



बामर लॉरी एण्ड कंपनी लिमिटेड
(भारत सरकार का एक उद्यम)

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


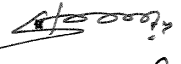


सांख्यिक विभाग

21, नेताजी सुभाष रोड, कोलकाता-700 001 (भारत)
फोन : (91) (33) 2222 5329 / 5314 / 5209

SECRETARIAL DEPARTMENT

21, Netaji Subhas Road, Kolkata - 700 001 (INDIA)
Phone : (91) (33) 2222 5329 / 5314 / 5209
E-mail : bhavsar.k@balmerlawrie.com
CIN : L15492WB1924GOI004835

FORM B (for audit report with modified opinion)

1.	Name of the company	Balmer Lawrie & Co. Ltd.
2.	Annual financial statements for the year ended	Standalone 31 st March, 2016
3.	Type of Audit qualification	Qualified/Disclaimer of Opinion/Adverse
4.	Frequency of qualification	Whether appeared first time...../ repetitive..... / since how long period
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report.	May give gist of qualifications/headings (Refer page numbers in the annual report) and management's response Refer Annexure 1
	Additional comments from the board/audit committee chair:	This may relate to nature of the qualification including materiality, agreement/disagreement on the qualification, steps taken to resolve the qualification, etc. Refer Annexure 1
5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	    

Qualified opinion in IFC

Internal Financial Control over credit authorization, in the areas where there are cash transaction (SBU- Tours & Travels [T&T]), needs strengthening. While analysing the gaps, it was observed that, preventive control, ensuring independence of cash and accounting function in implant office needs improvement.

Management Response

The auditors have given qualified report on the Standalone and Consolidated financial statements regarding internal financial controls in respect of one of the SBU's of the company.

A case of misappropriation of cash through wrong adjustments was noticed by the company in one of the units of Balmer Lawrie & Co Ltd during the course of review of debtors in the month of January, 2016. The company is presently undertaking a thorough reconciliation of the relevant outstanding. Based on preliminary in-house enquiry, an amount of ` .34.58 lacs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to investigating agency and necessary further legal action will be taken thereafter. Action has been initiated to separate the cash and accounting functions of the SBU.

Qualified opinion in CFS

We did not audit the financial statements of PT Balmer Lawrie Indonesia (PTBLI), a jointly controlled entity of the wholly owned subsidiary Balmer Lawrie (UK) Ltd. for the year ended 31st March, 2016 as prepared by the management of PTBLI, whose financial statement reflect total assets of Rs1201.64 lac as at 31st March 2016, total revenue of Rs1219.80 lac and net cash inflows amounting to Rs.13.16 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited (refer Note No. 23.7) and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said jointly controlled entity (PTBLI), and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the said jointly controlled entity (PTBLI), is based solely on such unaudited financial statements

Management Response

The auditors of PT Balmer Lawrie Indonesia (PTBLI), Indonesia, a joint venture of our wholly owned subsidiary Balmer Lawrie (UK) Ltd, have released the draft accounts and the final audit report is in the process of review and will be released shortly. The company's proportionate share of Income of INR 1219.80 Lakhs (0.37% of the total income) and assets of INR 1201.64 Lakhs (0.59% of the total assets) was considered in the consolidated financial statement of the company based on such draft accounts of PTBLI communicated by the joint venture auditors.



BALMER LAWRIE & CO. LTD.
[A Government of India Enterprise]
Regd. Office : 21, Netaji Subhas Road, Kolkata - 700001
CIN : L15492WB1924GOI004835
Extract of Audited Financial Results for the Year Ended 31/03/2016

