800	22,911	29,457

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 9

CASH AND BANK BALANCES

			As at 31st March, 2009	
	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs
Cash in hand (including cheques and stamps)	14	54	15	43
With Scheduled Banks				
In Current Accounts	4,211	4,250	8,746	8,907
In Short term Deposit Account	22,723	22,934	20,243	20,299
In Dividend Accounts	104	104	81	142
	27,038	27,288	29,070	29,348
With State Bank of India, London, in Current Account	3,161	3,161	—	—
Unclaimed Convertible Debentures	—	—	—	17
Unclaimed Dividend Account	—	4	—	—
Foreign Currency Accounts	—	1	48	49
	30,213	30,508	29,133	29,457

SCHEDULE 10

LOANS AND ADVANCES

Advances recoverable in Cash				
or in kind or for Value to be received				
Considered Good.				
Secured.	874	874	900	900
Unsecured				
Subsidiary Company				
Balmer Lawrie (UK) Ltd.	—	8	—	—
Balmer Lawrie Investments Ltd.	5	5	1	1
Others	5,933	7,776	3,866	4,052
Considered Doubtful.	85	95	100	102
	6,897	8,758	4,867	5,055
Less: Provision	85	95	100	102
	6,812	8,663	4,767	4,953
Deposits - Unsecured				
Considered Good	1,802	1,946	1,584	1,663
Balance with Customs, Port Trust				
Central Excise, etc.				
Considered Good	512	803	487	717
Advance Income Tax, net of provision	—	276	—	—
Advance payment of Income Tax	—	198	—	553
	9,126	11,886	6,838	7,886

Schedules forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 11

CURRENT LIABILITIES AND PROVISIONS

			As at 31st March, 2009	
	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs
Current Liabilities.				
Sundry Creditors				
- Due to Small Scale Industries	31	45	25	26
- Due to Others	36,640	43,865	32,872	45,579
Minority Interest	—	202		167
Amounts received in advance against contracts.	640	1,287	1,147	1,804
Interest accrued but not due	—	37		3
Investor Education and Protection				
Fund shall be credited by the following amount :				
- Unclaimed Dividend	104	108	81	85
[Refer Note below]				
Unclaimed Redemption/Interest on Convertible Debentures	—	—		17
	37,415	45,544	34,125	47,681
Provisions				
Provision against Guarantee obligations				
As Per Last account	773	773	1,159	1,159
Less: Payment made during the year	386	386	386	386
	387	387	773	773
Proposed Final Dividend	3,746	4,501	3,257	4,019
Dividend Tax	622	653	—	—
Contingency as per last Account	—	2	—	2
Add: Provision made during the Year	—	109	—	96
Leave Encashment	—	61	—	96
Provision for Sick Leave	—	18	—	—
Provision for Gratuity	—	30	—	—
	—	111	—	98
Taxation , net of advance payment	4,056	4,396	7,466	7,972
	8,811	10,048	11,496	12,862
	46,226	55,592	45,621	60,543

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

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010

SCHEDULE 12

OTHER INCOME

			As at 31st March, 2009	
	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs
Income from Investments				
Trade Investments				
Dividend	734	86	689	—
Other Investments				
Dividend	—	(43)	—	—
[Tax deducted at source]				
Dividend	—	—	—	3
Interest	—	—	121	42
	734	43	810	45
Interest on Advances,				
Deposits, Deferred credit and Overdue debts	2,166	1,978	1,573	1,582
Operating Lease Rentals	—	2,182	132	1,168
Profit on Disposal of Fixed Assets	47	168	390	471
Surrender of Leasehold Rights	—	—	934	934
Export Incentives	36	160	17	169
Rent	290	289	280	240
Recovery of Transportation Charges	413	413	340	340
Discount and Commission	2	5	2	2
Claims	40	40	7	7
Liabilities/Provisions no longer required written back.	714	729	660	668
Exchange Gain on Translation of Financial Statements of Foreign Subsidiary & Joint Venture Company	—	—	—	8
Sundries.	1,626	2,075	1,048	1,474
	6,068	8,082	6,193	7,108

