

**Balmer Lawrie & Co. Ltd.****Contents**

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**Board of Directors**

P. K. Bishnoi  
*Managing Director*

N. P. Singh  
*Whole-time Director*

A. K. Srivastava  
*Government Nominee Director*

**Company Secretary**

R. Mukherjee

**Executive Directors**

S. B. Chakravarty

A. K. Ghosh

P. Radhakrishnan

**Registered Office**

21, Netaji Subhas Road,  
Kolkata - 700 001

**Bankers**

ABN AMRO Bank N.V.

Allahabad Bank

Bank of Baroda

Canara Bank

Citibank NA

HDFC Bank Limited

Standard Chartered Bank

State Bank of India

The Hongkong and Shanghai  
Banking Corporation Limited

United Bank of India

**Auditors**

M. Choudhury & Co.

**Branch Auditors**

Chhotalal H. Shah & Co.

C. S. Hariharan & Co.

Sri Raviverma & Co.

**Registrar & Share Transfer Agents**

MCS Limited

77/2A Hazra Road (3rd & 5th Floor)

Kolkata 700 029

**Balmer Lawrie & Co. Ltd.****Key Management Personnel  
as on 31 July, 2002**

Name	Qualification	Designation	Age (in completed Years)	Total No. of years of experience
P. K. Bishnoi	B. Sc. (Hons.) Petroleum Engg. PGDM (IIM-A)	Managing Director	51	28
N. P. Singh	B. Sc. (Engg.), - Metallurgy	Director (Bombay)	57	33
S. B. Chakravarty	B. Tech. (Hons.) IITB. PGDBM (IIMC)	Executive Director (Technical)	53	29
P. Radhakrishnan	B. A., DSW	Executive Director (Human Resource)	52	28
A. K. Ghosh	B. Com., ACA	Executive Director (Logistics Management)	51	26
R. Kannan	B. Tech. (Engg.) - Chem.	General Manager (Container Freight Station)	57	36
K. V. Rajan	B. A.	General Manager (Travel and Tours)	54	33
S. K. Mukherji	B. Com., AICWA	General Manager (Finance)	50	33
S. Krishnamoorthy*	M. Sc. (Engg.), MIE DII Sc.	General Manager	56	31
V. N. Sharma	B. Tech. -Chem., MBA	General Manager (Grease & Lubricants)	50	27
P. P. Sahoo	M. A. (Hons.) (PM & IR), LL.B.	General Manager (Investments & Asset Rationalisation)	48	24
A. Dayal**	B.A., Dip. in Mktg. Mgmt.	General Manager (Industrial Packaging)	47	26
G. Roy	B. Tech. (Hons.) in Mech. Engg. IIT Kg.	General Manager (Chennai)	52	31
B. K. Sen	B.E. (Civil), MIE (S), C. Engg. (I), FICA, FIV.	General Manager (Project)	57	36
B. K. Nandi	BE (Chem), PGDBM, AMII Ch. E. Member (USA)	General Manager (Overseas Projects)	52	30
R. K. Bhattacharyya	M.Com., A.C.A.	General Manager (Taxation & Internal Audit)	55	31
V. Sinha***	B.A., MBA	General Manager	47	24
R. Mukherjee	B.Com., LL.B., FCS., FICWA	Company Secretary	45	22

\* On Secondment to Indian Container Leasing Company Ltd.

\*\* On Secondment from Balmer Lawrie – Van Leer Ltd.

\*\*\* Presently appointed as Chief Operating Officer in Balmer Lawrie (UK) Ltd.

**Notice to the Members**

NOTICE is hereby given that the 85th Annual General Meeting of the Members of Balmer Lawrie & Co. Limited. will be held at Ghanashyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata - 700 019, on Wednesday, 25 September, 2002, at 10: 30 a.m. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2002 and the Profit and Loss Account for the financial year ended 31 March, 2002 and the Reports of the Auditors and Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri P.K. Bishnoi who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 by the said Auditors."

**SPECIAL BUSINESS :**

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

**5. As a Special Resolution :**

"RESOLVED THAT the Company hereby accords its approval pursuant to Section 163 (1) of the Companies Act, 1956, to keep the Register of Members, Index of Members, copies of Annual Returns and other relevant and necessary records and documents in the office of MCS Ltd., the Registrar and Share Transfer Agent, at 77/2A, Hazra Road, 3rd and 5th floors, Kolkata - 700 029".

