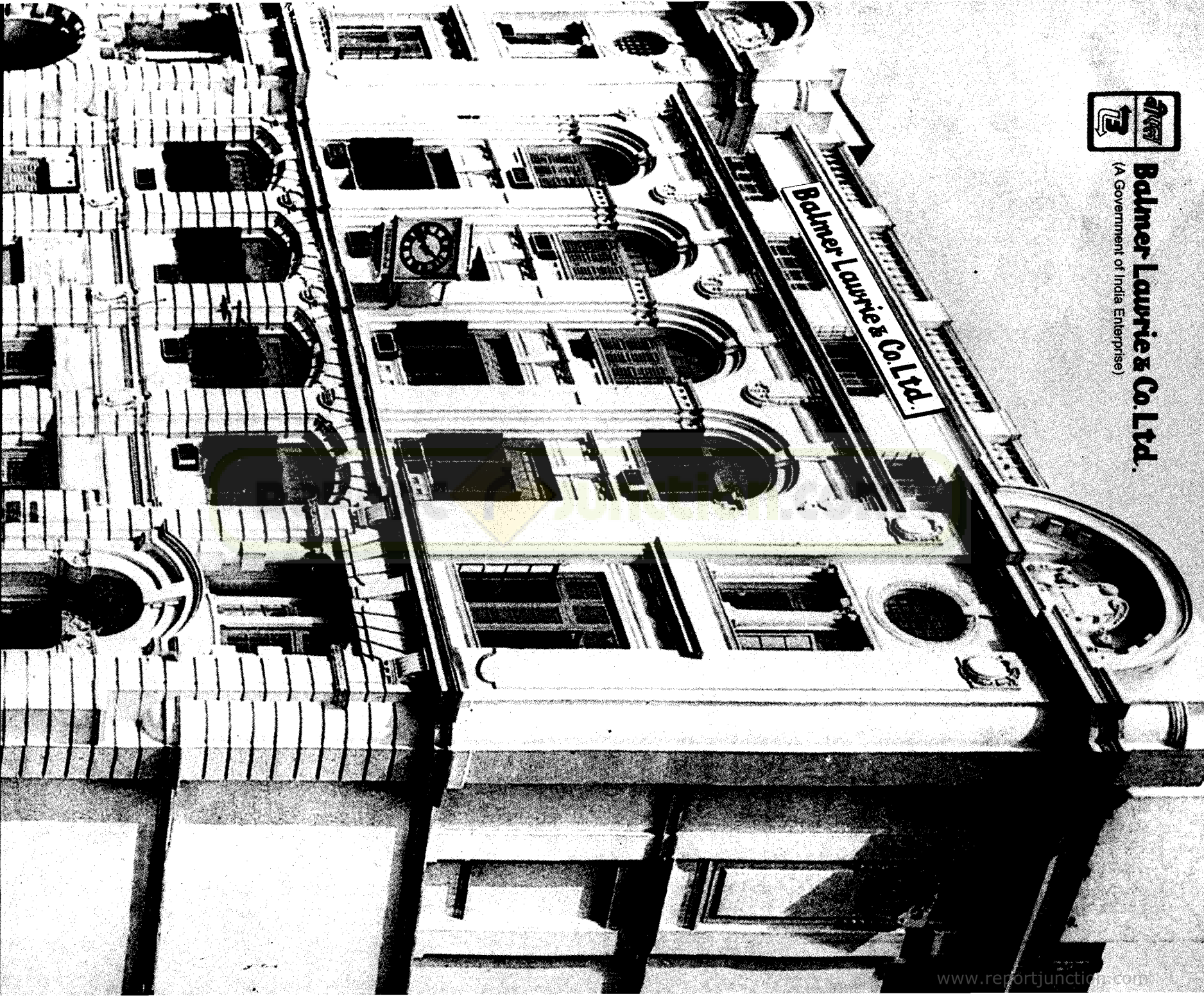




**Balmer Lawrie & Co. Ltd.**

(A Government of India Enterprise)





## ***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”.*

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**Board of Directors**

**Wholetime Directors** S. K. Mukherjee\*  
P. Radhakrishnan

**Government Nominee Director** A. K. Jain

\*Director (Finance) holding additional charge of Managing Director with effect from 1 April 2004

