



Balmer Lawrie & Co. Ltd.

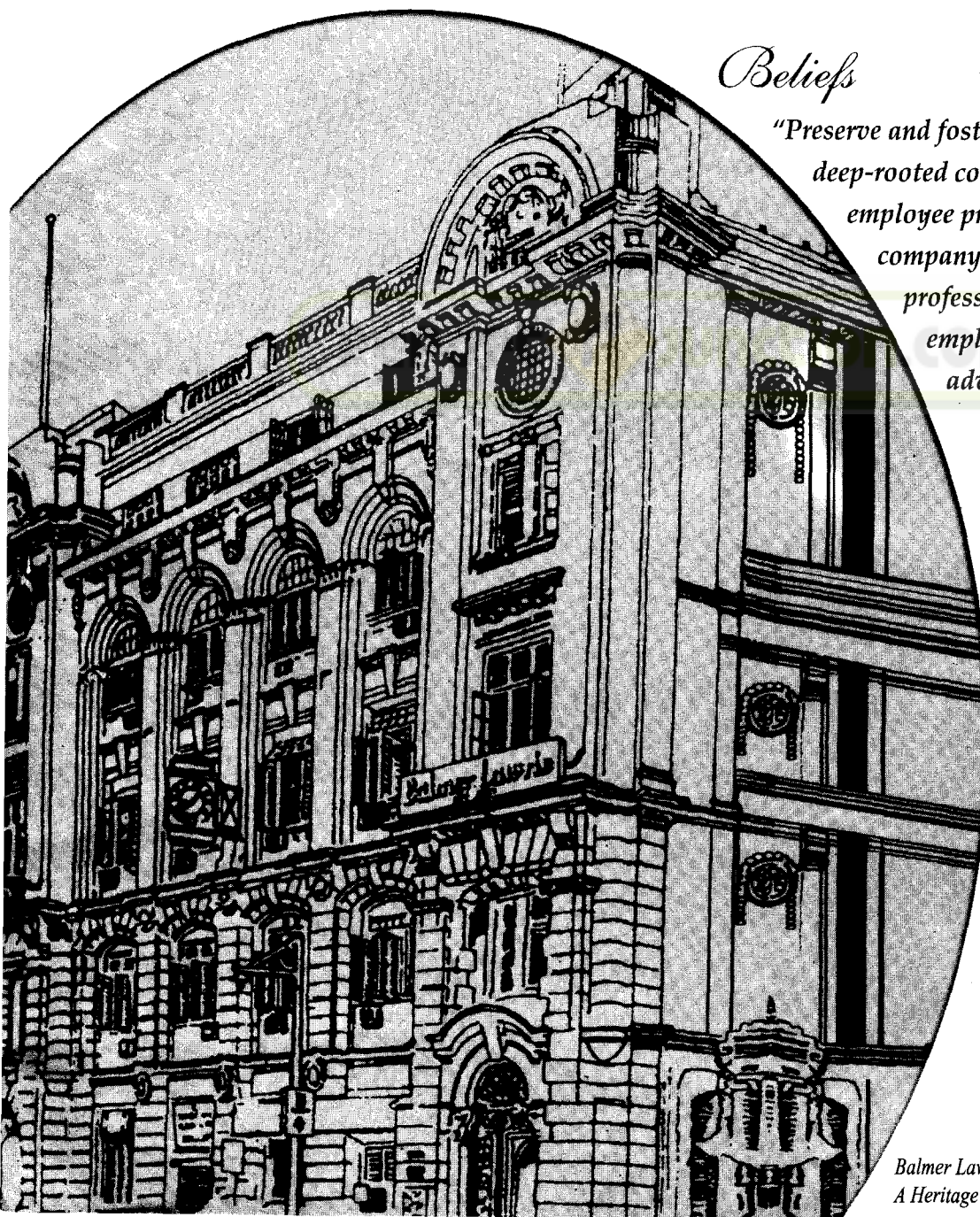
(Since 1867)

Mission

"To maintain market leadership in the chosen fields of activities viz. Lubricants, Chemicals, Packaging, Containerisation and Services through continuous growth in domestic and export operations."

Beliefs

"Preserve and foster our century old tradition of deep-rooted commitment to business values, employee pride in the organisation and company's concern for well being, professional & career advancement of employees at all levels as also advancement of social benefits."