Registered Office :  
21, Netaji Subhas Road  
Kolkata 700 001  
16 August, 2002

By Order of the Board  
R. Mukherjee  
Company Secretary

**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS STEAD, AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office, not less than 48 hours before the Meeting.
3. Dividend, if any, that may be declared at the Meeting, will be payable, except dividends which are to be kept under abeyance as per the provisions of Section 206A of the Companies Act, 1956 ("the Act") to those Members, whose names will appear in the Register of Members or in the beneficiaries list of the Depositories on 25 September, 2002.
4. Members are requested to:
  - I. intimate MCS Ltd, on or before 18 September, 2002 at 77/2A Hazra Road (3rd and 5th Floor), Kolkata - 700 029, Fax (033) 454 1961 or 474 7674; email : mcsca1@cal2.vsnl.net.in
    - a) change in their address (including Pin Code), mandate, etc.;
    - b) bank account number, name and address of the bank.

**Balmer Lawrie & Co. Ltd.**

- II. quote the ledger folio or Client ID and DP ID numbers in all communications with the Company;
  - III. bring their copies of Annual Report and show Attendance Slip and Entry Pass at the entrance of the venue of the Meeting. Annual Report shall not be distributed at the venue of the Meeting;
  - IV. note that the Register of Members and Share Transfer Book shall remain closed from 19 September, 2002 to 25 September, 2002 (both days inclusive);
  - V. note that unclaimed Dividends relating to final Dividend paid in 1995 to be transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Act, in November 2002.
  - VI. note that in terms of Section 224 (8) (aa) and 619 of the Act, in case of a Government Company, the Comptroller and Auditor General of India though shall appoint the Auditor(s) but the remuneration, shall be fixed by the Company at the general meeting. Item no. 4 under the ordinary business has been inserted as an Ordinary Resolution.
5. The Explanatory Statement pursuant to Section 173(2) of the Act. is attached hereto.

**Explanatory Statement****(Under Section 173(2) of the Companies Act, 1956)****Item No. 5**

Section 163 (1) of the Companies Act, 1956, (hereinafter stated as "the Act") states that Register of Members, Index, copies of Annual Returns and all related documents (hereinafter referred to collectively as "Statutory Registers") are required to be kept by a Company at its Registered office provided that such registers etc. can be kept by a Company at any other places within the city, town or village where the Registered office of the Company is situated, if such other place is approved by a special resolution passed by the Company in a general meeting.

MCS Ltd. was appointed as the Registrar and Share Transfer Agent of the Company with effect from 1 December 1997.

The Company accorded its approval through a special resolution passed at the 81st Annual General Meeting of the Company held on 24 September 1998, for keeping the statutory registers at the office of MCS Ltd. at Sri Venkatesh Mangalam - B, 24/26, Hemanta Basu Sarani, Kolkata - 700 001.

It has now been intimated to the Company that MCS Ltd. has shifted their office at 77/2A, Hazra Road, 3rd and 5th Floor, Kolkata - 700 029, and hence the Statutory Registers of the Company are proposed to be kept at such office with effect from 1 October 2002, after passing the special resolution as stated in item no. 5 in the notice convening the meeting.

A copy of the letter of MCS Ltd. dated 19 July, 2002 is available for inspection at the registered office between 10 a.m. and 12 noon on any working day (except Saturdays).

An advance copy of this special resolution shall be forwarded to the Registrar of Companies, West Bengal, for their information and record, pursuant to the provisions of Section 163 (1) (iii) of the Act.

Your Board recommend the passing of this special resolution.

None of the Directors of the Company are concerned or interested in this resolution.

**Details of the Director seeking Appointment/re-Appointment in the  
85th Annual General Meeting to be held on 25 September, 2002.**

Name of Director	Shri P. K. Bishnoi
Date of Birth	3 July, 1951
Date of Appointment	22 January, 1998
Date of last re-Appointment	24 September, 1998
Qualification	B. Sc. (Hons.) Petroleum Engg. PGDM (IIM-A)
Expertise in Specific Functional area	<p>A Management Graduate from IIM Ahmedabad having about 25 years experience in Balmer Lawrie &amp; Co. Ltd. of which more than 4 years at Board level. Joined the Company from the Planning Commission. Served successfully in different businesses of the Company at various levels. Appointed to the Board as Director (Finance) in 1998 and became the Managing Director on 23 October, 2001. He is also serving as Nominee Director in the Boards of various Joint Ventures and Subsidiary of the Company and also serving as a Director in Bengal Chambers of Commerce &amp; Industries (BCCI).</p>

**Balmer Lawrie & Co. Ltd.****Directors' Report**

Your Directors have pleasure in presenting their 85th Report for the financial year ended 31 March, 2002, together with the audited Balance Sheet and Profit & Loss Account of your Company.