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010

SCHEDULE 13

GENERAL EXPENDITURE

			As at 31st March, 2009	
	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs
Salaries,Wages,Bonus,Pensions and Gratuity	9,969	13,161	8,842	11,938
Contribution to Provident and Other Funds	945	1,031	580	643
Workmen and Staff Welfare Expenses	891	1,212	702	1,021
Manufacturing Expenses	660	1,139	564	864
Excise Duty	154	160	271	277
Consumption of Stores and Spare Parts	422	1,501	394	1,460
Repairs and Maintenance				
Buildings	696	764	618	714
Plant & Machinery	168	409	137	271
Others.	259	401	205	320
Power and Fuel	1,562	2,668	1,391	2,394
Electricity and Gas	228	236	220	223
Rent	473	1,331	518	1,325
Insurance	89	208	86	147
Packing,Despatching,Freight and Shipping Charges	1,946	2,776	1,519	2,412
Rates and Taxes	187	240	114	153
Interest	259	2,375	518	1,434
Auditor's Remuneration and Expenses	17	29	19	29
Bad Debts written off	158	170	88	88
Advances written off	13	17	37	37
Fixed Assets written off	17	17	64	64
Provisions for diminution in value of investments	1,165	—	—	—
Provision for slow moving/Non moving Items	137	137	—	—
Provisions for Debts,Deposits,Loans and Advances considered Doubtful	222	232	420	444
Provision for non performing assets	—	—	150	150
Expenditure on VRS for current year	31	31	44	44
Loss on Disposal of Fixed Assets	5	9	—	—
Selling commission - Others	347	495	373	551
Cash Discount	365	371	269	274
Bank Charges and Discount.	120	247	122	321
Travelling Expenses	822	1,043	814	997
Printing and Stationery	172	195	226	248
Motor Car Expenses	70	128	69	127
Telephone,Telex,Postage,Cables and Telegrams	254	322	256	318
Donations	5	6	1	2
Exchange Loss	6	10	—	—
Amortisation of Deferred Revenue Expenditure	—	9	24	25
Exchange Loss on Translation of Financial Statements of Foreign Subsidiary & Joint Venture Company	—	—	138	138
Miscellaneous,Expenses	2,955	3,636	3,183	4,047
	25,789	36,716	22,976	33,500
Less : Provision for Debts,Deposits,Loans & Advances Considered doubtful,written back	74	74	52	60
	25,715	36,642	22,924	33,440

Schedules forming part of the Profit & Loss Account for the year ended 31st March, 2010

SCHEDULE 14

ACCRETION (-) / DECRETION (+) TO INVENTORIES

SCHEDULE 14

ACCRETION () / DECRETION () TO INVENTORIES

As at 31st March, 2009

	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs	Consolidated with subsidiary Rs. Lakhs	Consolidated with subsidiary and Joint Venture Companies Rs. Lakhs
Opening Balance.				
Trading Goods.	—	—	24	24
Work-in-Progress	651	1,444	724	1,412
Finished Goods	2,690	3,326	2,591	2,963
	<u>3,341</u>	<u>4,770</u>	<u>3,339</u>	<u>4,399</u>
Less: Closing Balance				
Trading Goods	750	1,526	651	1,562
Work-in-Progress	3,121	3,706	2,690	3,337
Turnkey Projects	3,871	5,232	3,341	4,899
	<u>(530)</u>	<u>(462)</u>	<u>(2)</u>	<u>(500)</u>

SCHEDULE 15

PRIOR PERIOD ADJUSTMENTS (NET)

Income				
Sales				
Manufactured Goods	—	—	—	—
Other Income	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenses				
General Expenditure	7	2,340	4	4
Depreciation	7	7	5	5
	<u>14</u>	<u>2,347</u>	<u>9</u>	<u>9</u>
Net Expenditure	<u>14</u>	<u>2,347</u>	<u>9</u>	<u>9</u>

Notes on Accounts

Schedule-16

16.1 Disclosure of Interests in Subsidiary and Joint Venture Companies

Name of Subsidiary/ Joint Venture Company	Nature of Relationship	Proportion of Shareholding	Country of Incorporation
Balmer Lawrie (UK) Ltd.	Subsidiary	100%	United Kingdom
Balmer Lawrie (UAE) Llc.	Joint Venture	49%	United Arab Emirates
Balmer Lawrie - Van Leer Ltd.	Joint Venture	40%	India
Transafe Services Ltd.	Joint Venture	50%	India
Avi - Oil India (P) Ltd.	Joint Venture	25%	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.

16.2 1,00,64,700 Equity Shares are held by Balmer Lawrie Investments Ltd. (Holding Company).

16.3 (a) Fixed Deposit with bank amounting to Rs. 2.12 Lakhs (Rs.2.12 Lakhs) are lodged with certain authorities as security.

(b) Conveyance deeds of certain land costing Rs. 1,770.94 Lakhs (Rs. 1,807.80 Lakhs) and buildings, with written down value of Rs. 113.94 Lakhs (Rs. 117.13 Lakhs) are pending registration / mutation.