Particulars	₹. in Crores				
	3 months ended 31/03/2016	Preceding 3 months ended 31/12/2015	Corresponding 3 months ended in the previous year 31/03/2015	Year to date figures for current period ended 31/03/2016 (Audited)	Year to date figures for the previous year ended 31/03/2015 (Audited)
1. Income from Operations					
(a) Net Sales/Income from operations (Net of Excise Duty)	650.18	649.73	604.06	2683.22	2708.25
(b) Other Operating Income	11.37	5.35	9.89	28.37	32.12
Total Income from operation (Net)	661.55	655.08	613.95	2711.59	2740.37
2. Expenses					
(a) Cost of Materials Consumed/Services Rendered	499.48	516.87	456.36	2092.35	2168.92
(b) Purchase of Stock-in-Trade	1.60	1.87	1.96	3.58	7.42
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(6.78)	(6.48)	2.24	(0.78)	12.43
(d) Employee Benefits Expenses	49.89	43.07	43.01	202.76	178.96
(e) Depreciation and Amortisation Expenses	6.58	6.85	6.35	27.20	29.34
(f) Other Expenses (Any item exceeding 10% of the Total Expenses relating to continuing operation to be shown separately)	54.04	49.36	41.37	209.60	209.20
Total expenses	604.81	611.54	551.29	2534.91	2600.26
3. Profit/(Loss) from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	56.74	43.54	62.66	176.68	140.11
4. Other Income	30.28	8.60	32.34	62.31	75.40
5. Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)	87.02	52.14	95.00	238.99	215.51
6. Finance cost	0.68	0.91	0.80	4.45	5.07
7. Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)	86.34	51.23	94.20	234.54	210.44
8. Exceptional Items	-	-	-	-	-
9. Profit /Loss from ordinary activities before tax (7-8)	86.34	51.23	94.20	234.54	210.44
10. Tax Expense	19.74	18.24	25.29	71.34	63.00
11. Net Profit / (Loss) from Ordinary Activities after Tax [9-10]	66.60	32.99	68.91	163.20	147.44
12. Extraordinary Items (net of Tax expense ₹. Nil)	-	-	-	-	-
13. Net Profit / Loss for the period (11-12)	66.60	32.99	68.91	163.20	147.44
14. Paid-up Equity Share Capital (Face Value per share - ₹. 10/-)	28.50	28.50	28.50	28.50	28.50
15. Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year				968.83	874.56
16. i. Earnings per Share (before extraordinary items) (of ₹. 10/- each (not annualised)					
(a) Basic	23.37	11.57	24.18	57.26	51.73
(b) Diluted	23.37	11.57	24.18	57.26	51.73
16. ii. Earnings per Share (after extraordinary items) (of ₹. 10/- each (not annualised)					
(a) Basic	23.37	11.57	24.18	57.26	51.73
(b) Diluted	23.37	11.57	24.18	57.26	51.73
A PARTICULARS OF SHAREHOLDING					
1. Public Shareholding (*)					
- Number of Shares	1,08,87,416	1,08,87,416	1,08,87,416	1,08,87,416	1,08,87,416
- Percentage of Shareholding	38.20%	38.20%	38.20%	38.20%	38.20%
2. Promoters and Promoter Group Shareholding (S)					
a) Pledged/Encumbered					
- Number of Shares	-	-	-	-	-
- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	-	-	-	-	-
- Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-	-
b) Non-encumbered					
- Number of Shares	1,76,13,225	1,76,13,225	1,76,13,225	1,76,13,225	1,76,13,225
- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	100%	100%	100%	100%	100%
- Percentage of Shares (as a % of the total share capital of the Company)	61.80%	61.80%	61.80%	61.80%	61.80%
(*) Excludes 61.8% shares held by Balmer Lawrie Investments Ltd. (BLIL) which is a Government Company.					
(S) In respect of shares held by BLIL.					

Notes :

- (i) Previous period / year's figures have been re-grouped / re-arranged wherever necessary.
- (ii) The above results including Segment Reporting and Consolidated Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 26 May, 2016.
- (iii) The statement of Assets and Liabilities as required under clause 33(f) of Listing Obligations and Disclosure Requirements is as under :

		₹. in Crores	
		Audited As at 31/03/2016	Audited As at 31/03/2015
A EQUITY AND LIABILITIES			
1 Shareholder's Funds			
(a) Share Capital		28.50	28.50
(b) Reserve & Surplus		968.83	874.56
Sub-Total - Shareholders Fund		997.33	903.06
2 Non - Current Liabilities			
(a) Other Long-Term Liabilities		43.09	41.91
(b) Long - Term Provisions		0.00	0.01
Sub - Total - Non - Current Liabilities		43.09	41.92
3 Current Liabilities			
(a) Trade Payables		224.29	217.71
(b) Other Current Liabilities		219.65	174.60
(c) Short - Term Provisions		109.54	112.27
Sub - Total - Current Liabilities		553.48	504.58
TOTAL - EQUITY AND LIABILITIES		1593.90	1449.56
B ASSETS			
1 Non-Current Assets			
(a) Fixed Asset		431.28	411.32
(b) Non-Current Investments		57.40	57.40
(c) Deferred Tax Assets (Net)		8.17	1.72
(d) Long-Term Loans and Advance		12.40	15.09
Sub - Total - Non - Current Assets		509.25	485.53
2 Current Assets			
(a) Inventories		119.76	130.10
(b) Trade Receivable		421.07	365.13
(c) Cash and Cash Equivalents		430.95	361.29
(d) Short-term loans and advances		85.50	84.38
(e) Other current assets		27.37	23.13
Sub - Total - Current assets		1084.65	964.03
TOTAL - ASSETS		1593.90	1449.56

- (iv) The audited accounts are subject to review by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.
- (v) The Board of Directors has recommended a dividend @ ₹. 20.00 per equity share as on 31.3.2016 for the financial year ended 31 March, 2016.
- (vi) The auditors have made a qualification/modified their opinion in the audit report, for which Form B is being attached.