**FINANCIAL RESULTS**

	<b>Rs. in Lakhs</b>	
	<b>Year ended on 31 March</b>	
	<b>2002</b>	<b>2001</b>
Surplus for the year before		
Finance charge, depreciation & tax	<b>4515</b>	<b>4864</b>
Deduct therefrom :		
Finance charge & depreciation	<b>3595</b>	<b>4163</b>
Corporate Taxation	<b>119</b>	<b>100</b>
	<b>801</b>	<b>601</b>
Add transfer from :		
Profit & Loss Account	<b>1140</b>	<b>1008</b>
Less : Transfer to Foreign Project Reserve	<b>257</b>	<b>—</b>
Amount available for Appropriation	<b>1684</b>	<b>1609</b>
Appropriation :		
Amount available for Appropriation	<b>1684</b>	<b>1609</b>
Out of which :		
Proposed final Dividend @ Rs.1.80 per Equity Share (Previous year Rs.1.50 per Equity Share)	<b>293</b>	<b>244</b>
Corporate Tax on Dividend	<b>—</b>	<b>25</b>
Transfer to Contingency Reserve	<b>—</b>	<b>—</b>
Transfer to General Reserve	<b>200</b>	<b>200</b>
Transfer to Share Investment Reserve	<b>—</b>	<b>—</b>
Surplus carried forward to next year	<b>1191</b>	<b>1140</b>

**OVERVIEW**

The Directors of your Company are pleased to present their 85th Annual Report for the financial year ended 31 March, 2002.

The fiscal 2001-2002 has not been particularly flattering for India. Economy registered a growth rate of 5.4% against much higher expectations. The industrial segment remained sluggish and two consecutive not so good agricultural years affected the overall demand pattern of the economy. The infrastructure related industries registered a slow down. Six core infra-structural industries namely, Power, Oil, Petroleum and Refinery products, Coal, Steel and Cement having an aggregate weight of 26% in overall Index of Industrial Products (IIP) just about achieved a growth rate of 2% and the manufacturing sector grew only by 2.4% during April to December 2001. September 11 had its impact vis-a-vis India which registered sluggish performance particularly in IT, Trade and Hospitality related industries. Your Company operating in this economic milieu was not insulated from the vicissitude of the economy. The highlights of your Company's performance are as follows :

- Turnover declined by 4.2% over the previous year.
- The service sector turnover increased by 9%; however, the manufacturing business turnover decreased by 5%.
- The profit before tax increased by 31%.
- The profit after current tax increased by 41%.
- Profit after deferred tax increased by 33%.

**Dividend**

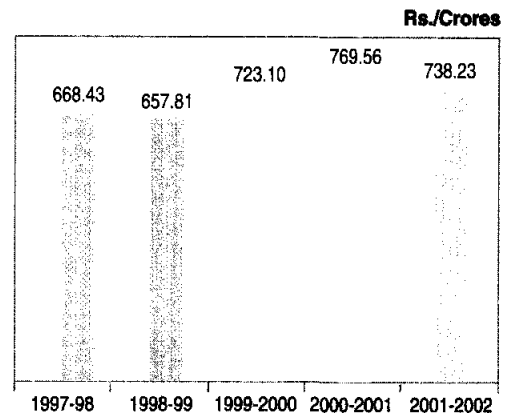
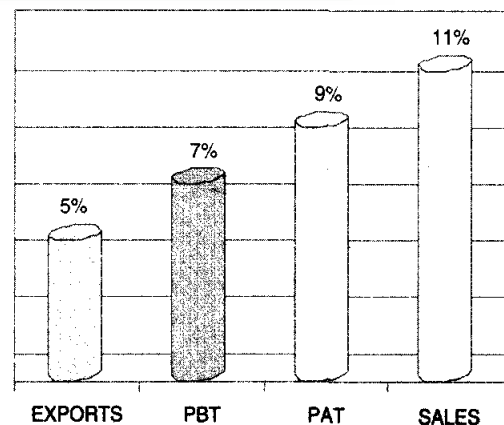
Considering improved profit performance of your Company and the overall positive outlook for your Company's future financials, your Directors are pleased to recommend a dividend of Rs.1.80 per equity share of Rs. 10 each (i.e. 18%) for the year ended 31 March 2002 as against Rs.1.50 per equity share (i.e. 15%) for the previous year. The dividend for the financial year 2001-02 shall be taxable in the hands of the members as per current provisions of the Income-tax Act, 1961 and shall also be subject to deduction of tax at source, wherever applicable.