(c) Certain buildings & sidings with written down value of Rs. 4,173.24 Lakhs (Rs.4,157.90 Lakhs) are situated on leasehold/rented land

16.4 Contingent Liabilities as at 31st March, 2010 not provided for in the accounts are:

(a) Disputed demand for Excise Duty, Customs Duty, Income Tax, and Sales Tax amounting to Rs. 7,060.47 Lakhs (Rs. 6,121.59 Lakhs) against which the Company has lodged appeal/petition before appropriate authorities.

(b) Claims against the company not acknowledged as debts amount to Rs. 735.55 Lakhs (Rs. 706.63 Lakhs) in respect of which the Company has lodged appeals/petitions before appropriate authorities. In respect of employees/ex-employees related disputes financial effect is ascertainable on settlement, no settlement was reached during the year.

(c) Bills discounted with banks Rs. 169.30 Lakhs (Rs. 86.43 Lakhs).

16.5 Counter guarantees given to various banks in respect of guarantees/loans given by them amount to Rs. 5,329.42 Lakhs (Rs. 6,374.50 Lakhs).

16.6 Estimated amount of contract remaining to be executed on Capital Accounts and not provided for amounted to Rs. 1,782.92 lakhs. (Rs. 1,730.37 lakhs)

16.7 Segment Reporting

Information about business and geographical segment for the year ended 31st March, 2010 in respect of reportable segments as defined by the Institute of Chartered Accountants of India in the Accounting Standard - 17 in respect of "Segment Reporting" is attached as Annexure - A.

16.8 Earnings per Share

(i) Earnings per share of the company has been calculated considering the Profit after Taxation of Rs. 11,972.00 Lakhs (Rs. 10,915.00 Lakhs) as the numerator.

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21
16.9	Interest on loans and advances made to the Government of Karnataka	1,081.00	1,628.00	1,628.00	1,628.00

Significant Accounting Policies

Schedule 17

1. Fixed Assets and Depreciation

a) Fixed Assets are valued at cost of acquisition inclusive of any other cost attributable to bringing the same to their working condition

b) Fixed Assets manufactured/constructed in-house are valued at actual cost of raw materials, conversion cost and other related costs.

c) Cost of leasehold land is amortised over the period of lease.

d) Expenditure incurred during construction of capital projects including related pre-production expenses is treated as Capital Work-in-Progress and in case of transfer of the project to another body, the accounting is done on the basis of terms of transfer.

e) Fixed assets retired from active use and held for disposal are stated at the lower of book value and net realizable value and are shown separately in the financial statements. Loss determined, if any, is recognised in the profit and loss statement.

f) The company reviews the depreciation policies followed for various items of assets, its useful life and circumstances prevailing in the business so as to make a more appropriate preparation or presentation of the financial statements. Necessary adjustment is made in the depreciation charge for the assets, if any significant variation is noticed in the pattern of economic benefits embodied in the assets. Based on the above technical review, certain items of Electrical Installations and Equipment, Furniture and Fittings and Typewriter, Accounting Machine and Office Equipment are being depreciated at the rate of 15%, 20% and 25% respectively on straight line basis.

g) Depreciation is provided in accordance with the provisions of the Companies Act, 1956, prevailing from time to time at the straight line method except (i) for mobile phones at the rate of 50% per annum, (ii) for items given to employees under the furniture equipment scheme which has been provided at the rate of 25% per annum for computers and 15% per annum for other items and (iii) for assets whose actual cost does not exceed Rs. 5000, which has been depreciated fully in the year of addition of the asset, irrespective of the date of such addition.

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

2. Valuation of Investments

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

3. Valuation of Inventories

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

a) Raw materials & trading goods (other than tea), stores & spare parts and materials for turnkey projects on the basis of weighted average cost.

b) Work-in-progress on the basis of weighted average cost of raw materials and conversion cost upto the relative stage of completion

c) Finished goods on the basis of weighted average cost of raw materials, conversion cost and other related costs.

d) Tea (unblended, blended and packed) - on the basis of specific cost.

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

4. Recognition of Revenue

Revenue is recognised in compliance with the following :

a) In case of sale of goods:

When the properly 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:

Significant Accounting Policies (Contd.)