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹. in Crores

	3 months ended 31/03/2016	Preceding 3 months ended 31/12/2015	Corresponding 3 months ended in the previous year 31/03/2015	Year to date figure for current period ended 31/03/2016 (Audited)	Year to date figure for the previous Year ended 31/03/2015 (Audited)
1. Segment Revenue [Net Sales/Income]					
a. Industrial Packaging	114.83	89.51	111.98	480.92	520.99
b. Logistics Infrastructure & Services	149.40	142.75	129.51	573.79	515.41
c. Travel & Tours	296.78	310.99	254.38	1244.97	1242.16
d. Greases & Lubricants	49.80	105.64	92.51	357.40	388.29
e. Others	22.63	19.36	22.17	79.83	88.87
Total	633.44	668.25	610.55	2736.91	2755.72
Less : Inter Segment Revenue	(26.53)	13.59	(2.36)	29.23	19.25
Add : Other un-allocable Revenue	1.58	0.42	1.04	3.91	3.90
Net Sales/Income from Operations	661.55	655.08	613.95	2711.59	2740.37
2. Segment Results [Profit/(Loss) before Tax & Interest]					
a. Industrial Packaging	17.44	8.88	10.68	61.11	32.70
b. Logistics Infrastructure & Services	43.94	31.91	52.31	141.35	145.64
c. Travel & Tours	9.66	6.42	6.19	24.22	17.65
d. Greases & Lubricants	10.56	12.53	7.12	38.06	12.03
e. Others	3.62	1.34	1.70	9.44	2.23
Total	85.22	61.08	78.00	274.18	210.25
Less : (i) Interest	0.68	0.91	0.80	4.45	5.07
(ii) Other un-allocable expenditure	(1.80)	8.94	(17.00)	35.19	(5.26)
TOTAL PROFIT BEFORE TAX	86.34	51.23	94.20	234.54	210.44
3. Capital Employed					
a. Industrial Packaging	199.19	192.21	216.82	199.19	216.82
b. Logistics Infrastructure & Services	130.95	123.73	101.75	130.95	101.75
c. Travel & Tours	151.19	180.11	111.18	151.19	111.18
d. Greases & Lubricants	150.88	146.31	148.68	150.88	148.68
e. Others	365.12	382.21	324.63	365.12	324.63
Total	997.33	1024.57	903.06	997.33	903.06

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALMER LAWRIE &
CO. LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Balmer Lawrie & Co. Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the Branch Auditors of the Company's branches located under Northern region, Western region and Southern region.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers internal financial control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following Notes to the financial statements, which describe the uncertainty related to the outcome. Our opinion is not qualified in respect of this matter



- a) Note No.26.7:- "Trade receivables, loans and advances and deposits for which confirmations are not received from the parties are subject to reconciliation and consequential adjustments on determination/ receipt of such confirmation".
- b) Note No. 26.29: "A case of misappropriation of cash through wrong adjustments was noticed in one units of the company during the course of review of debtors in the month of January 2016. The company is presently undertaking a thorough reconciliation of the relevant outstanding. Based on preliminary in-house enquiry, an amount of Rs.34.58 Lakhs has now been identified as defalcated and the same is provided for in the books. The case has since been handed over to investigating agency and necessary further legal action will be taken thereafter.

Other Matter

- a) Confirmation of outstanding balances of trade receivable, claims recoverable various advances, deposits, trade payables and other liabilities was not available for our verification
- b) We did not audit the financial statements of three (3) Regions included in the standalone financial statements of the Company whose financial statement reflect total assets of Rs.85746.89 lac as at 31st March 2016 and total revenue of Rs. 231998.27 lac for the year ended on that date, as considered in the standalone financial statements. The financial statements of these regions have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these Regions, is based solely on the report of such Branch auditors.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure- A", a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The reports on the account of the three (3) Regions of the Company audited under section 143(8) of the act by Branch auditors have been submitted to us and have been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial statements – Refer Note 26.2(a) and (b) to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) As required by section 143(5) of the Act, a statement on the matters specified as per directions given by the Comptroller & Auditor General of India, is given in "Annexure- C".