Your Company is one amongst those who have a long track record of dividend payment. Your Company also remains committed to creation of shareholder value.

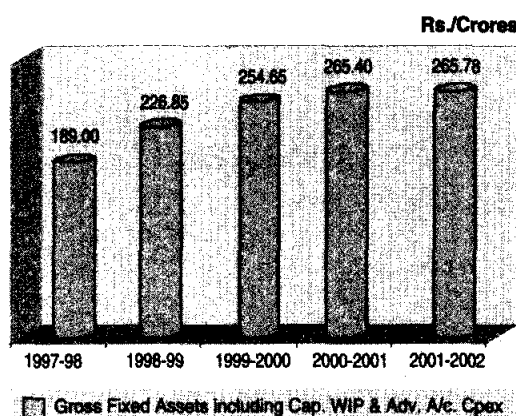
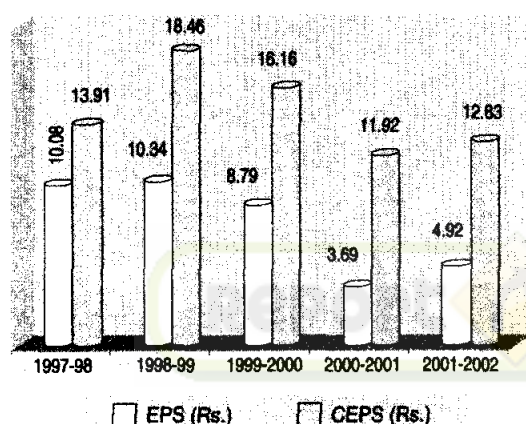
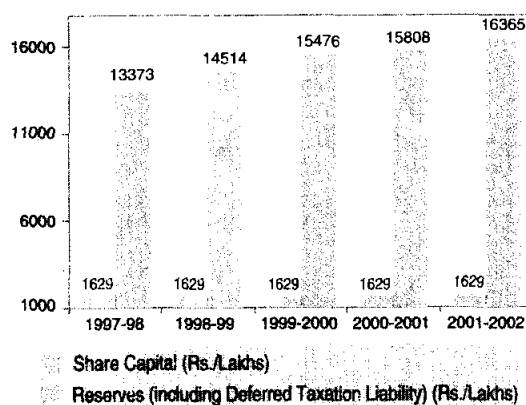
**Change of holding company**

The Government of India decided to disinvest 33.58% of its holding of 59.58% of its equity share holding in IBP Co. Limited (the erstwhile holding company of your Company) to a strategic partner with management control and to facilitate such disinvestment, the shareholding of IBP Co. Limited in your Company was decided to be demerged in favour of a newly incorporated company.

Accordingly, Balmer Lawrie Investments Limited was incorporated by the Government of India, on 20 September, 2001. Thereafter, a Scheme of Arrangement and

**TURNOVER****COMPOUNDED ANNUAL RATE OF GROWTH OVER 1989-90 (Percentage)**



**Balmer Lawrie & Co. Ltd.****GROSS BLOCK****EARNINGS PER SHARE****SHARE CAPITAL & RESERVE  
(INCLUDING DEFERRED TAXATION LIABILITY)**

Reconstruction (the Scheme) was made under Sections 391-394 of the Companies Act, 1956, and was executed by and between IBP Co. Limited and Balmer Lawrie Investments Limited and their respective shareholders. The Scheme had an Appointed Date of 15 October, 2001 and by virtue of such Scheme 1,00,64,700 equity shares of Rs.10 each of this Company (totalling to about 61.8% of the total equity capital of your Company) was transferred to Balmer Lawrie Investments Limited as an undertaking on a going concern basis from IBP Co. Limited.