- As per the percentage of completion method after progress of work to a reasonable extent.
- d) In case of other income:
- Interest - on a time proportion basis taking into account the outstanding principal and the relative rate of interest.
 - Dividend from investments in shares - on establishment of the Company's right to receive.
5. **Employee Benefits**
- Company's contributions to Provident Fund and Superannuation Fund are charged to Profit and Loss Account.
 - Employee benefits in respect of Gratuity, Leave Encashment, Long Service Awards and Leave Travel Assistance are charged to Profit & Loss Account on the basis of actuarial valuation made during the year.
 - Post retirement medical benefit is also recognised on the basis of actuarial valuation made during the year.
6. **Payments made under Voluntary Retirement / Separation Schemes**
- Compensation comprising of Ex - gratia, Notice-Pay and Rehabilitation Grant payable to employees separating under Voluntary Retirement / Separation Scheme till 31 March, 2005 is treated as Deferred Revenue Expenditure and is written off as per following instalments :-
 - Paid upto December, 1999 - Five equal yearly instalments;
 - Paid during January, 2000 to March, 2005 - Sixty equal monthly instalments .
 - Compensation under Voluntary Retirement / Separation Scheme with effect from

1* April, 2005 - Charged off in the same financial year.
7. **Treatment of Prior Period and Extraordinary Items**
- 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.
 - Income / Expenditure upto Rs. 10000 in each case pertaining to prior years is charged to the current year.
 - 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**
- All transactions in foreign currency other than those specified below are converted at the exchange rate prevailing on the respective dates of transactions.
 - Current assets other than inventories and current liabilities are translated at the exchange rate prevailing on the date of Balance Sheet other than those covered with forward contract.
 - 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.
 - In case of foreign branch, translation of the financial statement is made on the following basis:
 - 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.
 - Fixed Assets and depreciation are converted at the exchange rate on the date of the transactions.
 - Other Current Assets and Current Liabilities are converted at the exchange rate as on the date of the Balance Sheet.
 - Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account except as stated above.
 - Premium / discount arising at the inception of the forward exchange contracts entered into to hedge foreign currency risks are amortised as expense or income over the life of the contract. Exchange difference on such contracts are recognized in the Profit & Loss Account.
9. **Accounting for Research & Development**
- Revenue Expenditure is shown under Primary Head of Accounts with the total of such expenditure being disclosed in the Notes.
 - Capital expenditure relating to research & development is treated in the same way as other fixed assets.
10. **Treatment of Grant/Subsidy**
- Revenue grant/subsidy in respect of research & development expenditure is set off against respective expenditure.
 - Capital grant/subsidy against specific fixed assets is set off against the cost of those fixed assets.
 - 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**
- Expenditure incurred for acquiring intangible assets like software of Rs. 5,00,000 and above and license to use software per item of Rs. 25000 and above, from which economic benefits will flow over a period of time, is amortised over the estimated useful life of the asset or five years, whichever is earlier, from the time the intangible asset starts providing the economic benefit.
 - 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**
- 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.
 - 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.
 - Capital commitments and Contingent liabilities disclosed are in respect of items which exceed Rs. 1,00,000 in each case.
 - Contingent liabilities are considered only on conversion of show cause notices issued by various Government authorities into demand.

As per our report attached

For J. GUPTA & CO.

Chartered Accountants

Firm Registration No. 314010E

S. P. Datta

Partner

Membership No. 13852

Kolkata, the 29th July, 2010

S. K. Mukherjee
Managing Director

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

P. K. Bora
Abha Chaturvedi
V. Sinha
V. N. Sharma
Directors

Amit Ghosh
Secretary

ANNEXURE – A (NOTE 16.7)
Information About Business Segments for the year ended 31st March, 2010

Consolidated Financial Statements

	Industrial Packaging		Logistics Infrastructure & Services		Travel and Tours		Greases and Lubricants		Others		Consolidated - Total	
	2008-2009		2008-2009		2008-2009		2008-2009		2008-2009		2008-2009	
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
SEGMENT REVENUE												
External Revenue	65102	60049	33491	39764	60837	66229	29574	24036	11947	10931	200952	201008
Inter-Segment Revenue	1607	1527	33	87	43	34	69	62	206	106	1959	1817
Total Segment Revenue	66710	61576	33524	39851	60880	66264	29643	24098	12152	11038	202911	202825
Less : Inter-Segment Revenue											1960	1817
Add : Other Unallocable Revenue											3512	2862
TOTAL REVENUE											<u>204463</u>	<u>203870</u>
SEGMENT RESULT												
Profit / (Loss) before Interest & tax	5250	3331	8992	10241	2403	2272	3178	1782	1562	1569	21385	19195
Less : Interest Expense											2375	1515
Prior Period Adjustment											2347	9
Other Unallocable Expenditure (net of Unallocable Revenue)											1341	1277
TOTAL PROFIT BEFORE TAX											<u>15321</u>	<u>16394</u>
OTHER INFORMATION												
Segment Assets	36420	49868	15083	12722	12005	10805	14324	14121	23764	19569	101595	107086
Other Unallocable Assets											34438	19979
Total Assets											<u>136034</u>	<u>127065</u>
Segment Liabilities	11943	15278	12100	11954	4387	3444	6670	6477	4281	2316	39380	39468
Other Unallocable Liabilities											16212	21136
Total Liabilities											<u>55592</u>	<u>60605</u>
Capital Expenditure	572	974	2520	527	47	54	226	158	777	535	4142	2248
Depreciation	1316	976	320	283	36	29	254	257	1234	738	3160	2282
Impairment loss on Fixed Assets												
Amortisation of Deferred Revenue Expenditure	—	22	—	—	—	—	—	—	—	2	—	24