Dated: 26.05.2016

Place: Kolkata



For **DUTTA SARKAR & CO.**
Chartered Accountants

M. Chakrabarti

(Mainak Chakrabarti)
Partner
Membership No. - 063052
Firm Registration No.- 303114E

ANNEXURE – 'A' TO AUDITORS' REPORT

AS REPORTED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- i) In respect of its fixed assets:
- a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which plant and machinery are verified every year and other fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained to us, in accordance with its programme plant and machinery and certain other fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in the Name of the Company except to the extent of the properties and values specified in Note No.26.1 (a) and (b).
- ii) The inventory of the Company except goods in transit has been physically verified during the year by the management. In our opinion, having regard to the nature and location of inventory the frequency of verification is reasonable and no material discrepancies were noticed on such verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, clauses 3(iii) (a) to 3(iii) (c) of the Order are not applicable.
- iv) The Company has not given any loans, guarantees, securities or made Investments which is required to be complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits, according to the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
- vi) We have broadly reviewed the cost record maintained by the Company in respect of the products of Grease and Lubricants, Industrial Packaging & Leather Chemicals where, pursuant to the Companies (Cost records and Audit) Rules, 2014 read with companies (Cost records and Audit) Amendment Rules, 2014 prescribed by the Central Government under section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost record with a view to determine whether they



are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the central government has not prescribed the maintenance of cost records for any other product of the Company.

vii) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities and there was no amount due for more than six months as at the last day of the financial year.

(b) The disputed statutory dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax aggregating to Rs.10185.49 lac have not been deposited as mentioned in Note No.26.2(a) to the accounts showing the amounts involved and the forum where the dispute is pending.

viii) The Company has not defaulted in repayment of dues to any financial institutions or Banks as at the Balance Sheet date and there is no debenture holder.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year under audit. Hence this clause is not applicable.

x) Attention is drawn to Note No. 26.29 where fraud has been detected on the Company during the year and according to the information and explanation given to us no fraud by the Company has been noticed or reported during the year.

xi) By virtue of Article 7A of the Articles of Association of the company, the President of India is entitled to determine terms and conditions of appointment of the Directors. The inter alia includes determination of remuneration payable to the Whole- Time Directors. Hence this clause is not applicable.

xii) The Company is not a Nidhi Company. Hence this clause is not applicable.

xiii) According to the information and explanations provided to us and the records of the company examined by us, the Company has not been able to comply with the requirements of Section 177 in respect of composition of Audit Committee, since independent directors on the board are yet to be appointed by the Government of India.

All transactions of the Company with related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statement in Note No. 26.20(i) and (ii) as required by the applicable accounting standard.



- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence this clause is not applicable.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, this clause is not applicable.
- xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence, this clause is not applicable.

Dated: 26.05.2016

Place: Kolkata



For **DUTTA SARKAR & CO.**
Chartered Accountants

M. Chakrabarti
(Mainak Chakrabarti)
Partner
Membership No. - 063052
Firm Registration No.- 303114E

“Annexure – B” to the Auditors’ Report

Report on the Internal Financial Controls under Paragraph (i) of Sub –section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of BALMER LAWRIE & CO. LIMITED (“the Company”) as of 31st March 2016 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk whether material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Region’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of record, that in reasonable detail, accurately and fairly reflect the transaction and disposition of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisation of management and directors of the Company; and (3) provide reasonable assurance regarding prevention and or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion of improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluation of internal financial controls over financial reporting may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2016;

- a) Internal Financial Control over credit authorization, in the areas where there are cash transaction (SBU- Tours & Travels [T&T]), needs strengthening. While analysing the gaps, it was observed that, preventive control, ensuring independence of cash and accounting function in implant office needs improvement.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Other Matter

During the year under audit, the company has initiated a process of having comprehensive model for the streamlining the internal control including internal control over financial reporting incorporating RCM and gap tracking with a description of the objective, process and risk thereof. On walkthrough of the model for testing and making review of adequacy and



effectiveness of the system of control in place, some gaps have been identified both in adequacy of design and effectiveness. This is however under the active process of meeting the gaps with effectivity.

In our opinion, except for the effects/possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the "Institute of Chartered Accountants of India".

We have considered the material weakness/es identified and reported above in determining the nature, timing, and extent of audit tests applied in my / our audit of the March 31, 2016 standalone financial statements of the Company, and the / these material weakness/es does not / do not affect our opinion on the standalone financial statements of the Company

Place: Kolkata
Date: 26.05.2016



For Dutta Sarkar & Co.
Chartered Accountants
(Firm's Registration No303114E)

M. Chakrabarti

(Mainak Chakrabarti)
Partner
(M.No. 063052)

Annexure – C

Direction under section 143(5) of the Companies Act, 2013

Sl. No	Directions	Auditor's reply
1	Whether the company has clear title/ lease Deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available?	Details are furnished in Annexure "C- 1"
2	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc. if yes, the reason there for and amount involved	Details are furnished in Annexure "C- 2"
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.	Not applicable



Direction under section 143(5) of the Companies Act 2013

Annexure – C - 1

Details of freehold and leasehold land for which title/ lease deeds are not available as on 31.03.2016.

