

Balmer Lawrie

ANNUAL REPORT 2009-10

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बामर लॉरी एण्ड कं. लिमिटेड
(भारत सरकार का एक प्रतिष्ठान)

Balmer Lawrie & Co. Ltd.

(A Government of India Enterprise)

(A Mini Ratna I PSE)

www.balmerlawrie.com

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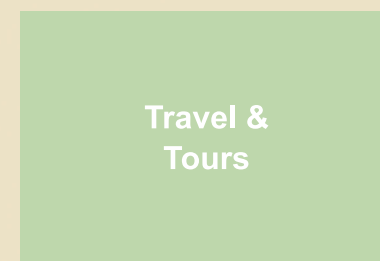
Industrial
Packaging



Greases &
Lubricants



Leather
Chemicals



Travel &
Tours



Logistics
Infrastructure



Logistics
Services



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(भारत सरकार का एक प्रतिष्ठान)



Balmer Lawrie & Co. Ltd.
(A Government of India Enterprise)



VISION

To be a respectable corporate entity having market leadership with global footprints in the chosen areas of operations, consistently delivering value to all stakeholders, with a high degree of environmental and social responsibility.

MISSION

To gain market leadership in all business segments, make them robust through innovative business processes, selective restructuring, efficient/effective use of resources and thereby surpass a turnover of ₹ 3500 crore and profit before tax of ₹ 350 crore by 2015.

In this journey, foster the century old tradition of deep rooted commitment to business values, employee pride in the organization and inclusive growth.



AGM in progress



Top Management Team



Launching of new BALMEROL product



Long Service Award Function



Recreation Club Function



Partnering SOS Children Village

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Board of Directors : Shri S. K. Mukherjee, Managing Director
Shri VLVSS Subba Rao, Govt. Nominee Director
Shri Shri Prakash, Govt. Nominee Director
Shhri V. N. Sharma, Director (Manufacturing Businesses)
Shri K. Subramanyan, Director (Finance)
Shri V. Sinha, Director (Service Businesses)
Shri Kashi C Murarka, Independent Director
Shri Arun Seth, Independent Director
Shri M. P. Bezbaruah, Independent Director
Shri P. K. Bora, Independent Director
Shri Asish K. Bhattacharyya, Independent Director
Smt. Abha Chaturvedi, Independent Director

Company Secretary : Shri 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 Limited
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai Banking Corporation Limited
United Bank of India
Vijaya Bank

Statutory Auditors : Messrs J. Gupta & Co.
12, Waterloo Street, 2nd Floor, Room No. 10
Kolkata - 700 069

Branch Auditors : Messrs Padmanabhan Prakash & Co.
5, Smith Road, 2nd Floor
Northern Wing
Chennai - 600 002

Messrs M M Nissim And Co.
Barodawala Mansion, B Wing
3rd Floor, 81, Dr. Annie Besant Road, Worli
Mumbai - 400 018

Messrs H. S. Rustagi & Co
4654/21, Daryaganj, II Floor
New Delhi - 110 002

Internal Auditors : Messrs HARIBHAKTI & CO
Geetanjali Apartments
Flat No. 7G, 7th Floor
8B, Middleton Street
Kolkata - 700 071

Registrar & Share Transfer Agent : Link Intime India Pvt. Ltd.
59C, Chowringhee Road, 3rd Floor
Kolkata - 700 020

Key Management Personnel

Name	Qualification	Designation	Date of Birth	Date of Joining the Company	Total No. of years of experience [as on 01.07.10]
S. K. MUKHERJEE	B.Com. AICWA	MANAGING DIRECTOR	08.12.51	15.01.76	41
V. N. SHARMA	BE [Chem] PGDM [Op. Prod]	DIRECTOR (MANUFACTURING BUSINESSES)	04.07.52	05.05.75	35
K. SUBRAMANYAN	B.Com. ACA	DIRECTOR [FINANCE	17.11.52	08.02.80	32
V. SINHA	BA MBA [Sales & Mktg]	DIRECTOR [SERVICE BUSINESSES]	13.07.55	01.12.06	32
P.P. SAHOO	BA [H] LL.B. MA [PM & IR]	EXECUTIVE DIRECTOR [HUMAN RESOURCE]	07.05.54	17.07.87	32
N. GUPTA	B.Com.[Hons.]ACA	EXECUTIVE DIRECTOR [LOGISTICS]	17.07.55	03.03.80	30
A. DAYAL	BA Dip in Mktg. Mgt.	EXECUTIVE DIRECTOR [INDUSTRIAL PACKAGING]	13.12.54	01.01.08	34
K. GOPINATHAN	B.Sc.(Engg.) Mech.	EXECUTIVE DIRECTOR [LUBES]	01.12.52	03.07.80	34
S. RAVIKUMAR	Grad.Engr.[Chem] PG Engg.[Chem.]	GENERAL MANAGER [CHENNAI]	01.05.54	18.11.83	32
A. DASGUPTA	B.Com ACA	GENERAL MANAGER [FINANCE]	03.10.50	17.03.75	40
H.K. BHOKLAY	B.Sc.[Hons.] PGDM[Mktg./Sales]	GENERAL MANAGER [STRATEGIC PLANNING]	04.02.55	02.05.78	32
A. SENGUPTA	BME PGDBM PGDHRM	GENERAL MANAGER [OPERATIONS]	26.02.56	16.07.01	31
A.K. KHULLER	BA	GENERAL MANAGER [TRAVEL & TOURS]	01.08.51	15.11.79	38
A.K. PAUL	ME(Chem) PGD Fuel Eff.	GENERAL MANAGER [TECHNICAL]	07.01.53	03.11.86	32
AMIT GHOSH	B.Com.[Hons.] ACA ACS	COMPANY SECRETARY	21.10.54	13.08.07 [on deputation]	29

