
Board of Directors : S. K. Mukherjee, Managing Director
P. Radhakrishnan
V. N. Sharma
K. Subramanyan
M. Singh

Company Secretary : Amit Ghosh

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

Bankers : Allahabad Bank
Bank of Baroda
Canara Bank
HDFC Bank Limited
IndusInd Bank
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai
Banking Corporation Limited
United Bank of India
Vijaya Bank

Statutory Auditors : Gupta & Co.
53A, Mirza Ghalib Street
Flat No. 3C
Kolkata - 700 016

Branch Auditors : Murali Associates
Flat G-1, Krishna, No. 28
Old No. 56, Second Main Road
R. A. Puram
Chennai - 600 028

Jain & Jain
601, Jolly Bhavan No. 2
51, New Marine Lines, Churchgate
Mumbai - 400 020

Prem Gupta & Co.
4, Shivaji Marg, Najafgarh Road
New Delhi - 110 015

Internal Auditors : L. B. Jha & Co.
Chartered Accountants
DG-1 & EG-3, Gillander House
8, Netaji Subhas Road
Kolkata - 700 001

**Registrar & Share
Transfer Agent** : Intime Spectrum Registry Limited
59C, Chowringhee Road, 3rd Floor
Kolkata - 700 020

Key Management Personnel

Name	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	Managing Director	56	39	32
P Radhakrishnan	BA DSW	Director [Calcutta]	58	35	24
V N Sharma	BE (Chem) MBA	Director [Bombay]	56	33	33
K Subramanyan	B.Com. ACA	Director [Finance]	56	30	28
P P Sahoo	MA (PM & IR) LL.B.	Executive Director [Human Resource]	54	30	21
G Roy	B. Tech. (Hons.) Mech. Engg.	Executive Director [Technical]	58	37	28
N Gupta	B.Com., ACA	Executive Director [Logistics Services]	53	28	28
V Sinha	BA MBA (Mktg.)	Executive Director [Logistics Infrastructure]	53	30	2
A Dayal	BA Dip. in Mktg. Mgt.	Executive Director [Industrial Packaging]	53	32	9
J G Arora	BA	Executive Director [Travel and Tours]	58	36	34
K Gopinathan	B.Sc. (Engg.) Mech.	Executive Director [Lubes]	56	32	28
S Ravikumar	ME (Chem.)	General Manager [Chennai]	54	30	25
A Dasgupta	B.Com ACA	General Manager [Finance]	57	33	33
H K Bhoklay	B.Sc. (Hons.) PGDM	General Manager [Strategic Planning]	53	30	30
Amit Ghosh*	B.Com (Hons.) ACA ACS	Company Secretary	53	28	1

* On deputation from Indian Oil Corporation Limited, IBP Division.

Notice of 91st Annual General Meeting to the Members

NOTICE is hereby given that the 91st Annual General Meeting of the members of Balmer Lawrie & Co. Limited will be held at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata - 700 019, on Friday, 26th September, 2008, at 10:30 a.m. to transact the following :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2008 and the Profit and Loss Account for the financial year ended 31st March 2008 and the reports of the Auditors and the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri P Radhakrishnan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri S K Mukherjee, who retires by rotation and, being eligible, offers himself for reappointment.

5. To fix remuneration of the Auditors for the financial year 2008-09 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 2008-09 by the said Auditors."

Registered Office :

Balmer Lawrie House
21, Netaji Subhas Road
Kolkata - 700 001
25th August 2008

By Order of the Board
Balmer Lawrie & Co. Ltd.
Amit Ghosh
Company Secretary

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO 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 on equity shares as recommended by the Board of Directors for the financial year ended 31 March 2008, when declared at the meeting, will be paid to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company/Registrar & Share Transfer Agent, on or before the close of business hours on 15th September 2008 and in respect of shares held in electronic form, to those 'Deemed Members' whose names appear in the statement of Beneficial Ownership to be furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 15th September 2008.
4. Members are requested to :
 - I. Intimate on or before 15th September 2008, to the Registrar and Share Transfer Agent of the Company viz.,