Information About Geographical Segments for the Year Ended 31st. March 2010						
	Indian Operations		Overseas Operations		Consolidated Total	
	Rs./Lakhs	2008-2009	Rs./Lakhs	2008-2009	Rs./Lakhs	2008-2009
Segment External Revenue	180361	178461	24102	25409	204463	203870
Segment Assets	115154	95356	20878	31709	136033	127065
Capital Expenditure	4098	2118	43	130	4142	2248

Notes :

- Details of products / services included in each of the above Business Segments are given below :
Industrial Packaging - Barrels, Drums & Closures
Logistics Infrastructure & Services - Logistics Services & Container Freight Station activities
Travel & Tours - Travel (Ticketing), Tours & Money Changing activities
Greases & Lubricants - Greases, Lubricating Oils & Aviation Lubricants
Others - Project Engineering & Consultancy, Tea Blending & Packaging, Leather Chemicals, Operating Lease of Marine Freight Containers, etc.
- Segment Revenue, Expenses and Result include transfers between Business and Geographical Segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods and are eliminated in consolidation.
- Overseas operations under Geographical Segments represent Leasing of Marine Freight Containers, Tea Blending & Packaging in UK and Industrial Packaging activity in UAE.

Balmer-Laurie & Co.Ltd.

Consolidated Cash Flow Statement for the year ended 31st March, 2010

	Year ended March 31, 2010	Year ended March 31, 2009
(Rupees in lakhs)		
A. Cash Flow from Operating Activities		
Net profit before Tax [Note]	14188	15922
Adjustment for		
Depreciation and fixed assets written off	3177	2419
Foreign Exchange	(448)	(121)
Profit on sale of investment	—	(2)
Interest / Dividend	1497	539
Investments written off / Provision for diminution in value	—	34
Provision of write down of inventories to net realisable value	(1022)	1433
Deferred Revenue Expenditure (charged off during the year)	9	25
Operating Profit Before Working Capital Changes	17410	20249
Trade and other receivables	(4355)	2895
Inventories	6171	(8591)
Trade Payables	(3133)	8820
Deferred Revenue Expenditure (payment made during the year)	—	—
Cash generated from operations	16093	23373
Direct Taxes paid	(6374)	(2281)
Interest paid	(545)	(1047)
NET CASH FROM OPERATING ACTIVITIES	9174	20045
B. Cash Flow from Investing Activities		
Purchase of Fixed assets	(4587)	(8954)
Sale of Fixed assets	3041	2576
Purchase of Investments	(1828)	(287)
Sale of Investments	2	2
Impact of increase in stake in JVC	(1316)	—
Interest received	108	89
Dividend received	775	14
NET CASH FROM INVESTING ACTIVITIES	(3805)	(6560)
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	(1805)	3103
Proceeds from other Borrowings	3073	230
Interest paid on Long Term Borrowings	(1781)	(496)
Dividend paid	(4191)	(2822)
Corporate Tax on Dividend	(562)	(491)
NET CASH FROM FINANCING ACTIVITIES	(5266)	(476)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	103	13009
CASH & CASH EQUIVALENTS - OPENING BALANCE	22351	9342
CASH & CASH EQUIVALENTS - CLOSING BALANCE	22454	22351

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.

	2009-10	2008-09
2 Net Profit after Tax as per Profit & Loss Account	11972	10915
Add : Tax Provision (Net)	3349	5478
	15321	
Less : Profit / (Loss) on Disposal of Fixed Assets (Net)	1133	
Net Profit before Tax	14188	

As per our report attached
For J. GUPTA & CO.
Chartered Accountants
Firm Registration No. 314010E