**Annual Report
2002-2003**

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Board of Directors

Managing Director	P. K. Bishnoi
Wholetime Directors	N. P. Singh S. K. Mukherjee P. Radhakrishnan
Government Nominee Director	A. K. Srivastava

Company Secretary	R. Mukherjee
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Executive Directors	A. K. Ghosh V. N. Sharma P. P. Sahoo
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Registered Office	Balmer Lawrie House 21, Netaji Subhas Road, Kolkata - 700 001.
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Bankers	Allahabad Bank Bank of Baroda Canara Bank HDFC Bank Limited Standard Chartered Bank State Bank of India The Hongkong and Shanghai Banking Corporation Limited United Bank of India
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Auditors	M. Choudhury & Co.
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Branch Auditors	Chhotalal H. Shah & Co. C. S. Hariharan & Co. Sri Raviverma & Co.
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Internal Auditors	Ernst & Young Private Limited
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Registrar & Share Transfer Agent	Intime Spectrum Registry Limited
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Balmer Lawrie & Co. Ltd.

Key Management Personnel

As on 1 August 2003

Name	Qualification	Designation	Age (in completed years)	Total no. of years of experience	Total no. of years of experience in the Company
P. K. Bishnoi	B. Sc. (Hons.)-Petroleum Engg. PGDBM (IIM-A)	Managing Director	52	29	26
N. P. Singh	B. Sc. (Engg.), - Metallurgy	Director (Bombay)	58	34	34
S. K. Mukherjee	B. Com., AICWA	Director (Finance)	51	34	27
P. Radhakrishnan	B. A., DSW	Director (Calcutta)	53	29	19
A. K. Ghosh	B. Com., ACA	Executive Director (Logistic Management)	52	27	27
V. N. Sharma	B.Tech. - Chem, MBA	Executive Director (Technical)	51	28	28
P. P. Sahoo	M. A. (Hons.) (PM & IR), LL.B.	Executive Director (Human Resource)	49	25	16
R. Kannan	B. Tech. (Engg.) - Chem.	General Manager (Chennai)	58	37	24
A Dayal*	B.A., Dip. in Mktg. Mgmt.	General Manager (Industrial Packaging)	48	27	4
G. Roy	B. Tech. (Hons.) in Mech. Engg. IIT KGP.	General Manager (Grease & Lubricants)	53	32	23
S. Krishnamoorthy	M. Sc. (Engg.), MIE, DII Sc.	General Manager	57	32	22
B. K. Sen	B.E. (Civil), MIE(S), Chartered Engr. (I), FICA, FIV.	General Manager (Project)	58	37	16
B. K. Nandi	B.E. (Chem.), PGDBM, AMII Ch.E Member (USA)	General Manager (Overseas Projects)	53	31	19
R. K. Bhattacharyya	M. Com., A.C.A.	General Manager (Taxation & Internal Audit)	56	32	19
V. Sinha**	B.A., MBA	General Manager	48	25	23
K. Subramaniam	B.Com., A.C.A.	General Manager (Finance)	51	25	23
N.Gupta	B.Com., A.C.A.	General Manager (Container Freight Station)	48	23	23
R. Mukherjee	B.Com., LL.B., FCS., FICWA	Company Secretary	46	23	6

* 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 86th Annual General Meeting of the Members of Balmer Lawrie & Co. Limited will be held at Ghanashyam Das Birla Sabhaghar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019, on Wednesday, 24 September 2003, 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 2003 and the Profit and Loss Account for the financial year ended 31 March 2003 and the Reports of the Auditors and the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri A K Srivastava 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 authorized to determine the amount of remuneration payable to the auditors appointed under Section 619 of the Act, by the Comptroller and Auditor-General of India including the cost of reimbursement of out of pocket expenses incurred in connection with the audit by the said Auditors.”

SPECIAL BUSINESS :

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

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 Intime Spectrum Registry Limited, the Registrar and Share Transfer Agent, at 1/17 Prince Ghulam Mohammed Road, Kolkata – 700 026.”

6. As an Ordinary Resolution :

“RESOLVED THAT Shri S K Mukherjee, Director (Finance), who was appointed an Additional Director of the Company on 8 October 2002 to hold office till the 86th Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the Office of the Director (Finance) of the Company be and is hereby appointed the Director (Finance) of the Company.”

7. As an Ordinary Resolution :

“RESOLVED THAT Shri P Radhakrishnan, Director (Calcutta), who was appointed an Additional Director of the Company on 11 March 2003 to hold office till the 86th Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the Office of the Director (Calcutta) of the Company be and is hereby appointed the Director (Calcutta) of the Company.”