Intime Spectrum Registry Limited

59C, Chowringhee Road, 3rd floor, Kolkata - 700 020,
(Telefax no. 033-2289 0539,
e-mail : kolkata@intimespectrum.com)

- (a) Change in their address (including Pin Code), mandate, etc. with requisite documentary proof ;

- (b) Bank account number, name and address of the bank ;
 - (c) Contact phone number(s) 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 **16th September 2008 to 26th September, 2008** (both days inclusive)
 - V. note that unclaimed dividend relating to final dividend paid on 2nd November 2000 has been transferred to the Investor Education and Protection Fund on 30th November 2007. Further, the amount of unclaimed final dividend relating to the final dividend paid on 28th September 2001 is due for transfer to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Companies Act, 1956 on 28th September 2008.
 - VI. note that though in terms of Sections 224(8)(aa) and 619 of the Act, in case of a Government Company, the Comptroller and Auditor General of India is to appoint the Auditor(s)—and such appointment for the financial year 2008-09 has been made—the remuneration payable to the Auditors is required to be fixed by the Company at a general meeting. Item no. 5 under the ordinary business has been included accordingly as an Ordinary Resolution.

**Brief details of the Directors seeking Re-appointment at the
91st Annual General Meeting to be held on 26th September 2008**

Name	Shri S K Mukherjee	Shri P Radhakrishnan
Date of Birth	8 December 1951	20 December 1949
Date of Appointment	<ul style="list-style-type: none"> ■ 8 October 2002 – appointed as the Director (Finance) ■ 1 April 2005 – appointed as the Managing Director 	11 March 2003
Date of last re-appointment at the Annual General Meeting	21 September 2006	23 September 2005
Qualification	<ul style="list-style-type: none"> ■ Bachelor of Commerce ■ Cost Accountant (AICWAI) 	<ul style="list-style-type: none"> ■ Bachelor of Arts (Economics) ■ Diploma in Social Work
Expertise in Specific Functional areas	He has served the Company in various capacities since January 1976. He has a total working experience of 39 years including 32 years in the Company, during which he gained specialization in the 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 the Corporate level.	He has a total working experience of 35 years during which he developed expertise in the functional areas of General Management and Human Resource Management.

Directors' Report

The Directors have pleasure in presenting the 91st Report on the state of affairs of your Company for the financial year ended 31 March 2008, 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	
	2008	2007	2008	2007
Surplus for the year before Finance Charge, depreciation and tax	14521	12047	17993	15358
Deduct therefrom :				
Finance Charge and depreciation	1478	1431	3285	3242
Provision for Taxation	4350	3594	4726	3795
	8693	7022	9982	8321
Add Transfer from :				
Profit & Loss Account	6400	3450	13849	10140
Add : Transfer from Lease Equalisation Reserve	—	—	—	4
Total amount available for Appropriation :	15093	10472	23831	18465
Appropriations :				
Proposed Dividend @ Rs. 17.00 per equity share (previous year Rs. 13.50 per equity share)	2769	2199	2844	2647
Corporate Tax on Dividend	471	373	491	400
Transfer to General Reserve / Minority interest etc.	3000	1500	3081	1569
Surplus carried forward to next year	8853	6400	17415	13849
Total of Appropriations	15093	10472	23831	18465

Overview

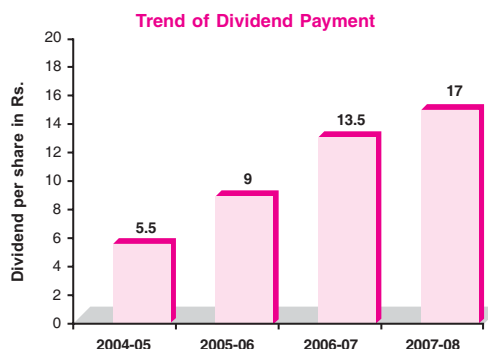
In the year 2007-08 your Company achieved significant milestones in business and operations as evident from the following :