S. P. Datta
Partner
Membership No. 13852
Kolkata, the 29th July, 2010

S. K. Mukherjee
Managing Director

M. P. Bezbaruah
Asish K. Bhattacharyya
VLVSS Subba Rao
K. Subramanian

P. K. Bora
Abha Chaturvedi
V. Sinha
V. N. Sharma
Directors

REGISTERED OFFICE

21 Netaji Subhas Road, Kolkata -700 001
Phone : (033) 22225218
Fax : (033) 22225678
Website : www.balmerlawrie.com

INDUSTRIAL PACKAGING

Mumbai	Plant & SBU Office	149, Jackeria Bunder Road Sewree(W), Mumbai-400015 Phone:009122-24171489 Fax: 0091 22 24137448
New Delhi	Sales Office	Amba Deep Building, (20th Floor) 14 Kasturba Gandhi Marg New Delhi-110 001 Phone: 009111 23738346/23325344 Fax: 0091 11 23328344/23316933
Silvassa	Plant	23/1/1, Khadoli Silvassa-396 230 Phone: 0091 260 2699064/65, 3254564 Fax: 0091 260 2699046
Chennai Office	Sales	32, Sattangadu Village Thiruvottiyur - Manali Road Manali, Chennai - 600 068 Phone: 0091 44 25941438 Fax: 0091 44 25941157/25943653
Kolkata	T&PD	Container Division P-4/1, Oil Installation Road, Kolkata - 700 088 Phone: 0091 33 24393808 Fax: 0091 33 24393793
Asaoti	Plant	Village Piyala, Post Asaoti Faridabad, Haryana-121102 Phone: 00911292205073 Fax: 0091129221 5090
Baroda	Marketing Office	G, 5-9 Stop-N-Shop Plaza, Near Afftel Tower, R. C. Dutt Road, Alkapuri, Baroda-390007 Tel : 0091 0265-2325459 Fax : 0091 0265-2314835

GREASES & LUBRICANTS

Chennai	Plant	32, Sattangadu Village Manali, Chennai 600 068 Ph. (044) 2594 1551/25946500 Fax (044) 2594 1436
Kolkata	Plant	P-43, Hide Road Extension Kolkata 700 088 Ph. (033) 24395769 / 24393448 Fax (033) 24392277
Silvassa	Plant	Survey No. 201/L, Sayli Rakholi Road, Silvassa 396230 (UT of D & N. H) Ph. (0260) 2680026 Fax (0260) 2641315
Sewree	Plant	149, Jackeria Bunder Road, Sewree (W), Mumbai - 400 015 Ph. (022) 21432421 / 22 / 23 Fax (022) 24146274
Taloja	Plant	G-15/16/17, MIDC, Taloja Dist. Raigad-410208, Maharashtra
Kolkata	ARL	P-43, Hide Road Extension Kolkata-700088 (W.B.) Tel : 033-24395405, 24395406 Fax : 033-24395764
Kolkata	Marketing Office	P-43, Hide Road Extension Kolkata-700088 (W.B.) Tel No. 033-24392653/24505404 Fax No. 033-24392277/24395160
Sewree	Marketing Office	149, Jakeria Bander Road, Sewree, Mumbai 400 015 Tel. 022 2413 0544 Fax-022 24146274
Delhi		Ambadeep Building, 20th Floor, 14, Kasturba Gandhi Marg, New Delhi 110 001 Tel : 011 2335 1477, 0370 Fax : 011 23316933, 23756685
Secunderabad		141/2, Rashtrapati Road Secunderabad-500 003 Tel./Fax-040 27537365
Vadodara		G-5-9 Stop-N-Shop Plaza R. C. Dutt Road, Alkapuri Baroda 390 007 Tel. 0265 2337608, 2327473 Fax - 0265 2327473

Bangalore	Marketing Office	S-1868, 1st H Main, 2nd Stage D, Block, Rajajinagar Bangalore 560 010 Tel./Fax-080 23427210
Raipur	Marketing Office	Room No. 206, 2nd Floor, Arihant Complex Station Road, Raipur (CG) 492 001 Tel./Fax-0771 4044739
Chennai	Marketing Office	628, Anna Salai Tenyampet, Chennai-600018 Tel. No. 044-24302503/504 Fax No. 044-24332386/24331847

