

Balmer Lawrie & Co. Ltd.

24th September 2013

MINUTES of the proceedings of the 96th Annual General Meeting held on Tuesday, 24 September, 2013 at 10.30 a.m. at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata- 700 019.

Present

Shri Virendra Sinha, Chairman & Managing Director in the Chair
 Shri VLVSS Subba Rao, Government Nominee Director
 Shri P.P.Sahoo, Director (Human Resource & Corporate Affairs)
 Shri Niraj Gupta, Director (Service Business)
 Shri Anand Dayal, Director (Manufacturing Business)
 Shri Prabal Basu, Director (Finance)

Shri P Kalyanasundaram being the Representative of Balmer Lawrie Investments Ltd, the Holding Company under Section 187 of the Companies Act, 1956.

2505 Members attending in person (excluding the Wholetime Directors present at the meeting who are also shareholders), 6Members being Bodies Corporate (in addition to Balmer Lawrie Investments Ltd.) represented by their Authorized Representatives &115 Members attending by proxy.

In Attendance

Shri Amit Ghosh, Company Secretary

Chairman

Shri Virendra Sinha took the Chair in accordance with Article 58 of the Articles of Association of the Company.

Quorum

The requisite quorum being present, the Chairman declared the 96th Annual General Meeting as properly constituted. The Chairman welcomed the Members to the 96th Annual General Meeting of the Company and introduced the Directors on the dais.

Notice

The Notice dated 12 August 2013 convening the 96th Annual General Meeting, which had been mailed to the Members on 30 August 2013 pursuant to the provisions of the Companies Act, 1956, was taken as read with the consent of the Members present.

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Balmer Lawrie & Co. Ltd.

24th September 2013**Register of Directors' Shareholding**

The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, was placed on the table and kept open and accessible to the Members for inspection during the Meeting.

Independent Auditor's Report

The Independent Auditor's Report along with the Comments of the Comptroller and Auditor General of India on the accounts and financial statements of the Company for the financial year ended 31 March 2013 was read out by the Company Secretary. The said Report and the Comments were kept open for inspection by the Members at the venue.

Chairman's Address

The Chairman addressed the Members present before taking up for consideration the items of business set out in the Notice convening the 96th Annual General Meeting. In his address, the Chairman highlighted the prevailing business environment both at the global level and within the country in 2012-13, explained the contributory factors which had retarded revival of the economic environment and presented a brief synopsis of the performance of the Company, both operational as well as financial, during the year under report. He mentioned that despite the increasingly difficult market conditions, the Company strove to deliver optimum returns to the shareholders during the year 2012-13, which saw the Company recording its highest ever Turnover with net sales crossing ₹ 2762 crore as against ₹ 2450 crore in the previous year. He mentioned that the Profit Before Tax and Profit After Tax had increased to ₹ 224 crore and ₹ 163 crore respectively in 2012-13, both representing an 18% increase over the previous year. He opined that the achievement is *inter alia* attributable to greater emphasis on cost management, higher productivities, better utilization of productive resources, enhancement of the overall production capacities in the manufacturing business and higher revenue generation from the service business of the Company. He then presented an overview of the performance of each of the SBUs of the Company.

The Chairman then took the opportunity to brief the Members on the future outlook of the Company. He shared the results of the first quarter of 2013-14 in terms of gross income, which had increased marginally and profitability, which had declined significantly and expressed the hope that the decline would be checked to achieve overall growth in 2013-14.

Referring to the Corporate Governance Report published with the Annual Report 2012-13, the Chairman re-affirmed the sincerity of the Company in driving Corporate Governance in the Company to ensure that it is focused on the bedrock of accountability to the members, transparency in the recording system, maintenance of high ethical standards, enhancement of stakeholders' value and contribution to enrichment of life through the CSR programmes. He referred to the initiatives taken by the Company in the ambit of the two flagship schemes viz., Balmer Lawrie Initiative for Self Sustenance [BLISS] and Samaj Mein Balmer Lawrie [SAMBAL], stating that the Company had exceeded the minimum spending benchmark of 2% of its post-tax profit as laid down by the Government.

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Balmer Lawrie & Co. Ltd.

24th September 2013

He concluded his address by thanking the Shareholders, other Stakeholders, the Holding Company and also the Ministry of Petroleum & Natural Gas, Government of India being the Administrative Ministry for their valuable support.

The Chairman then took up the Agenda items listed in the Notice *ad seriatim*.

ORDINARY BUSINESS

1. ADOPTION OF AUDITED ACCOUNTS, DIRECTORS' REPORT & INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013

The Directors' Report to the Members and the Audited Accounts for the year ended 31st March 2013 already circulated among the Members were taken as read with the consent of the Members.

Shri B N Kundu, a Member, proposed the following Ordinary Resolution:

"RESOLVED THAT the Audited Profit and Loss Account of the Company for the financial year ended on 31st March 2013 and Balance Sheet as on that date, together with Reports of the Board of Directors and Auditors thereon along with the Comments of the Comptroller & Auditor General of India on the Accounts of the Company, already circulated to the members, be and are hereby received, considered and adopted."