- The Company recorded its highest ever Turnover with net sales crossing Rs. 1490 crore as against Rs. 1300 crore in 2006-07, marking an increase of 15%.
- Profit Before Tax increased from Rs. 106 crore in 2006-07 to Rs. 130 crore in 2007-08, an increase of 23% over the previous year.
- Profit After Tax increased from Rs. 70.22 crore in the previous year to Rs. 86.93 crore in 2007-08, an increase of 24% over the previous year.
- Segment-wise performance analysis and sales indicate that four segments viz., Travel & Tours, Industrial Packaging, Grease & Lubricants and Logistics Infrastructure & Services were the main revenue generators.

Dividend

A dividend of Rs. 17.00 per equity share of Rs. 10 each for the year ended 31 March 2008 as against Rs. 13.50 per equity share in the previous year, has been recommended by the Board of Directors for declaration by the Members at the ensuing

91st Annual General Meeting to be held on 26 September 2008. The trend of past dividend payment is depicted below :



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 100% subsidiary of your Company. The principal business activities of BLUK were - Leasing & Hiring of Marine Freight Containers and Import, Warehousing, Blending & Packaging of Speciality Tea.

Performance of the Marine Freight Containers activity has generally been in line with the performance of the previous year, both in terms of utilisation as well as lease rentals. The subsidiary is, however, faced with the issue of ageing and diminishing fleet size. The fleet of containers, since inception, is managed by TAL International Container Corporation of USA (TAL) through two Lease Management Agreements, both of which expired a few years back. TAL instead of renewing the agreements, had offered to buy the fleet of containers. An agreement in this regard has been reached in July 2008 and the entire fleet was transferred to them by BLUK on 31 July 2008.

Tea activity had started the financial year 2007-08 with an upswing in volume and turnover, primarily on account of blending and packaging contract entered into with one of the larger tea packaging companies in the UK. The volume and turnover did result in marginal improvement of financial performance, but this trend was not expected to be sustained in the coming years. As such, the Board of Directors of BLUK took the decision to exit the tea business. SBICAP (UK) Ltd. was appointed in July 2007 for the purpose of hiving off the activity through a competitive bidding process. The bidding process had been satisfactorily completed and the Tea Factory along with all its assets had been sold to the highest bidder viz., Duncan Macneill & Co. Ltd. of the UK. The sale was completed on 7th December 2007.

Exemption from attaching accounts of the Subsidiary

The Ministry of Company Affairs, New Delhi, vide their approval no. 47/411/2008-CL-III dated 25 June 2008 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 2008 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 (P) Ltd. (AVI-OIL)**

During the year 2007-08, AVI-OIL witnessed a considerable decline in its sales performance as compared to the previous year. This was mainly due to the low off-take by the Defence Services, particularly the Indian Air Force. Delays in renewal of the Rate Contract by Indian Air Force and in processing of orders for certain major grades were the contributing factors.

In order to continue the process of approval of the products, offer new generation lubricants required for equipment/aircrafts proposed to be inducted by the Indian Defence Services and to diversify in the area of lubricants for industrial applications, AVI-OIL successfully negotiated with NYCO/NEDEN for extension of the Technical Collaboration Agreement, which is due to expire in December 2008. Accordingly, the contract has been extended by another five years i.e. upto December 2013, without any additional Technical Know-how fees to be paid to the technology provider.

Efforts have been intensified for creating market for products having Industrial applications. Thrust areas include synthetic lubricants for refrigeration compressors, fire resistant hydraulic fluids and the non-inflammable dielectric fluids.

Balmer Lawrie-Van Leer Ltd. (BLVL)

During 2007-08, BLVL achieved an increase in net sales and other income from Rs. 103.32 crore in the previous year to Rs. 113.15 crore representing an increase of 9% over the last year. In quantitative terms, the sales of the Closure Division grew by 11% and in the Plastic Division growth was double digit in two of the main product lines. In value terms, the domestic sales grew by 8% whereas exports were marginally lower by 5%. This was mainly because of appreciation of the Rupee vis-à-vis the US Dollar.