Registered Office :
Balmer Lawrie House
21, Netaji Subhas Road
Kolkata 700 001

25 August 2003

By Order of the Board

R. Mukherjee
Company Secretary

Balmer Lawrie & Co. Ltd.**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 24 September 2003.
4. Members are requested to :
 - I. intimate Intime Spectrum Registry Limited, on or before 17 September 2003 at 1/17 Prince Ghulam Mohammed Road, Kolkata – 700 026, Fax : (033) 2464 5145; e-mail : kolkata@intimespectrum.com
 - (a) change in their address (including Pin Code), mandate, etc. ;
 - (b) bank account number, name and address of the bank ;
 - (c) contact phone numbers and e-mail ID.
 - II. quote the ledger folio or Client ID and DP ID numbers in all communications with the Company ;
 - III. bring their copies of Annual Report and show Attendance Slip and Entry Pass at the entrance of the venue of the Meeting. Annual Report shall not be distributed at the venue of the Meeting;
 - IV. note that the Register of Members and Share Transfer Books shall remain closed from 18 September 2003 to 24 September 2003 (both days inclusive);
 - V. note that Unclaimed Dividends relating to final dividend paid in November 1996 to be transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Act, in November 2003;
 - 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 Statements pursuant to Section 173(2) of the Act are 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.

Intime Spectrum Registry Ltd. was appointed Registrar and Share Transfer Agent (RSTA) on 1 April 2003, and has started acting as RSTA on and from 1 July 2003.

After passing the special resolution in this regard, the Statutory Registers of the Company shall be preserved and maintained in the Office of the RSTA of the Company at the address mentioned in the special resolution of the Notice convening the 86th Annual General Meeting.

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 recommends passing of this special resolution.

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

Item No. 6

Shri S K Mukherjee was appointed Additional Director on 8 October 2002.

Pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") and Article 9 of the Articles of Association of the Company, Shri Mukherjee shall hold office only upto the date of the forthcoming Annual General Meeting.

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

The letter dated 8 October 2002 received in this regard for the appointment of Shri Mukherjee from the Ministry of Petroleum & Natural Gas, Government of India, and the Articles of Association of the Company, are open for inspection at the Registered Office on all working days (except Saturdays) during 10 a.m. to 12 noon.

Your Directors recommend passing of this resolution.

Except Shri Mukherjee no other Director is interested or concerned in resolution number 6.

Item No. 7

Shri P Radhakrishnan was appointed Additional Director on 11 March 2003.

Pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") and Article 9 of the Articles of Association of the Company, Shri Radhakrishnan shall hold office only upto the date of the forthcoming Annual General Meeting.

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

The letter dated 11 March 2003 received in this regard for the appointment of Shri Radhakrishnan from the Ministry of Petroleum & Natural Gas, Government of India, and the Articles of Association of the Company, are open for inspection at the Registered Office on all working days (except Saturdays) during 10 a.m. to 12 noon.

Your Directors recommend passing of this resolution.

Except Shri Radhakrishnan no other Director is interested or concerned in resolution number 7.

Balmer Lawrie & Co. Ltd.**Details of the Directors seeking Appointment/Re-Appointment at the
86th Annual General Meeting to be held on 24 September 2003.**

Name of Director	Shri A. K. Srivastava	Shri S. K. Mukherjee	Shri P. Radhakrishnan
Date of Birth	23 January 1960	8 December 1951	20 December 1949
Date of Appointment	28 April 2000	8 October 2002	11 March 2003
Date of last Re-appointment	25 September 2000	—	—
Qualification	B.E. (Mech. Engg.), (CEI, London), AMIE 'B' (Electrical), P.G.D.B.M. (Financial Management) - AIMA	B.Com., AICWA	B.A., D.S.W.
Expertise in specific functional area	An I.A.S. of 1982 batch from Uttar Pradesh Cadre. Served in the State of Uttar Pradesh in various capacities including District Magistrate and Collector in Siddharthnagar, Divisional Commissioner in Azamgarh, Secretary to the Department of Irrigation and Home Secretary (Uttar Pradesh). Currently, Director (Marketing) in the Ministry of Petroleum & Natural Gas.	Specialized in the areas of Accounts, Finance and Taxation through experience in handling assignments at the Strategic Business Unit level and for last 15 years at the Corporate level. Working in the Company as an executive since January 1976.	<ul style="list-style-type: none"> – General Management – Human Resource Development – Personnel Management and Industrial Relations <p>Working in the Company as an executive since February 1984.</p>

Directors' Report

Your Directors have pleasure in presenting their 86th Report for the financial year ended 31 March 2003, together with the audited Balance Sheet and Profit & Loss Account of your Company.