**Company Secretary** R. Mukherjee

**Executive Directors** A. K. Ghosh – Logistics Management  
V. N. Sharma – Technical  
P. P. Sahoo – Human Resource

**Registered Office** 21, Netaji Subhas Road  
Kolkata - 700 001

**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

**Auditors** M. Choudhury & Co.  
19 R N Mukherjee Road  
Kolkata - 700 001

**Branch Auditors** Chhotalal H. Shah & Co.  
'Gold Mohur' 1st floor  
Shamaldas Gandhi Marg.  
Mumbai - 400 002  
C S Hariharan & Co.  
Hariharan Building (II floor)  
16/6 College Road, Chennai - 600 006  
Sri Raviverma & Co.  
No. 1, Community Centre, 1st floor  
East of Kailash, New Delhi - 110 065

**Internal Auditors** Ernst & Young Private Limited  
22 Camac Street, Block 'C', 3rd floor  
Kolkata - 700 016

**Registrar & Share Transfer Agent** Intime Spectrum Registry Limited  
1/17 Prince Gulam Mohammed Road  
Kolkata - 700 026



**Balmer Lawrie & Co. Ltd.****Key Management Personnel  
as on 31 July 2004**

Name and Qualification	Designation	Age (in completed years)	Total no. of years of experience	Total no. of years of experience in the Company
S. K. Mukherjee, B. Com., AICWA	Director (Finance)	52	35	28
P. Radhakrishnan, B. A., DSW	Director (Calcutta)	54	30	20
A. K. Ghosh, B. Com., ACA	Executive Director (Logistic Management)	53	28	28
V. N. Sharma, B. Tech. – Chem., MBA	Executive Director (Technical)	52	29	29
P. P. Sahoo, M. A. (Hons.) (PM & IR), L.L.B.	Executive Director (Human Resource)	50	26	17
R. Kannan, B. Tech. (Engg.) – Chem.	General Manager (Chennai)	59	38	25
B. K. Sen, B. E. (Civil), MIE(S), Chartered Engr. (I), FICA, FIV	General Manager (Project)	59	38	17
S. Krishnamoorthy, M. Sc. (Engg.), MIE, DII Sc.	General Manager	58	33	23
G. Roy, B. Tech. (Hons.) in Mech. Engg. IIT KGP	General Manager (Grease & Lubricants)	54	33	24
R. K. Bhattacharyya, M. Com., A.C.A.	General Manager (Taxation & Internal Audit)	57	33	20
B. K. Nandi, B. E. (Chem.), PGDBM, AMII Chartered Engineer Member (USA)	General Manager (Overseas Projects)	54	32	20
A Dayal*, B. A., Dip. In Mktg. Mgmt.	General Manager (Industrial Packaging)	49	28	5
K. Subramanyan, B. Com., ACA	General Manager (Finance)	52	26	24
N. Gupta, B. Com., A.C.A.	General Manager (Container Freight Station)	49	24	24
R. Mukherjee, B. Com., LLB., FCS., FICWA ACIS (U.K.)	Company Secretary	47	24	7
J. G. Arora, B. A.	General Manager (Travel and Tours)	54	32	30

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

## Notice to the Members

NOTICE is hereby given that the 87th 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 Friday, 24 September, 2004, 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, 2004 and the Profit and Loss Account for the financial year ended 31 March, 2004 and the reports of the Auditors and the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri S. K. Mukherjee who retires by rotation and being eligible offers himself for re-appointment.
4. To fix remuneration of the Auditors for the financial year 2004-05 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 of accounts of the Company for the financial year 2004-05 by the said Auditors."

### SPECIAL BUSINESS :

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

5. As an Ordinary Resolution :

"RESOLVED THAT Shri A. K. Jain, be and is hereby appointed a Director whose office shall be subject to determination by retirement of Directors by rotation".

Registered Office :  
Balmer Lawrie House  
21, Netaji Subhas Road  
Kolkata - 700 001  
25 August 2004

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, 2004.
4. Members are requested to :
  - I. intimate Intime Spectrum Registry Limited, on or before 17 September 2004 at 1/17 Prince Ghulam Mohammed Road, Kolkata - 700 026, Fax : (033) 2464 5145; e-mail : [kolkata@intimespectrum.com](mailto: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 2004 to 24 September 2004 (both days inclusive);
  - V. note that Unclaimed Dividends relating to final dividend paid in October 1997 to be transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Act, in October 2004;
  - 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**

Shri A. K. Jain, IAS, (Director, Ministry of Petroleum and Natural Gas, Government of India), was appointed additional Director on 29 September, 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 Jain 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 Jain as Director of the Company whose office will be subject to determination by retirement of Director by rotation.

The letter dated 29 September, 2003 received in this regard for the appointment of Shri Jain from the Ministry of Petroleum and 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.