The prices of steel and polymers, the main raw materials for Steel Closures and Plastic Divisions respectively, after little moderation in the first half, moved up sharply in the later part of the second half of the year, in tandem with the prices in the international market resulting in higher input costs which could not be passed on to the customers completely leading to pressure on margins. Consequently, there was an adverse impact on the bottom-line with the Profit before Tax (PBT) being marginally lower at Rs. 503.56 lakh as against Rs. 555.71 lakh in the last year. Effective PBT was further reduced by Rs. 316 lakh due to one-time charge associated with surrender of lease-hold right on a portion of land at Chembur leased to Balmer Lawrie & Co. Ltd.

During the year, BLVL has entered into an agreement with HPCL for sale of its Chembur land and Factory Building appurtenant thereto as also with Balmer Lawrie & Co. Ltd., for purchase of lease right in respect of MIDC land at Turbhe. BLVL has envisaged shifting of its Closure Division from Chembur to a location at Turbhe which is adjacent to its Plastic Division and simultaneously expand the production capacity relating to steel drum closures from 18 million sets to 35 million sets per year. The process of shifting has started and full-fledged operation is expected to commence from the new location during the second quarter of 2008-09.

BLVL is also expanding the capacity of Plastic Drums both at Turbhe and Chennai and the capacity-expansion is likely to be completed by the second quarter of 2008-09.

Transafe Services Limited (TSL)

TSL has re-structured its businesses into the following four Strategic Business Units (SBUs) for maximizing operational efficiency :

- (i) SBU-Indian Container Leasing : This SBU offers leasing operations in domestic and International sectors.
- (ii) SBU-Glacio Cold Chain Logistics : This SBU covers various areas like providing transportation through refrigerated containers, cold storage required for warehousing, controlled atmosphere storages for sensitive perishables, etc.
- (iii) SBU-Indo Trailer Logistics : This SBU offers logistics and transportation services throughout India in specially designed box trailers.
- (iv) SBU-Creative Containers: This SBU covers manufacturing of special containers like Bunk Houses, Kitchen Containers, Missile Carriers, Weapon Carriers, Lab Containers, etc.

The turnover of TSL for the financial year ended 31 March 2008 at Rs. 85.11 crore recorded an impressive growth of approximately 70% as against Rs.50.19 crore during the previous year. During the financial year ended 31 March 2008, TSL achieved Profit After Tax of Rs. 8.69 crore, registering a growth of approximately 77% as against Rs. 4.92 crore during the year ended 31 March 2007. TSL is expected to maintain its momentum of profitable growth.

In March 2008, TSL issued Bonus Shares in the ratio of 9:10, i.e. 9 bonus equity shares were issued for every 10 existing equity shares held by its shareholders.

Balmer Lawrie (UAE) LLC (BLUAE)

BLUAE registered an all-time high turnover during the year 2007 despite adverse market conditions, intense competition and pricing pressures. However, customer resistance to price increase continued and the margins remained under constant pressure.

The present prices of the main raw materials viz. CR steel, Tinplate and HDPE are at record high levels. It will be a challenge to BLUAE to pass on the impact of rising raw material cost to its customers. The economy in the Middle East is itself fraught with inflationary pressures and cost increases, which makes product pricing even more challenging.

Nevertheless, BLUAE continues to retain its dominant position in the market with customer satisfaction and high business ethics being its guiding policies.

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 Department of Public Enterprises, Government of India (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 2006-07. Result of MoU signed for the financial year 2007-08 by the Company is yet to be announced by DPE.

Human Resource Management

Your Company has always recognized its human resource to be the prime mover of the organization. In this endeavour, utmost stress is given to upgrading the skills and competencies of the employees. Further, as part of its HR initiative towards organizational development, your Company has carried out an innovative Employee Satisfaction Survey and 360 Degree Assessment of Managers during the year.