Shri S.Pal Chowdhury, a Member, seconded the Resolution.

The Chairman, thereafter, invited the Members to raise their queries arising, if any, out of the Directors' Report and the Audited Accounts placed before the Meeting. Some Members raised a few questions *inter alia* relating to the Accounts of the Company, including closure of the SBU: Tea, the operations of the other SBUs and questions relating to the Joint Venture Company, Transafe Services Limited. Relevant queries of the Members pertaining to the item under consideration were suitably replied to and/or clarified by the Chairman.

During his reply, the Chairman informed that the decision taken to close down the Tea Division of the Company is a pragmatic but unavoidable decision taken because this SBU has limited in-house expertise in the business, has been incurring losses year-on-year and efforts initiated for effecting turnaround had not yielded positive result. He explained the background of the investment made during the year under report in the joint venture company, Balmer Lawrie Van Leer Limited and also referred to the measures taken for monitoring collection from debtors as part of working capital management. He took note of the suggestion from some members for higher R&D allocation under the budget of the Company. The current status of turnaround of Transafe Services Limited was also briefly mentioned by him.

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Balmer Lawrie & Co. Ltd.

24th September 2013

The Members present expressed their satisfaction on the Company living up to the expectation of the stakeholders and delivering overall healthy revenues and results, in an increasingly difficult phase intensified by an unpredictable global landscape. The Members also appreciated the Company for accomplishing another milestone by issuing Bonus Equity Shares in May 2013.

The above Resolution was, thereafter, put to vote upon a show of hands. A majority of the Members present voted in favour of the Resolution and one Member voted against the Resolution.

The Chairman, thereafter, declared the Resolution as having been carried by requisite majority.

2. DECLARATION OF DIVIDEND FOR THE YEAR ENDED 31ST MARCH, 2013

The Chairman stated that for the year 2012-13, the Board of Directors had recommended a dividend of ₹ 30.80 per share on the paid-up capital as on 31st March, 2013 – which corresponds to ₹ 17.60 per share or 176% on the expanded capital base of the Company post-bonus issue.

Thereafter, Shri Shyamsundar Lohia, a Member, proposed the following Ordinary Resolution:

"RESOLVED THAT in accordance with the recommendation of the Board of Directors a dividend on 2,85,00,641 Equity Shares of ₹ 10/- each of the Company – including 1,22,14,560 Bonus Shares allotted on 25th May, 2013 – at the rate of ₹ 17.60 (Rupees Seventeen and sixty paise only) per Equity share for the financial year ended 31 March 2013 be and is hereby declared on all the issued Equity Shares of the Company and be paid out of the profits of the Company for the financial year as mentioned above to those Members whose names appear on the Company's Register of Members at the close of business hours on 10 September 2013 or whose names are placed on the Register of Members based on valid share transfers lodged with the Company or the Registrar and Share Transfer Agent on or before the close of business hours on the said 10 September 2013 as the Registered Holders of the said shares and to those "Deemed Members" whose names appear in the statement of Beneficial ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on 10 September 2013, without deduction of Tax at source."

The Resolution was seconded by Shri Abhishek Agarwal, a Member.

The above Resolution was, thereafter, put to vote upon a show of hands. The Members present voted in favour of the Resolution and no Member voted against the Resolution.

The Chairman, thereafter, declared the Resolution as having been carried unanimously.

CHARMAN:
INITIALS

Balmer Lawrie & Co. Ltd.

24th September 2013

3. REAPPOINTMENT OF DIRECTOR RETIRING BY ROTATION- SHRI P P SAHOO

The Chairman mentioned that pursuant to the provisions of the Companies Act 1956, Shri P.P.Sahoo retired by rotation and being eligible, he had offered himself for re-appointment as Director.

Thereafter, Shri Abhishek Agarwal, a Member, proposed the following Ordinary Resolution:

"RESOLVED THAT Shri P.P. Sahoo, a Director retiring under Section 256 of the Companies Act, 1956 be and is hereby reappointed a Director of the Company."

Shri Shyamsundar Lohia, a Member, seconded the Resolution.

The above Resolution was, thereafter, put to vote upon a show of hands. A majority of the Members present voted in favour of the Resolution and one Member voted against the Resolution.

The Chairman, thereafter, declared the Resolution as having been carried by requisite majority.

4. REAPPOINTMENT OF DIRECTOR RETIRING BY ROTATION - SHRI VIRENDRA SINHA

Shri Virendra Sinha being interested in this item, the proceedings thereon was conducted by Shri P P Sahoo, Director (Human Resource & Corporate Affairs).

Chairing the proceedings for the item, Shri Sahoo mentioned that pursuant to the provisions of the Companies Act 1956, Shri Virendra Sinha retired by rotation and being eligible, he had offered himself for re-appointment as Director.

Shri B N Kundu, a Member, proposed the following Ordinary Resolution:

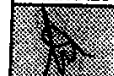
"RESOLVED THAT Shri Virendra Sinha, a Director retiring under Section 256 of the Companies Act, 1956 be and is hereby reappointed a Director of the Company."