Except Shri Jain, no other Director is Interested or concerned in Resolution number 5.

Your Directors recommend the ordinary resolution for your approval.

**Details of the Directors seeking Appointment/Re-Appointment at the  
87th Annual General Meeting to be held on 24 September, 2004**

Name of the Director	Shri S. K. Mukherjee	Shri A. K. Jain
Date of Birth	8 December, 1951	16 October, 1962
Date of Appointment	8 October, 2002	29 September, 2003
Date of last Re-appointment	24 September, 2003	—
Qualification	B. Com., AICWA	B.A. (Hons.) in Economics MBA (Mktg.) PGDIT An IAS of 1986 batch from MP cadre
Expertise in specific Functional Area	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.	Specialised in International Marketing. He had been Chief Executives in several Corporations such as : MP Seeds Corporation; MP Small Scale Industries Corporation; MP Khadi & Village Industries Corporation.

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

Your Directors have pleasure in presenting their 87th Report for the financial year ended 31 March 2004, together with the audited Balance Sheet and Profit and Loss Account of your Company.

**FINANCIAL RESULTS**

	<b>Rs. in Lakhs</b>	
	<b>Year ended on 31st March</b>	
	<b>2004</b>	<b>2003</b>
Surplus for the year before		
Finance charge, depreciation & tax	<b>5222</b>	5146
Deduct therefrom :		
Finance charge & depreciation	<b>2664</b>	2866
Provision for Taxation	<b>700</b>	630
	<b>1858</b>	1650
Add transfer from :		
Profit & Loss Account	<b>1271</b>	1191
Less : Transfer to Foreign Project Reserve	<b>5</b>	—
Amount available for appropriation :	<b>3124</b>	2841
Appropriation		
Proposed Final Dividend @ Rs. 3.50 per Equity Share		
Equity Share	<b>570</b>	505
(Previous year Rs. 3.10 per Equity Share)		
Corporate Tax on Dividend	<b>73</b>	65
Transfer to General Reserve	<b>1000</b>	1000
Surplus carried forward to next year	<b>1481</b>	1271
	<b>3124</b>	2841



**Overview**

Your Company recorded highest ever turnover and profit before tax during 2003-04, despite severe competition and unforeseeable conditions in manufacturing business segments.

The salient features of the financial performance for 2003-2004 as compared to previous year are as follows :

- ↑ Overall turnover (net) has gone up by 14.26% despite decrease of 30.24% in other income.
- ↑ The turnover from the Turnkey projects increased by about 66.74%.
- ↑ The turnover from the service sector increased by about 21.45%.
- ↑ Profit before tax has increased by 12.22%.
- ↑ Profit after tax has gone up by 12.64%.

**Dividend**

A dividend of Rs.3.50 per equity share of Rs. 10 each for the year ended 31 March 2004 has been recommended by your directors for your declaration at the ensuing annual general meeting to be held on 24 September 2004, as against Rs.3.10 per equity share for the previous year. If such dividend is declared, payment would be made on 1 October 2004.

**Disinvestment**

Process of disinvestments of entire shareholding of Balmer Lawrie Investments Ltd. in your Company was pursued by Government of India till first half of 2003-04. There is however no material development since second half of 2003-04.