Employee Relation

Your Company closed down its manufacturing facility at Mathura with effect from 1 December 2007, consequent to cessation of its fabrication contracts with Indian Oil Corporation Limited. The Industrial relation in all the other units/locations of your Company remained cordial during the year.

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

In compliance with the provision of the Persons With Disabilities (Equal Opportunities, Protection of Rights and Full Participation)

Act, 1995, appropriate action has already been initiated by your Company for identifying posts for persons with disability and filling up the backlog vacancies in the identified areas.

During the year 2007-08, as a part of its commitment to the cause of the physically challenged, your Company has contributed Rs.5.0 lakh to the Indian Institute of Cerebral Palsy, a non-government organization, working for the mentally challenged children at Kolkata.

Implementation of Official language

The Government directives with respect to implementation of official language policy are duly followed in your Company.

Welfare of Weaker Sections

Your Company has taken a policy decision to earmark upto 0.5% of the net profit towards various programmes aimed at helping the weaker sections of the society. To achieve this objective, your Company has initiated a number of community development programmes in collaboration with reputed Non-Governmental Organizations.

Your Company has also taken steps to ensure that sufficient representation is provided in employment to persons belonging to SC/ST/OBC/Minority community etc. including women.

Global Compact

The Company is a founder member of the Global Compact Society. Towards fulfillment of its commitment, the principles of Global Compact are followed. The 'Communication on Progress' for the year under review has been hosted on the site of Global Compact Society as well as on the Company's website.

Vigilance

During the year under reference, Vigilance Department has consistently and proactively focused on prevention of corruption. For this purpose, periodic and surprise inspections were conducted and valuable suggestions made on system improvements and transparency, which proved to be useful in simplification of procedures, enhancing accountability and easing implementation. The Vigilance Officials of the Company kept in touch with all levels of officers regularly and apprised them about the CVC, MOP&NG, DPE directives/guidelines in the matter of purchases, contracts, disposals etc. The efforts exerted by the Vigilance Department have resulted in creation of a congenial atmosphere, which provides scope for better interaction amongst the Officers and the Vigilance Department. Vigilance Awareness Week was observed in November 2007, where suppliers, customers, dealers etc. were briefed on the Grievance redressal procedure and the policy of transparency adopted by your Company.

The Board of Directors reviews activities of the Vigilance Department twice a year and expressed its satisfaction on the performance of the Department headed by the Chief Vigilance Officer.

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.

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 2008, 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 2008 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 2008 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 Clause 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 the 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

During the financial year, the Company did not have any employee who received remuneration of Rs. 2,00,000 or more per month or Rs. 24,00,000 per annum. Therefore, the disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has not been made.

Comments of Comptroller & Auditor General of India

The comments of 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 2008 is set out elsewhere in the Annual Report.

Directors

In accordance with the provisions of Article 12 of the Articles of Association, Shri S K Mukherjee and Shri P Radhakrishnan would retire by rotation at the ensuing Annual General Meeting and they are eligible for reappointment at the said Meeting.

Shri A Kaushik, who was appointed a Director of the Company on 19 February 2007 as a nominee of Ministry of Petroleum and Natural Gas, Government of India vacated his office on the Board of your Company with effect from 15 April 2008. The Board of Directors records its deep appreciation of the valuable services rendered by Shri Kaushik during his tenure as Director of your 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. Accordingly, the Auditors have been appointed for auditing the books of account of the Company for the financial year ended 31 March 2009. The remuneration of the Auditors for the year 2008-09 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

The Auditors' Report dated 16 June 2008 for the year ended 31 March 2008 does not have any reservation, qualification or adverse remark.

The Statutory Auditors have opined that there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.

The Statutory Auditors have also opined that the Balance Sheet of the Company as at 31 March 2008 and the Profit & Loss account and the Cash Flow Statement for the year ended on that date are in agreement with the books of account and comply with the Accounting Standards referred to in Section 211(3C) of the Act.