Notice of 93rd Annual General Meeting to the Members

NOTICE is hereby given that the 93rd 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, 24 September, 2010, at 10:30 a.m. to transact the following: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31 March 2010 and the Profit and Loss Account for the financial year ended 31 March 2010 and the reports of the Auditors and the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri V N Sharma, 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 appoint a Director in place of Shri K. Subramanyan, who retires by rotation and being eligible, offers himself for reappointment.
6. To fix remuneration of the Auditors for the financial year 2010-11 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 2010-11 by the said Auditors."

SPECIAL BUSINESS:

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

7. As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Shri Shri Prakash, a non-executive Government Nominee Director, be and is hereby appointed a Director, whose period of office shall be subject to determination by retirement of directors by rotation."

8. As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Shri Virendra Sinha, Wholtime Director be and is hereby appointed a Director,

whose period of office as such Director shall be subject to determination by retirement of directors by rotation."

9. As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 258 and 259 of the Companies Act, 1956 ["the Act"], approval be and is hereby accorded to increase the maximum number of directors on the Board of the Company from the existing level of 12 (twelve) directors to 16 (sixteen) directors subject to the approval of the Central Government as may be required in accordance with Section 259 of the Act."

10. As a Special Resolution:

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 ["the Act"] and subject to the approval of the Central Government to the extent necessary under Section 259 of the Companies Act, 1956 ["the Act"] in respect of sub-item [a] below:

Articles 6 and 45 of the existing Articles of Association of the Company be altered / amended in the manner following:

- (a) Article 6 of the Articles of Association be altered to read as follows-

"Until otherwise determined by the Company by passing special resolution and otherwise complying with the provisions of the Act, the number of the Directors of the Company shall not be less than three, nor more than sixteen."

and

- (b) At the end of the existing Article 45, the following new paragraph be and is hereby added:

"Notwithstanding anything to the contrary contained in the Articles of Association and so long as the Company remains a Government Company, the President of India shall, under Article 7A, be entitled to appoint the Chairman or the Chairman & Managing Director, the Managing Director or one or more Managing Directors of the Company and/or may re-designate any Managing Director as the Chairman & Managing Director of the Company."

- (c) In view of the alteration under item (b) above, the caption to Article 45 be and is hereby altered to read as "Chairman / Chairman & Managing Director / Managing Director(s)."

Registered Office:

Balmer Lawrie House
21, Netaji Subhas Road
Kolkata 700 001
24 August 2010

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. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
4. Dividend on equity shares as recommended by the Board of Directors for the financial year ended 31 March 2010, 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 8 September 2010 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 8 September 2010.
5. The Company will be providing National Electronic Clearing Services (NECS) facility to the Shareholders whereby they will be able to receive their dividend by direct electronic credit to their bank account(s). In the absence of availing of the NECS option by the Shareholders, the Company would send the dividend warrants by post in the normal manner.

Shareholders holding shares in physical form are requested to fill in the "NECS Mandate Form" provided along with this Annual Report and send it to the Company's Registrars and Share Transfer Agents. Shareholders holding shares in dematerialized form are required to furnish such details to their respective Depository Participants, if not furnished earlier.
6. Members holding shares in physical form and desirous of making a nomination in respect of their holding, as permitted under Section 109A of the Companies Act, 1956, are requested to write to the Registrar and Transfer Agents of the Company in the prescribed form. If they hold the shares in dematerialized form, they may contact

their respective Depository Participant for such nomination.