TRAVEL & TOURS

New Delhi	Branch & SBU Office	Ground Floor, Core - 8 Scope Complex, 7, Lodhi Road 110 003 New Delhi-110 003 Phone: 009111 24367702 Fax: 0091 1124363421,24321525
New Delhi	Branch Office	E-15,1st Floor, HauzKhas Main Market, New Delhi-110 016 Phone: 9810728464,26854258/46094240 Fax: 01126854255
New Delhi	Branch	Amba Deep Building [20th Floor] 14, Kasturba, Gandhi Marg NewDelhi-110001 Phone: 009111 23322313, 23716085, 23723125 23738821,23738206,23318278 Fax: 009111 23316933
New Delhi Office	Branch Office	Core 8, IVth Floor, Scope Complex, Lodhi Road New Delhi 110 003 Phone: 9810096614/00911124 363356/0535/0664 3399/6502,9810515330,9971002328 Fax: 01124361405
Lucknow	Branch Office	302,3rd Floor, Sriram Towers Ashok Marg Near Hazrat Ganj Lucknow - 226 001 Phone: 0091 5222286189,2288361 2288362,2288363 Fax: 0091 522 2288364
Baroda	Branch Office	5-9, Stop-N-Shop Plaza R.C. Dutt Road, Alkapuri Baroda-391 007 Phone: 0265-2353775,2340196, 2340514,2364267 Fax:0265-2314835
Ahmedabad	Branch Office	Suyog Complex (2nd Floor) Near Kamala Kamdhenu Hall Drive-in-Road Ahmedabad-380 052 Phone: 0091 7927497509,7512, 55522185/55522186 Fax: 0091 79 27492952
Bangalore	Branch Office	1, Ground Floor, Batra Centre 27 & 27/1, Alsoor Road Bangalore-560 042 Phone: 0091 80 25321804,1533,25321534, 25321655,25321535,25581004/6/7/8. Fax: 0091 80 2558 0090
Thiruvananthapuram	Branch Office	TC 15/50(3) New TC 30/96 Vellayambalam Thiruvananthapuram-695 010 Phone: 0091 471 2315027, 2314998, 2314980, 2314981, 2315205, 2315301 Fax: 0091 471 2315201
Hyderabad	Branch Office	302 Regency House, 680 Samajiguda Hyderabad - 500 482 Phone : 0091 40-23414553,23403067 23400642, 23400845 Fax: 0091 40-23406399
Mumbai	Branch Office	5, J. N. Heredia Marg Ballard Estate, Mumbai - 400 038 Phone: 0091 22 66361177, 22625305 Fax: 0091 22 66361110
Chennai	Branch Office	Balmer Lawrie House 628, Anna Salai, Teynampet Chennai-600 018 Phone: 0091 44-24349593,24349343 24349038,24338222,24321209,24349739, 24349604,24321219 Fax:009144-24342579

Kolkata	Branch Office	21, Netaji Subhas Road Kolkata-700 001 Phone: 0091 332222 5216,5217 22134786,22610586,22225211 22225213,22225225 Fax:009122134618
Bhubaneswar	Branch Office	108/BJanpath Unit III, 2nd Floor Bhubaneswar - 751 001 Phone: 0091 674 2536225, 2536178, 2536154 Fax: 0091 674 2536186
Pune	Branch Office	16 & 17, C-Wing, Shrinath Plaza, Danyaneshwar Paduka Chowk Fergusson College Road, Pune-411005 Phone: 0091 020, 255514330/31/32/33 Telefax: (020) 25514334
Kanpur	Branch Office	Shop No. 8, HAL Marketing Complex Rama Devi Crossing, Kanpur Phone: (0512) 2400181/2452206 E-mail: Khare.m_knu@rediffmail.com
Chandigarh Dehradun	Branch Office	SCO-53, (First Floor) Sector-47C Chandigarh Tel : 00910172 2630752/2632368 Fax : 00910172 2630775
Dehradun	Branch Office	1st Floor, NCR Plaza, New Cantt Road, Dehradun Tel : 0091 098 37001962

LOGISTICS SERVICES

Kolkata	Branch & SBU Office	21, Netaji Subhas Road Kolkata-700 001 Phone: 0091 33 2213 4658,2222 5456 Fax: 0091 33 22225282
Mumbai	Branch Office	101,102,103 ASCOT Centre Next to Le Meridien Hotel D. P. Road, Andheri (E), Mumbai - 400 099 Phone: 0091 22 28266707,8249 Fax: 0091 22 28364311
New Delhi	Branch Office	32-33 Kushal Bazar, (Ground Floor) Nehru Place, New Delhi -110019 Phone: 009111 26467565,26441390 Fax: 009111 26467383
Bangalore	Branch Office	No.342 Konena Agrahara Airport Exit Road, HAL Post Bangalore -560 017 Phone: 0091 80 2522 7221/2522 8769 Fax: 0091 80 2522 7231
Chennai	Branch Office	Balmer Lawrie House 628 Anna Salai, Teynampet Chennai-600 018 Phone: 0091 44 24341208 Fax: 0091 44 2434 8066
Hyderabad	Branch Office	301 Regency House 680 Samajiguda, Hyderabad -500 082 Phone: 0091 40-2341 5272 Fax:009140-23400958
Ahmedabad	Branch Office	Suyog Complex (2nd Floor) Near Kamala Kamdhenu Hall Drive-in-Road, Ahmedabad - 380 052 Phone: 0091 79 27498971/27447185 Fax: 0091 79 27492952
Kochi	Branch Office	Door No. 39/5108, Church Landing Road Ernakulam, Kochi - 682 016 Phone: 0091 484 236003041/ 2360070/98950 66568 Fax: 0091 484 2360060
Coimbatore	Branch Office	5/245 Thadagam Main Road Kanuvai, Coimbatore-641108 Phone: 0091422 2405527 Fax: 0091 4222405510
Karur	Branch Office	No 42,1st Floor, Periyar Nagar CG Apartment Road, Karur-639 002 Phone: 0091 4324,232025
Lucknow	Branch Office	302 Shriram Tower 13 Ashok Marg, Lucknow - 226 001 Phone:0091522 2288361-3 Fax: 0091 522 2288364
Pune	Branch Office	10, Aditya Shagun Mall, Bavadhan Khurd NDA-PashanRoad, Pune411 021 Telefax: 00912054 731573
Thiruvananthapuram	Branch Office	TC 34/1307 (2) Motherland Buildings Airport-Valiyathura Road Thiruvananthapuram - 695 008 Phone: 0091 471 2503713,2506483 Fax: 0091 471 2503694