As IBP Co. Limited and Balmer Lawrie Investments Limited both are Government companies, the above Scheme was sanctioned by an order of the Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Government of India on 8 January, 2002 and a copy of such order was filed with the Registrar of Companies, West Bengal on 5 February, 2002 and by virtue of such filing the Scheme became operational on and from 5 February, 2002. Balmer Lawrie Investments Limited is thus the holding company of your Company.

**Business Restructuring Process**

For the purpose of greater value creation for the shareholders, a business restructuring plan was approved by the Board of Directors of your Company. One part of the restructuring plan was to phase out/close down unviable businesses. This has since been achieved. The other part, to enhance growth and profitability of businesses like Leather Chemicals, Tea blending and Exports, Travel and Tours (inbound and outbound) and Container Freight Stations, strategic alliance with appropriate partners was considered expedient. To potential strategic alliance partners an invitation was made through print and website media and good responses were obtained. These matters are being progressed by your Directors.

**Management Discussion and Analysis**

A detailed analytical report on the various businesses of your Company has been furnished along with this report under the heading "Management Discussion and Analysis".

**Report on Subsidiary****Balmer Lawrie (UK) Ltd.**

The wholly owned subsidiary has two main business activities - Leasing & Hiring of Marine Freight Containers and Import, Warehousing, Blending and Packaging of Speciality teas.

The global market conditions in which the Marine Freight Container Industry today operates continues to be depressed. With major over capacity and no sign of consolidation coupled with depressed world economy had led to major decline in per diem lease rentals and utilization rate of assets. The adverse impact was seen throughout the year with net revenues declining every successive quarter. With signs of improvement in the global economy, some improvement in performance is anticipated.



Tea Blending and Packaging division operated very satisfactorily till August 2001. However, consequent to the terrorist attack in September 2001 in the USA the division had to face a major drop in demand due to drastic fall in tourists and air passenger traffic in the UK. Sales of the subsidiary's predominant customers of tea i.e. reputed departmental stores etc. are dependent on tourists to the UK and at the airport shops. This also included the closure of Oxfam Fair Trade Co. for whom the subsidiary has been packing tea since 1996. These seriously affected the subsidiary's performance during the second half of the fiscal. Radical cost control measures were taken to reduce the impact. The future trends indicates some improvement in sales. Development of new customers has enabled the division to secure an arrangement for blending and packing a range of teas.

As per Accounting Standard 21 issued by the Institute of Chartered Accountants of India, consolidated financial statement of the Company along with that of the subsidiary has been provided with this report.

### **Report on Joint Ventures**

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

During the year under review this Joint Venture Company consolidated its position as a major supplier of aviation oil and lubricants to the Defence Sector of our Country. The efforts have been recognized by the customers for quality of the products and timely delivery matching with customers expectation.

This Joint Venture is planning to establish a new unit to manufacture synthetic organic esters.

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

The performance of this Joint Venture Company continued to be extremely satisfactory despite depressed market conditions in the region and increased competition.

The prospect for growth in turnover and profitability, in the foreseeable future is limited in view of the continuing upward trend in raw material prices, increasing competitive pressure and the prevailing difficult economic situation in the region. This Joint Venture is trying to cope up with these challenges to the best of its abilities.

This Joint Venture continues to retain its leading position in the market by maintaining the customer satisfaction at a high level by fulfilling customers' needs and expectations.

This Joint Venture also continued to upgrade its facilities and increase its capacities apart from enlarging the product range through continuous investments.

#### **Balmer Lawrie-Van Leer Ltd.**

During the year under review, this Joint Venture reported overall satisfactory financial results. It has posted higher Profit before Tax. The Closure Division has posted improved financial results mainly due to reduction of input costs and customer development. However Valerex® -20 has incurred

loss mainly due to lower volume of off-take coupled with lower selling price with higher consumption of stores and spares in refurbishing the moulds. Valerex®-200 contributed significantly in the improvement of profitability. The performance of blow moulding has been stabilised and sufficient orders have been procured to achieve the full capacity of the plant. This Joint Venture has reduced its financial costs through adoption of various financial strategies.