FINANCIAL RESULTS

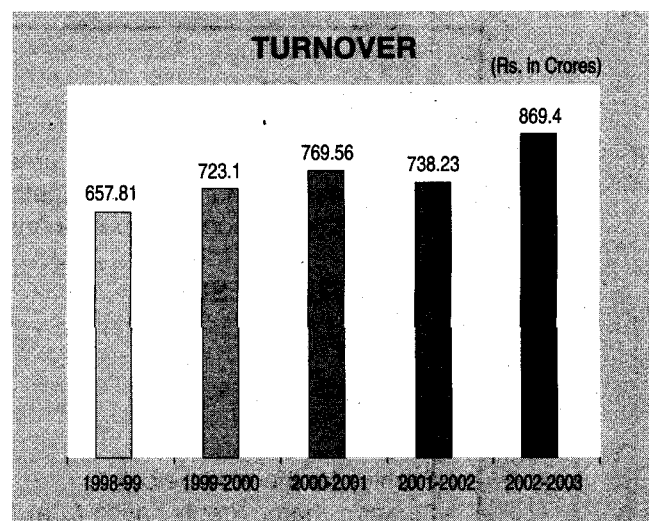
	Rs. in Lakhs	
	Year ended on 31 March	
	2003	2002
Surplus for the year before		
Finance charge, depreciation & tax	5146	4515
Deduct therefrom :		
Finance charge & depreciation	2866	3595
Provision for Taxation	630	119
	1650	801
Add transfer from :		
Profit & Loss Account	1191	1140
Less : Transfer to Foreign Project Reserve	—	257
Amount available for appropriation:	2841	1684
Appropriation :		
Proposed Final Dividend @Rs.3.10 per Equity Share	505	293
(Previous year Rs.1.80 per Equity Share)		
Corporate Tax on Dividend	65	—
Transfer to General Reserve	1000	200
Surplus carried forward to the next year	1271	1191
	2841	1684

Balmer Lawrie & Co. Ltd.

Overview

Your Company operating in the current highly competitive and difficult economic milieu performed satisfactorily and in fact recorded highest ever turnover and profit before tax during the year under report. The synopsis of the financial performance for 2002-2003 as compared to previous year is as follows :

- ↑ Overall turnover has gone up by 17.8%.
- ↑ The turnover of the Manufacturing business has increased by 4.8%.
- ↑ The turnover from the Turnkey projects increased by about 65%.
- ↑ Other income increased by 29.4%.
- ↑ The turnover from the service sector increased by about 27.4%.
- ↑ Profit before tax has increased by 147.7%.
- ↑ Profit after current tax has gone up by 145.8%.
- ↑ Profit after deferred tax has gone up by 105.9%.



Dividend

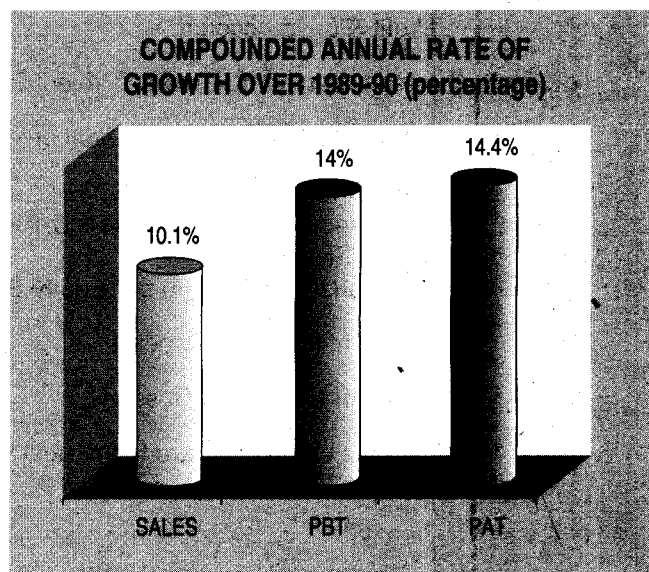
Considering improved performance of your Company, your Directors are pleased to recommend a dividend of Rs.3.10 per equity share of Rs. 10 each for the year ended 31 March 2003 as against Rs.1.80 per equity share for the previous year.