7. Additional Information relating to the Directors proposed to be appointed and those retiring by rotation and seeking re-appointment at this Meeting, as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed to this Notice.
8. Members are requested to:
 - I. Intimate on or before 8 September 2010, to the Registrar & Share Transfer Agent of the Company viz.,
Link Intime India Pvt. Ltd.
59C, Chowringhee Road, 3rd floor, Kolkata- 700 020,
(Telefax no. 033-2289 0539,
e-mail: kolkata@linkintime.co.in):-
 - 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 9 September 2010 to 24 September, 2010 (both days inclusive).
 - V. Note that unclaimed dividend relating to dividend paid on 3 October 2002 has been transferred to the Investor Education and Protection Fund on 16 November 2009. Further, the amount of unclaimed dividend relating to the dividend paid on 1 October 2003 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 1 October 2010.
 - 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), the remuneration payable to the Auditors is required to be fixed by the Company at a general meeting. Item no. 6 under the ordinary business has been included accordingly as an Ordinary Resolution.

Explanatory Statement

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

[Forming Part of the Notice to the Members]

Item No. 7

Shri Shri Prakash, who is a Master of Arts and comes from the Central Secretariat Services cadre, was appointed as Government Nominee Director -- based on direction from the Ministry of Petroleum & Natural Gas, Government of India ["the Government"] -- on 9 March 2010.

Pursuant to Section 260 of the Companies Act, 1956 ["the Act"] and Article 9 of the Articles of Association of the Company, Shri Shri Prakash shall hold his office up to 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 Shri Prakash as a Director of the Company, whose office shall be subject to determination by retirement of directors by rotation.

The direction from the Government as contained in its letter dated 26 February 2010 received in this regard for the appointment of Shri Shri Prakash, as non-executive Government Nominee Director and the Articles of Association of the Company are open for inspection at the Registered Office on all working days (except Saturdays) during 11 a.m. to 1 p.m.

Your Directors recommend the Ordinary Resolution for your approval.

Except Shri Shri Prakash, no other Director is interested or concerned in the Resolution.

Item No. 8

Shri Virendra Sinha, Bachelor of Arts and MBA, was appointed as Whole-time Director -- based on direction from the Ministry of Petroleum & Natural Gas, Government of India ["the Government"] -- on 14 June 2010.

Pursuant to Section 260 of the Companies Act, 1956 ["the Act"] and Article 9 of the Articles of Association of the Company, Shri Sinha shall hold his office up to 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 Sinha as a Director of the Company whose office shall be subject to determination by retirement of directors by rotation.

The direction from the Government as contained in its letter dated 14 June 2010 received in this regard for the appointment of Shri Sinha as Whole-time Director and the Articles of Association of the Company are open for inspection at the Registered Office on all working days (except Saturdays) during 11 a.m. to 1 p.m.

Your Directors recommend the Ordinary Resolution for your approval. If approved, Shri Sinha would remain a Whole-time Director of the Company.

Except Shri Sinha, no other Director is interested or concerned in the Resolution.

Item No. 9

The Company has grown into a multi-product conglomerate having a diversified business portfolio with 8 Strategic Business Units [SBUs] consisting of 3 major manufacturing SBUs, 3 major service SBUs and 2 other relatively smaller SBUs engaged in the business of Tea blending & packaging and Refinery & Oil Field Services respectively.

The growth in the recent past has been both organic as well as inorganic. The consistent organic growth is seen from the rising net sales and profit over the years - both pre-tax and post-tax. Inorganically too, the Company has achieved considerable growth having acquired / increased its business interests in joint ventures including foreign joint ventures.

The business segments in which the Company operates are fraught with severe competition, both from the public as well as the private sectors, as also from the organized (including MNCs) / unorganized sectors. Managing such a diverse business portfolio in a competitive environment requires high level of managerial competence and expertise especially at the Board level and necessitates infusion of such capabilities at the said level from time to time.

The maximum Board strength of the Company under its Articles of Association is 12 and the actual strength at present is also 12, thus offering no scope for any future expansion of the Board to meet operational necessity consequent to the emerging growth orientation of the Company. Hence the need for expanding the overall Board size under the Articles of Association.

In this connection, it may be noted that any future addition of functional directors would also lead to increase in the number of Independent Directors in order for the constitution of the Board to remain in conformity with the norms under the Listing Agreement, the Company being a listed company.

Keeping these considerations in view, it is proposed to amend Article 6 of the Articles of Association of the Company so as to increase the maximum number of Directors on the Board of the Company from the existing level of 12 directors to 16 directors. The increase would take place only after being confirmed by the Central Government if and to the extent applicable, under the provisions of Section 259 and/or any other provisions of the Companies Act, 1956.