#### **Indian Container Leasing Company Limited**

This Joint Venture Company with its established brand 'TRANSafe'® continued its freight container leasing effort in popularising the concept and business of movement of cargo in containers in the domestic sector and has maintained its leadership. However, the road sector business was depressed but in various other sectors like coastal, railways, storage and refrigerated containers, some growth was registered.

Despite sluggish economy, this Joint Venture Company concluded the year with satisfactory operating result which was better than the previous year.

#### **Indian Marine Freight Container Manufacturing Limited**

Last year it was reported that this Joint Venture Company had become a 'sick industrial company' within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985. Subsequently, BIFR appointed EXIM Bank as the operating agency, for preparation of rehabilitation scheme. The operating agency advertised for induction of strategic partner and advised for change in management, the outcome of which is yet awaited. The name of the Company has been changed from 'Balmer Lawrie Freight Containers Ltd.' to 'Indian Marine Freight Container Manufacturing Limited' in December 2001.

#### **Memorandum of Understanding**

The Department of Public Enterprises has confirmed award of "Excellent" rating to your Company for the financial year 2000-2001.

The MOU signed with the Ministry of Petroleum and Natural Gas for financial year 2001-2002 has targets on certain operational/financial efficiency parameters, besides due weightage given to targets relating to customer satisfaction and human resources development.

#### **Management Services Division**

The Management Services Division of your Company provides Information Technology inputs to all SBUs and corporate services. Over the years your Company has successfully developed and deployed custom built Integrated Line of Business Packages at various business locations which has satisfactorily contributed to operationing efficiency.

The GUI based software for Travel SBU has been developed with in-house resources and implemented at a number of business locations. The web based Cargo Tracking and Tracing system has been installed and further developments are planned.

## Balmer Lawrie & Co.Ltd.

Your Company has been retained by some clients for developing software in specific niche areas. The business potential of providing customised IT services to other clients is further being explored.

### Participation in Global Compact

Your Company in January 2002 declared that it supports the Global Compact, a Forum instituted by the Secretary General of the United Nations and its nine principles which are as follows:

#### ● Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure they are not complicit in human rights abuses.

#### ● Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. eliminate discrimination in respect of employment and occupation.

#### ● Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

### Human Resources

The Human Resource strategy of your Company is focused at instilling in the employees the spirit of competition. The thrust continues to encourage employees to equip themselves with the requisite skills and professional competence to face the challenges in the fast changing economic landscape. Periodic reviews are being carried out and organisation restructuring undertaken to improve upon the efficiency. Investments are being made in an ongoing manner to upgrade the quality of manpower.

### Employee Relation

Your Company continues to have healthy and cordial relationship with the employees. The major divisions of your Company have signed long term settlements covering the conditions of service through the process of collective bargaining. The employees have positively responded to the need to augment productivity across the units/divisions.

### Implementation of Official language

In line with the policy of the Government of India, your Company continues to lay stress on progressive use of Hindi in official work. Your Company has complied with the provisions in the Official Languages Act, 1963 and the Official Language Rules, 1976.

### Social Welfare

Your Company is conscious of its social responsibility and continues to contribute towards the welfare of the socially and economically weaker sections. During the year, your Company had, with the involvement of Non Government Organisations, carried out activities under Special Component Plan and Tribal Sub Plan in the villages of West Bengal, Maharashtra and Tamil Nadu. These are being monitored periodically.

### Welfare of Weaker Section

The Government directives with respect to welfare of Schedule Casts / Schedule Tribes and weaker sections have been complied with. Your Company has also complied with the requirements under the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995.

### Vigilance

The Vigilance Department has been able to create greater awareness of different vigilance aspects amongst employees of your Company, and to further streamline systems and practices.

Surveillance of sensitive activities of all Strategic Business Units; continuous interaction at different strata of the Management and the employees of the Company; conducting systematic, programmed and random inspections of various systems and practices and introducing system of prompt follow up actions in cases of administrative and financial irregularities, have all been fostering efforts towards greater transparency in administration and honest work culture in the Company.

### Public Deposit

Your Company has not accepted "Deposits" from the public during the period under review.

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

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.

### Particulars of Employees

The Company has no employee in respect of whom the statement under Section 217 (2A) of the Act, is required and hence, particulars under Companies (Particulars of Employees) Rules, 1975 as amended with effect from 17 April 2002 are not required to be annexed.