

**BOARD'S REPORT****To the Members,**

Your Directors have the pleasure in presenting the 20<sup>th</sup> Annual Report of the Company along with the audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2021 and other allied statements/disclosures as required as per the applicable statute.

**Overview of the State of the Company's Affairs**

Your Company's performance is primarily dependent upon two factors, one, being the dividend received from its subsidiary, Balmer Lawrie & Co. Ltd. (BL) and the other being the interest received from deployment of surplus funds with Scheduled Commercial Banks.

During the year under review, i.e., 2020-21, there was decrease in interest income and increase in dividend income and accordingly, the total income of your Company marginally increased by around Rs.19.60 Lakh as compared to the last Financial Year, i.e., 2019-20. The amount of dividend income received from the subsidiary during the year under review was at an enhanced rate.

The summary of comparative annual financial results for the year under review, i.e., 2020-21, and the immediately preceding Financial Year, i.e., 2019-20, has been furnished below:

**Financial Summary**

(Rs. in Lakh)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Profit before Tax	8612.63	8580.14
Less: Provision for Tax	150.47	222.60
Net Profit	8462.16	8357.54

**Transfer to Reserves**

The Board of Directors have decided not to transfer any amount to reserves.

**Share Capital**

The paid-up Equity share capital of the Company as on 31<sup>st</sup> March, 2021 stood at Rs.22,19,72,690 (at same value in the previous year). During the year under review, the Company has not issued any share with differential voting rights nor has granted any stock options or sweat equity shares.

**Dividend**

The Board recommend a dividend of 380%, i.e., Rs. 38.00/- (Rupees Thirty Eight only) per equity share of Rs.10/- each fully paid-up, for the Financial Year ended 31<sup>st</sup> March, 2021 (as against 375%, i.e., Rs. 37.50/- per equity share for the previous Financial Year ended 31<sup>st</sup> March, 2020). The dividend, if declared by the shareholders at the ensuing 20<sup>th</sup> Annual General Meeting (AGM), will be paid either by way of warrant, demand draft or electronic mode and will be paid to those Shareholders who would be holding shares of the Company as on the cut-off date i.e., 21<sup>st</sup> September, 2021 (End of Day) fixed for the purpose, within 30 days from the date of such declaration. In respect of shares held electronically, dividend will be paid to the beneficial owners, as per details to be furnished by their respective Depositories, i.e., either Central Depository Services (India) Ltd. or National Securities Depository Ltd. as on 21<sup>st</sup> September, 2021 (End of Day) fixed as cut-off date for the purpose.

**Appropriation**

The amount available for appropriations for the Financial Year 2020-21 as compared to the immediately preceding Financial Year 2019-20, are given hereunder:

(Rs. in Lakh)

Particulars	STANDALONE FINANCIAL RESULTS		CONSOLIDATED FINANCIAL RESULTS*	
	2020-21	2019-20	2020-21	2019-20
PAT	8462.16	8357.54	7972.59	10571.61
Add: Transfer from Profit & Loss Account	9041.79	8231.33	73586.49	70106.01
Total amount available for Appropriation	17503.95	16588.87	81559.08	80677.62
Appropriations:				
Dividend paid @ 375%, in FY 2020-2021 and @ 340%, in FY 2019-20	8323.98	7547.08	8323.98	7547.07
Corporate Tax on Dividend	-	-	-	1593.38
Transfer to General Reserve	-	-	-	-
Other Adjustment	-	-	88.73	-2049.32
Minority interest / Foreign Exchange Conversion Reserve etc.	-	-	-	-
Surplus carried forward to next year	9179.97	9041.79	73146.37	73586.49
Total of Appropriations	8323.98	7547.08	8412.71	7091.13

\* The Board's Report is based on standalone financial statements of the Company and this information is given as an added information to the members.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT**

As stated earlier, Company's performance is primarily dependent upon two factors, one, being the dividend received from its subsidiary, Balmer Lawrie & Co. Ltd. (BL) and the other being the interest received from deployment of surplus funds with Scheduled Commercial Banks.