Your Directors recommend the Ordinary Resolution for your approval.

None of the Directors are interested or concerned in the Resolution.

Item No. 10

Historically, right from the entry of the Company into the public sector in 1972 [consequent to the Company becoming a subsidiary of the erstwhile IBP Co. Limited (IBP)] till February 2002, the Company has all along had a non-executive

Chairman, who was the full-time Chairman & Managing Director of IBP. The practice got discontinued after Indian Oil Corporation Limited acquired IBP in the wake of disinvestment of the shares held by the President of India in it.

In this connection, it may be mentioned that the Bureau of Public Enterprises has a standing norm, which stipulates that the Boards of Directors of Public Enterprises, should, inter alia, normally be headed by a Chairman & Managing Director. The Companies Act, 1956 too clearly demarcates a significant role for the Chairman of a corporate.

Taking into cognizance the foregoing perspectives, it is proposed to amend the Articles of Association of the Company so as to incorporate clear provision in Article 45 enabling the President of India, in exercise of his power under Article 7A, to appoint the Chairman or the Chairman & Managing Director, the Managing Director or one or more Managing Directors of the Company as also to re-designate any Managing Director

as the Chairman & Managing Director of the Company so long as the Company remains a Government Company.

The alteration proposed in Article 6 - which also forms part of this Special Resolution – is incidental to the Ordinary Resolution proposed under Item 9 envisaging increase in the maximum number of Directors from 12 to 16.

Section 31 of the Companies Act, 1956 enjoins that a company may, by passing Special Resolution alter its Articles of Association. Accordingly, the alterations proposed in Articles 6 and 45 have been mooted as Special Resolution.

The Articles of Association of the Company are open for inspection at the Registered Office on all working days [except Saturdays] during 11 a.m. to 1 p.m.

Your Directors recommend the Special Resolution for your approval.

None of the Directors are interested or concerned in the Resolution.

**Brief details of the Directors seeking Re-appointment/Appointment at the
93rd Annual General Meeting to be held on 24 September 2010
[Details as on 31 July, 2010]**

Name	Shri V N Sharma	Shri S K Mukherjee	Shri K. Subramanyan
Date of Birth	4 July 1952	8 December 1951	17 November 1952
Date of Appointment on the Board	20 January 2005	<ul style="list-style-type: none"> 8 October 2002 – Appointed as the Director (Finance) 1 April 2005 – Appointed as the Managing Director 	30 December 2005
Date of appointment/last re-appointment at the Annual General Meeting	25 September 2007	26 September 2008	24 September 2009
Qualification	<ul style="list-style-type: none"> B. Tech (Chemical Engineering) Post Graduation Diploma in Business Management 	<ul style="list-style-type: none"> Bachelor of Commerce Cost Accountant (AICWA) 	<ul style="list-style-type: none"> Bachelor of Commerce Chartered Accountant (ACA)
Expertise in specific functional areas	He has a working experience of 35 years during which he has developed expertise in the functional areas of Production and Operations Management, Project Management, R & D Management as well as General Management.	He has served the Company in various capacities since January 1976. He has a total working experience of 41 years including 34 years in the Company, during which he gained specialization in 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 levels.	He has a working experience of 32 years during which he has developed expertise in the functional areas of Accounts & Finance, Taxation and General Management.
Shareholding of Non-Executive Director	Not applicable being a Wholtime Director	Not applicable being a Wholtime Director	Not applicable being a Wholtime Director
Directorship / Chairmanship on the Board of other Companies	Chairman – Transafe Services Ltd. Director – Balmer Lawrie Van Leer Ltd. Director – Avi-Oil India (P) Ltd. Director – Balmer Lawrie (UAE) LLC Commissioner – PT Balmer Lawrie Indonesia	Director – Balmer Lawrie (UK) Ltd. Director – Balmer Lawrie Van Leer Ltd. Director – Proseal Closures Ltd. Director – Balmer Lawrie (UAE) LLC Director – Bengal Chamber of Commerce and Industries Commissioner – PT Balmer Lawrie Indonesia	Director – Balmer Lawrie Investments Ltd. Director – Transafe Services Ltd. Director – Balmer Lawrie (UK) Ltd.
Membership / Chairmanship of Committee(s) of the Board in other Companies	Member of Audit Committee of Balmer Lawrie Van Leer Ltd.	None	Member of Audit Committee, Investors' Grievance Committee of Balmer Lawrie Investments Ltd. Chairman of Audit Committee of Transafe Services Ltd.