Sl. No	Location	Area	Remarks
1	Gopalpur Holiday home, Orissa	0.235 Acres	Photocopy of Title deed available.
2	Balmer Lawrie & Co. 21, N.S. road Kolkata: 700 001	1 Bigha, 3 Katha, 3 Chatak	Lease deeds available
3	Balmer Lawrie & Co. Faridabad	61005 Sq. yards	Original Title deeds not available
4	9 B, Queens Park, Kol: 700 019	2 Bigha, 6 Katha, and 7 Chatak	Lease deeds available
5	Bishram Kutir, Puri Bungalow	1 Acre	Lease deeds available
6	96, Tollygunge Circular Road, Kolkata: 700 053	896 Sq. ft	Lease deeds available
7	Trivoli court 1A Ballygunge Circular road, Kolkata: 700 019	2257.55 Sq. ft	Lease deeds available
8	39, Ballygunge Circular Road, Kolkata: 700 019	1 Bigha, 9 Katha, 7 Chatak	Lease deeds available
9	Himadri Apartments, Flat no. 40, 22 Ballygunge Park Road, Kolkata: 700 019	1800 Sq. Ft	Lease deeds available
10	Ajanta Appartments, 10 Gurusaday Road, Kolkata: 700 019	2000 Sq.Ft	Lease deeds available
11	Golf Link Appartment, 50, Chanditala Lane, Block D 1 st Floor, Kolkata: 700 040	1000 Sq. Ft	Lease deeds available
12	New Beerbhoom Coal Co. Ltd. Asansol, Burdawan	5353.16 Sq. Mtr	Lease not renewed after year 2000.



Sl. No	Location	Area	Remarks
13	5F, Annapurna Appartments 224 & 224/1, A.J.C Bose Road Kolkata: 700 017	1485 sq. ft	Lease deeds available.
14	Container & Cylinder Division	2921.05 Sq.Mtr	Lease Deed expired on 31.05.2005 and on 19.01.2002. Renewed Lease Deed not available.
15	Barrel Division Sewree, Mumbai	2653.99 Sq. Mtr	Certified True Copy found.
16	5 J.N. Heredia Marg, Ballard Estate, Mumbai: 400 001	-	Original lease deeds not available.
17	Industrial Packaging Division, Plot No. G-15, G-16, G-17, MIDC, Taloja, Industrial Area, Maharashtra - 410208	-	G15, G16 lease deed with MIDC pending for Registration. G17 registered lease deed is found.
18	Survey No. 201/1, Sayli Village, Silvassa 396230	-	Original Title deeds/ lease deeds not available. Copy of agreement found.
19	Survey No. 23/1/1, Khadoli Village, Silvassa 396230	-	Original Title deeds/ lease deeds not available. Copy of agreement found.
20	BL Housing complex, Plot No. 1-1 & 1-2, Sector 2, Phase II, Nerul, Navi Mumbai 400 706	2413 sq. Mts	Photocopy of MOU with CIDCO available.



Direction under section 143(5) of the Companies Act 2013

Annexure – C - 2

Details of write-off of debts, advances, deposits and fixed assets etc. as on 31.03.2016

Reasons for write-offs	31.03.2016
1. Debts	
Liquidated Damage	33.80
Difference in Excise Duty	3.85
Closed Business/Party not traceable	46.38
Adhoc Deduction by customers/Reconciliation Problem	10.81
Quality related Problem / damaged goods	5.08
Cancellation Charges, Service Tax not paid by customers	7.32
Service Charges/ No Show tickets etc	
Price differential not paid by customers	19.13
Difference of VAT, CST	11.56
Demurrage Charges/Port charges/Transit Penalty	3.36
TDS receivable	28.85
	82.84
TOTAL	252.98
2. Loans & Advances	
Claims short settled by Insurance Co.	10.32
Detention charges/Tpt charges	0.38
TOTAL	10.70
3. Inventory	
Rejected barrels not brought back from customers (Greases)	64.50
TOTAL	64.50
4. Deposits	11.29
Sundry Deposits written off	
TOTAL	11.29
5. Fixed Assets	
Fixed Assets written off	2.39
TOTAL	2.39
6. Write off of debts/ deposits against provisions made in earlier years	140.48
GRAND TOTAL	482.34