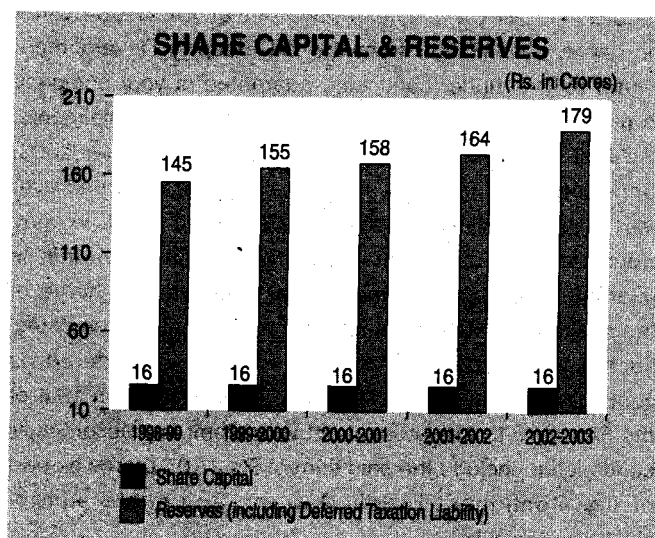
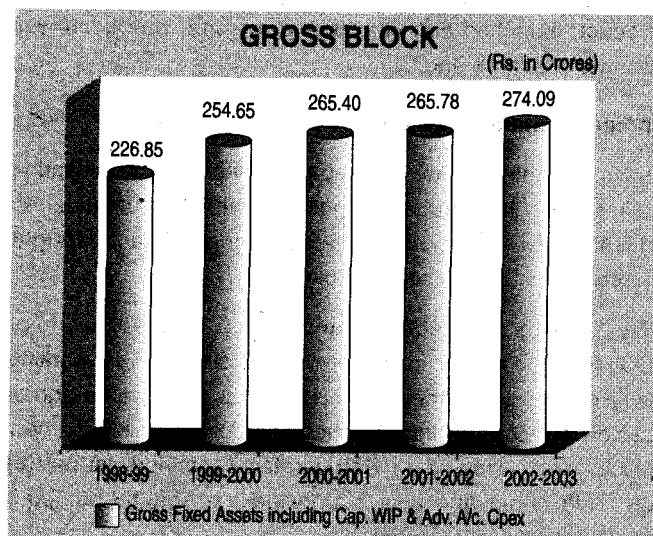
Disinvestment

Last year it was reported that by adopting a route of demerger the entire investment of IBP Co. Limited (the erstwhile holding company) to the extent of 61.8% shareholding in your Company was transferred as an undertaking to Balmer Lawrie Investments Ltd. (BLIL), a Special Purpose Vehicle created to hold shares till disinvested. BLIL (the present holding company), with effect from 15 October 2001, holds 1,00,64,700 equity shares of Rs.10 each representing 61.8% of the total equity capital of your Company which is proposed to be divested entirely by BLIL in favour of a strategic investor. Due process in this regard is going on.

Business Restructuring Process

It was reported last year that with the objective of greater value creation for your Company, a business restructuring plan was approved by your Board of Directors in July 2001 and as a part of the restructuring process it was decided to close down





unviable businesses and invite strategic alliance for certain businesses. Due to progress of divestment process, strategic alliance initiative could not be pursued. However, the unviable businesses, intended to be closed down, have been closed down.

Management Discussion and Analysis

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

Report on Subsidiary

Balmer Lawrie (UK) Ltd.

This is a wholly owned subsidiary of your Company having two main business activities - Leasing and Hiring of Marine Freight Containers and Import, Warehousing, Blending and Packaging of Speciality tea.

The market conditions in which the Marine Freight Container Industry operates continued to be depressed, with some signs of recovery seen during the second half of the last financial year. This has been indicated by the improvements in the utilization rates coupled with some increase in the per diem rentals. It is understood that this is due to reduction in capacity and an upswing in the shipping rates. It is expected that this trend would continue in the future.

Tea Blending and Packaging operations continued to be affected by the downturn in the tourist inflow into the U.K., post-9/11. During the year, an arrangement was implemented with Selfridges & Co. Limited, a prestigious U.K. departmental store, for launch of their "own label" teas, which was formally launched in November 2002. The subsidiary continues to make efforts to develop new customers and broaden its customers.

With a view to sourcing and marketing a range of premium Indian handicrafts in the U.K., a Memorandum of Understanding has been signed with the Council of Handicrafts Development Corporation (a federation of all the Indian State Councils of Handicrafts). This would facilitate identification of reliable suppliers, participation in Trade Fairs and obtaining some promotional support from the Ministry of Textiles and Handicrafts, Government of India.

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