**Business Restructuring Process**

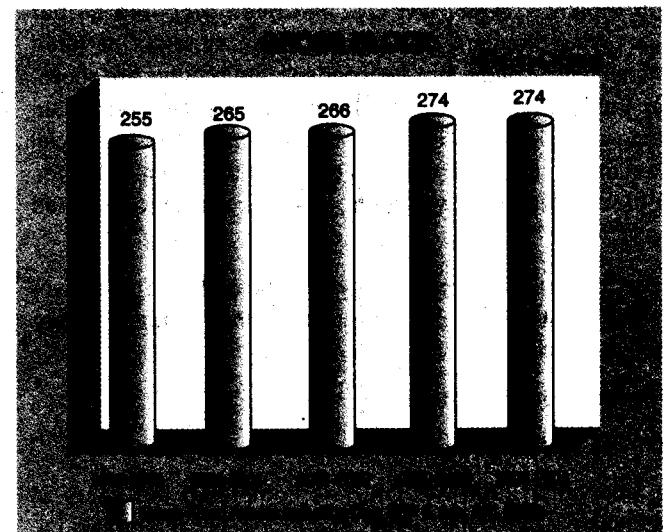
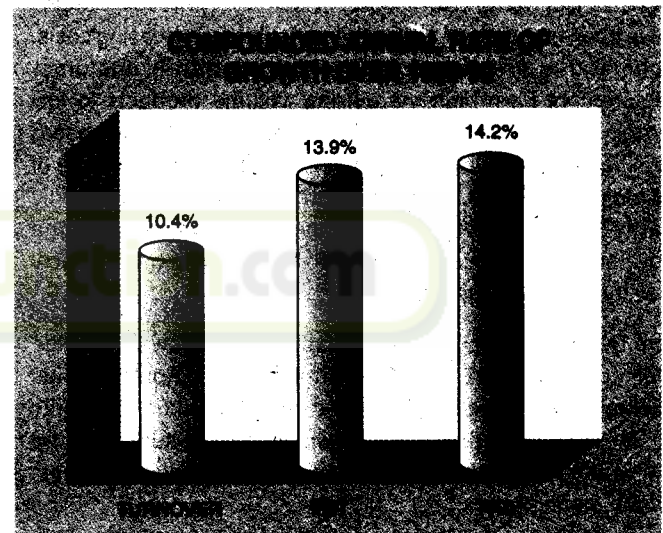
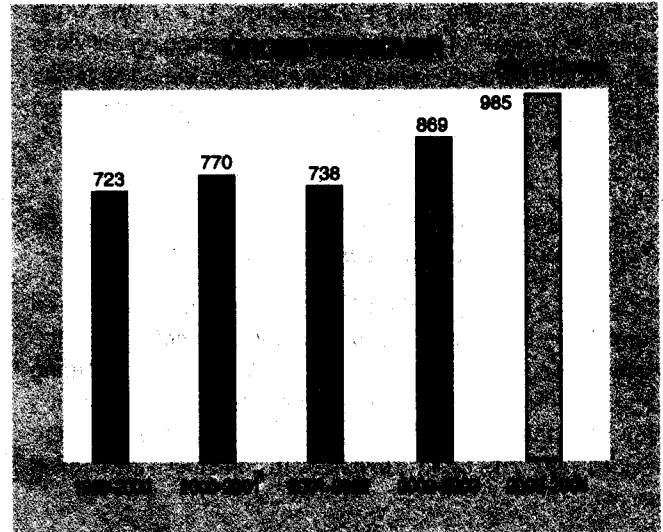
As per business restructuring plan approved by your Board of Directors in July 2001, all unviable businesses were closed, which positively impacted the performance. However, in view of Government of India's decision to disinvest the Company, strategic alliance initiatives could not be pursued during the year under review.

**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.**

Business restructuring was initiated during the year under review to segregate the two business activities i.e. Container



## Balmer Lawrie Co. Ltd.

**Leasing and Tea Blending & Packaging.** The restructuring envisaged transfer of Tea Blending and Packaging activities to a separate corporate entity to enable the Tea undertaking to opt for strategic alliance for higher plant utilization and financial leverage from the strategic alliance partner's capabilities.

It is envisaged that the process of restructuring will be concluded during the current financial year.

The Marine Freight Container Industry which has been operating under extremely adverse market conditions for the last few years has shown significant signs of recovery during the year. There were substantial improvements in utilization rates and daily rentals also marginally improved over the previous year. This trend is expected to continue in the coming year.

Tea Blending and Packaging operations have shown a significant upswing in turnover and volume. However, margins have been under tremendous pressure due to increasing costs, competitive pressures as well as a shift in customer requirement from high margin low volume products to low margin high volume products. The Division also had to absorb significant costs of changing over to new packaging for one of its major customers. Increased turnover therefore could only partly offset the pressures on margins. Considering the adverse circumstances, the Division has performed reasonably well by increasing sales.

The Department of Company Affairs (DCA), New Delhi, vide their approval no. 47/74/2004 - CL-III dated 28 April 2004 has exempted the Company from attaching the Annual Accounts of Balmer Lawrie (UK) Ltd, the wholly owned subsidiary for the year ended 31 March 2004 with its own Annual Accounts for the same period.

However, a consolidated financial statement of your Company and Balmer Lawrie (UK) Ltd. has been prepared as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India and such consolidated figures are shown separately in the Consolidated Financial Statements presented along with this Annual Report. In such Consolidated Financial Statements, the Company has provided the financial figures in Indian Rupee as well as in foreign currency as desired by DCA.

Your Company shall provide any information about the above-mentioned wholly owned subsidiary to the members as per their requisition.

### Report on Joint Ventures

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

In November 2003 AVI-OIL has completed ten years of existence. During this period, the Phase I of the project i.e.