The spread of COVID-19, pandemic has severely affected the businesses around the globe. In many countries including India, there has been severe disruption to regular operations due to lock-downs, disruptions in transportations, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company has been constantly updating its shareholders about the possible impact of COVID-19 on its business financial position and liquidity. The disclosures made by Balmer Lawrie & Co. Ltd. (our subsidiary) from time to time would be essential to determine the consequent financial position of the Company in turn in future.

**Deposits with Bank**

Surplus funds of the Company have been deployed in various Fixed Deposit Schemes of the Scheduled Commercial Banks. As on 31<sup>st</sup> March 2021, the total amount of deployments in the Fixed Deposit Schemes is Rs. 13967.03 Lakh, which in turn has yielded an interest income of Rs. 764.09 Lakh during the year ended 31<sup>st</sup> March, 2021 (Rs 938.83 Lakh for the year ended 31<sup>st</sup> March, 2020).

**Management Discussion and Analysis Report**

Your Company is not engaged in any other business activity, except, to hold the equity shares of Balmer Lawrie & Co. Ltd. and accordingly matters to be covered under 'Management Discussion and Analysis Report' are not applicable to your Company.

**Report on Subsidiary Companies and their contribution to the overall performance of the Company during the year**

In terms of Section 2(87) of the Companies Act, 2013 ('the Act') your Company has three subsidiary companies, namely, Balmer Lawrie & Co. Ltd. ('BL'), Balmer Lawrie (UK) Ltd. ('BLUK') and Visakhapatnam Port Logistics Park Limited ('VPLPL'). By virtue of shareholding in BL (61.8%), your Company is the holding Company of BL. BL in turn has 2 subsidiaries BLUK and VPLPL.

A brief write up about the Subsidiaries inter-alia reporting about its performance and financial position and other significant events is presented hereunder:

**Balmer Lawrie Investments Limited**

CIN: L65999WB2001GOI093759

**Balmer Lawrie & Co. Ltd. (BL)**

BL recorded net turnover of Rs.159276.79 Lakh during 2020-21 as against Rs.161216.14 Lakh in 2019-20 registering a decrease of approximately 1.20% over the last year. It also recorded a Profit Before Tax of Rs. 15664.97 Lakh in 2020-21 as against Rs. 23244.21 Lakh in 2019-20. BL's Board of directors have recommended a dividend of Rs. 6 per equity share for FY 2020-21.

**Balmer Lawrie (UK) Ltd. [BLUK]**

Balmer Lawrie (UK) Ltd. ('BLUK') is a 100% subsidiary of Balmer Lawrie & Co. Ltd. (subsidiary of your Company) and incorporated in the United Kingdom. The subsidiary had previously been engaged in the business of Leasing & Hiring of Marine Freight Containers as also in Tea Warehousing, Blending & Packaging.

After exiting these businesses, BLUK has been utilizing the proceeds to fund other business opportunities. BLUK had invested approximately US\$ 2.01 million equivalent to Indonesian Rupiah 21.0 billion in PT. Balmer Lawrie Indonesia (PTBLI) – having its registered office at Jakarta, Indonesia – which represents 50 % of the paid-up equity share capital of the joint venture company. Balance 50% of the paid-up share capital of PTBLI is subscribed by PT. Imani Wicaksana of Indonesia. PTBLI is engaged in the manufacture and marketing of greases and other lubricants in Indonesia. The operations at the plant have now stabilized and the JV is actively trying to get a foothold in the challenging Indonesian lube market.

During the year 2018-19, Balmer Lawrie & Co. Ltd. had initiated steps for closing of operations of BLUK and is in the process of getting necessary statutory clearances for closure from the authorities in the United Kingdom. As a part of this process, the shares of PTBLI held by BLUK, were transferred to Balmer Lawrie & Co. Ltd. during the year 2018-19. It is expected that the process of voluntary winding of BLUK would be completed during the Financial Year 2021-22.

**Visakhapatnam Port Logistics Park Limited [VPLPL]**

Balmer Lawrie & Co. Ltd. ('BL') was looking for an expansion in the area of logistics operations and in the year 2013-14 was able to crystallise a deal with Visakhapatnam Port Trust (VPT), where VPT had agreed to provide 53 acres of its land at Visakhapatnam on a long term 30 years lease basis for development of a modern logistics solutions hub under one roof, which is commonly termed as "Multimodal Logistics Hub".