Acknowledgement

The Board of Directors wish to place on record its appreciation to all the employees for their sincere co-operation, dedication, commitment, perseverance and maintenance of a pro-active work culture, which contributed in the achievement of new milestones. Sincere thanks are also expressed to the customers, business associates/consultants, bankers, auditors, solicitors and lawyers for their continued patronage, association and confidence reposed in the Company.

The Directors are also thankful to 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 also wish to place on record their special appreciation to the valued Shareholders of the Company.

On behalf of the Board of Directors

Registered Office :
Balmer Lawrie House
21 Netaji Subhas Road
Kolkata - 700 001
25 August 2008

S K Mukherjee *Managing Director*
P Radhakrishnan *Wholetime Director*

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH 2008

1. CONSERVATION OF ENERGY

a) Energy conservation measures taken

Keeping with the Company's commitment to be an environmentally responsible entity and in view of the increasing cost of energy, the Company makes continuous efforts towards conservation of energy. Some of the measures taken during the year were :

- Energy Audit was conducted in Kolkata and Chennai Plants of SBU-Industrial Packaging
- Electricity and fuel consumption per unit of production were monitored regularly at all manufacturing plants and corrective actions taken as needed.

b) Additional Investment proposal for conservation of energy

- Based on Energy Audit conducted on selected plants/offices, investments towards installation of energy efficient drive systems, improvements in power factors etc. have been made in some of the plants.

c) Impact of the above on cost of production

Above measures have helped in 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 OUT GO :

- f)** Efforts at developing export market for lubricants have been encouraging and detailed plans have been drawn up to consolidate and grow on such efforts.

g) Total Foreign exchange used and earned

		Rs. in Crore
Total Foreign exchange used	:	154.44
Total Foreign Exchange earned	:	13.71

Note : Particulars of foreign exchange used/earned during the year given under clauses 15.14(a), 15.14(b) and 15.14(c) of schedule 15 of Notes on Accounts.

FORM - A

Form for Disclosure of Particulars with respect to conservation of Energy

A. Power & Fuel Consumption

1. Electricity

(a) Purchased

Units ('000 kwh)
Total amount (Rs. Lakh)
Rate/Unit (Rs./kwh)

2007-08 Current Year	2006-07 Previous Year
8,087	8,599
451.33	365.58
5.58	4.25

	2007-08 Current Year	2006-07 Previous Year
(b) Own generation		
(i) Through diesel generator		
Units ('000 kwh)	851	597
Units per ltr. of diesel oil	2.66	2.62
Cost/unit (Rs./unit)	12.36	12.76
(ii) Through steam turbine/generator		
Units	N.A.	N.A.
Units per ltr. of fuel oil/gas		
Cost/unit		
2. Coal		
Quality (tonnes)	N.A.	N.A.
Total Cost		
Average Rate		
3. Furnace Oil		
Quality (kl)	1,808	1,632
Total amount (Rs. Lakh)	542.64	449.80
Average Rate (Rs./kl)	30,005	27,550
4. Other/Internal Generation		
Quantity (Rs. Lakh)	N.A.	N.A.
Total Cost		
Cost/unit		
B. Consumption per unit of production		
	2007-08 Current Year	2006-07 Previous Year
Lubricating greases		
• Electricity (kwh/mt-kl)	68	82
• Furnace Oil (l/mt-kl)	16	18
Barrels & Drums		
• Electricity (kwh/unit)	1.79	1.78
• Furnace Oil (l/unit)	0.52	0.46
Synthetic Fat liquors		
• Electricity (kwh/mt)	225	212
• Furnace Oil (l/unit)	57	63
Syntans		
• Electricity (kwh/mt)	226	227
• Furnace Oil (l/unit)	30	25

Notes :

- Figures represent energy consumption in the manufacturing units of SBUs Industrial Packaging, Greases & Lubricants and Leather Chemicals.
- Figures are based on equivalent units of production.
- Increases in furnace oil usage per equivalent unit of production in Barrels and electricity usage for Synthetic Fat Liquors are attributable to variations in product mix and changes in production processes.