Shri S L Rathi, a Member, seconded the Resolution.

The above Resolution was, thereafter, put to vote upon a show of hands. The Members present voted in favour of the Resolution and no Member voted against the Resolution.

The Chairman, thereafter, declared the Resolution as having been carried unanimously.

CHAIRMAN:
INITIALS



Balmer Lawrie & Co. Ltd.**24th September 2013****5. FIXATION OF REMUNERATION OF THE AUDITORS**

Continuing with the proceedings as Chairman, Shri Virendra Sinha observed that in terms of Sections 224(8) (aa) and 619 of the Companies Act, 1956, in case of a Government Company, the Comptroller and Auditor General of India appoints the Auditors but the remuneration or the manner of fixation of remuneration requires to be determined by the Company at a general meeting.

Shri B N Kundu, a member, thereafter, proposed the following 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 2013-14 by the said Auditors."

The Resolution was seconded by Shri S K Modak, a Member.

The above Resolution was, thereafter, put to vote upon a show of hands. The Members present voted in favour of the Resolution and no Member voted against the resolution.

The Chairman, thereafter, declared the Resolution as having being carried unanimously.

SPECIAL BUSINESS**6. APPOINTMENT OF SHRI VLSS SUBBA RAO AS DIRECTOR**

The Chairman mentioned that a notice under Section 257 of the Companies Act, 1956 had been received by the Company from a member signifying his intention to propose Shri VLSS Subba Rao for appointment as a Director of the Company.

Shri Pinaki Ghosh, the concerned member, proposed the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Shri VLSS Subba Rao, Government Nominee 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."

The Resolution was seconded by Shri Tarak Chakraborty, a Member.

The above Resolution was, thereafter, put to vote upon a show of hands. The Members present voted in favour of the Resolution and no Member voted against the resolution.

**CHAIRMAN
INITIALS**

Balmer Lawrie & Co. Ltd.

24th September 2013

The Chairman, thereafter, declared the Resolution as having being carried unanimously.

7. APPOINTMENT OF SHRI PRABAL BASU AS DIRECTOR

The Chairman mentioned that a notice under Section 257 of the Companies Act, 1956 had been received by the Company from a member signifying intention to propose Shri Prabal Basu for appointment as a Director of the Company.

Smt. Chandra Mukhopadhyay, the concerned member, proposed the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Shri Prabal Basu, Wholetime 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."

The Resolution was seconded by Shri P Banerjee, a Member.

The above Resolution was, thereafter, put to vote upon a show of hands. The Members present voted in favour of the Resolution and no Member voted against the resolution.

The Chairman, thereafter, declared the Resolution as having being carried unanimously.

SPECIAL RESOLUTION

8. ALTERATION OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Chairman mentioned that the last item on the Agenda, which had been proposed as a Special Resolution, envisages alteration of Clause 5 being the Capital Clause of the Memorandum of Association and Article 3 of the Articles of Association of the Company for the purpose of increasing the Authorised Share Capital from ₹ 30 crore to ₹60 crore following the Bonus issue.

Shri Tarak Chakraborty, a Member, proposed the following Special Resolution:

"RESOLVED THAT pursuant to Section 94(1)(a) and other applicable provisions of the Companies Act, 1956 ("the Act"), the Authorised Share Capital of the Company be increased from the present level of ₹30,00,00,000 (Rupees thirty crore only) – divided into such number of Equity and Preference Shares of ₹10/- each as would not exceed the total capital amount of ₹ 30,00,00,000 (Rupees thirty crore only) – to ₹ 60,00,00,000 (Rupees sixty crore only) divided into such number of Equity and Preference Shares of ₹10/- each as would not exceed the total capital amount of ₹ 60,00,00,000 (Rupees sixty crore only) of the Company, by creation of 3,00,00,000 shares of ₹10/- each in the Authorised Share Capital of the Company.

CHAIRMAN'S
INITIALS

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Balmer Lawrie & Co. Ltd.**24th September 2013**

"RESOLVED FURTHER THAT pursuant to the provision of Section 94(1) read with Section 31 of the Act, Clause 5 being the Capital Clause of the Memorandum of Association and Article 3 of the Articles of Association of the Company be consequentially amended to increase the Authorised Share Capital stated therein to ₹ 60,00,00,000 (Rupees sixty crore only) divided into such number of Equity and Preference Shares of ₹10/- each as would not exceed the total capital amount of ₹ 60,00,00,000 (Rupees sixty crore only) of the Company

The Resolution was seconded by Shri S L Rathi, a Member.

The above Resolution was, thereafter, put to vote upon a show of hands. A majority of the Members present voted in favour of the Resolution and one Member voted against the resolution.

The Chairman, thereafter, declared the Resolution as having being carried by requisite majority.

Vote of Thanks

There being no other business to transact, the Meeting concluded with a hearty vote of thanks offered by Shri P. Kalyanasundaram – representative of Balmer Lawrie Investments Ltd.– on behalf of the Holding Company and all other Members to the Chair.

CHAIRMAN: DATED: 22/10/2013CHAIRMAN:
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