Tuticorin	Branch Office	4B/A-28,1st Floor, Mangal Mall Mani Nagar, Palayamkotai Road Tuticorin-628 003 Phone: 0091 461 2320803 Fax: 0091 461 2322887
Visakhapatnam	Branch Office	Flat No.28-21-1 (S-1) 1st Floor, Classic Complex Prakashrao Pet, Dabagardens Visakhapatnam - 530 029 Phone: 0091 891 2564922,7693

LEATHER CHEMICAL DIVISION

Chennai	Plant & SBU Office	32, Sattangadu Village Thiruvottiyur - Manali Road Manali, Chennai-600 068 Phone:009144-25941547 Fax: 0091 44-25945006
Delhi	Sales Office	18A.F Block, Sector 53 Kanchan Jangha Apartment Noida -201301, UP. Phone: 0091 1202586755
Chennai	PDC	32, Sattangadu Village Thiruvottiyur - Manali Road Manali, Chennai-600 068 Phone:009144-25941045, 25946600 Fax: 0091 4425941156
Chennai	Tech. Service Centre	No.18,1st Floor Thiruneermalai Road Nagalkeni, Chennai-600 044 Phone: 0091 4425946600
Kanpur	Tech. Service Centre	14A, 150 Feet Road, Jajmau, 1st Floor Kanpur -208 010 Phone: 0091 5122462501
Ranipet	Tech. Service Centre	No.18,2nd Floor, Othawadai Street Navalur, Ranipet ? 632 402 Vellore District Phone: 0091 4172273408
Kolkata	Tech. Service Centre	Zone-1, Plot no. 63A (near CETP) Calcutta Leather Complex 24 Prgs (South) West Bengal-743502 Phone : 0091 09903009703/09727
Ambur	Tech. Service Centre	C/o, Zubaida Tanning Industries No. 4/172, Gudiyatham Road Thuthipet, Ambur 635 802
Vaniyambadi	TSC	1/188, Cutchery Road, Extension Valayampattu Village Vaniyambadi 635 751 Vellore District

TEA

Kolkata	Plant & SBU Office	P-43 Hide Road Extension Kolkata - 700 088 Phone: 033 24505550/5554 Fax: 033 24392704
Kolkata	Sales Outlet	21, Netaji Subhas Road, Kolkata - 700 001 Phone: 0091 33 22225229

LOGISTICS INFRASTRUCTURE

Kolkata	SBU Office	21 Netaji Subhas Road, Kolkata - 700 001 Phone: 0333 22225556 Fax: 033 22225728
Kolkata	CFS/ WSD	P-3/1 Transport Depot Road Kolkata-700 088 Phone: 0091 33 24492729 Fax: 0091 33 24498355
Mumbai	CFS	Plot no. 1, Sector 7, Dronagiri Node Opp JNPT.Navi Mumbai-400 707 Phone: 0091 2227471042 Fax: 0091 22 27472943
Chennai	CFS	32, Sattangadu Village Thiruvottiyur - Manali Road, Manali Chennai - 600 068 Phone: 0091 4425943653 Fax: 0091 44 25941863
Coimbatore	Warehouse	Warehousing and Distribution 5/245 thadagam Main Road, Kanuvai Coimbatore 641108 Phone:+91422 2400342

REFINERY & OILFIELD SERVICES

Kolkata	SBU Office	21 Netaji Subhas Road, Kolkata - 700 001 Phone: 0091 33 2222 5610/2213 4674 Fax: 0091 335444/5333
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