BL and VPT then formed a joint venture Company in the name of "Visakhapatnam Port Logistics Park Limited" (VPLPL), which got incorporated on 24<sup>th</sup> July, 2014 under the Companies Act, 2013. In the equity capital of VPLPL, BL and VPT contributed in the ratio of 60:40, where BL paid its part of the equity contribution in cash, whereas VPT paid its part of equity contribution in the form other than cash, which is equivalent to upfront lease rentals of 30 years lease for its 53 acres of land.

The main objective of this JVC is to build and operate a Multimodal Logistics Hub (MMLH) facility comprising mechanised warehouses, specialised/temperature controlled storage solutions, facilities for mechanised material handling and intermodal transfer between container terminals, bulk/break – bulk cargo terminals. This hub provides facility to handle both bonded and non-bonded cargo coupled with offering of value added services such as customs clearance, sorting/grading/aggregation/disaggregation etc. to handle freight. The unit is also having rail connectivity of 1.30 KM length, where 4 rakes can be handled in a day.

VPLPL has engaged a core and structured sales and operations team for business development and efficient execution.

The mechanised warehouse facility of the JVC covering around 2.5 acres had an average utilization of 67% during the year under review, i.e., financial year 2020-21. This facility is witnessing a good business opportunity and the JVC is expecting an average utilization of 90% during the current financial year.

The JVC also offers temperature controlled facility equipped with frozen & chilled chambers with a capacity of handling 3780 pallets which contributed 25% of the overall revenue of the JVC.

The JVC during the year under review experienced a significant increase in demand of its open yard due to its location advantage, convenience of handling cargos and modern operational solution. The customers for this particular business, ranges from private entities to PSUs. During the year under review, this facility has contributed around 45% of the total revenue of the JVC.

The railway siding facility was able to cater to the growing demands of steel and aluminium exports from

Visakhapatnam Port and 129 rakes carrying this cargo were handled at the facility during the year. It is pertinent to mention that both the JV partners complement each other in attracting business for the JVC.

VPLPL despite having CFS/ICD infrastructure is not able to handle EXIM cargo due to non-receipt of CFS/ICD license, which they had applied in March 2017. The Ministry of Finance, vide its Circular no. 50/2020 dated 5<sup>th</sup> November, 2020 has brought out a new policy and procedures, for setting up of the new CFS/ICD/AFS. VPLPL took the advantage of the relaxations granted under the said policy and applied for its CFS license for the second time, in May 2021.

During the year under review, i.e., 2020-21, VPLPL was able to generate total revenue of Rs. 9.34 crores as against Rs. 4.71 crores earned in the previous year 2019-20. However due to depreciation and interest on borrowing, VPLPL ended up the year 2020-21, with a loss of Rs. 12.59 crores, which is slightly lower compared to the previous year's loss of Rs. 16.04 crores.

**Financial Statements of Subsidiary Companies**

The Financial Statements and Results of your Company have been duly consolidated with its Subsidiaries, Associates and Joint Ventures pursuant to applicable provisions of the Companies Act, 2013 & Companies (Indian Accounting Standard) Rules, 2015 (as amended), the Listing Regulations and Indian Accounting Standards (Ind-AS).

Further, in line with first proviso to Section 129(3) of the Companies Act, 2013 read with the Rules thereon, Consolidated Financial Statements prepared by your Company includes a separate Statement in Form 'AOC-1' containing the salient features of the Financial Statement of your Company's Subsidiaries, Associates & Joint Ventures (as applicable) which forms part of the Annual Report.

However, separate audited accounts in respect of each of its subsidiary shall be placed on the website of the Company – www.blinv.com. Further, a copy of separate audited financial statements in respect of each of the subsidiary shall be provided on requisition of any shareholder of the Company.

**CESSATION / CHANGE IN JOINT VENTURES/ SUBSIDIARIES/ ASSOCIATE COMPANIES DURING THE YEAR**

During the year 2018-19, Balmer Lawrie & Co. Ltd. had initiated steps for closing of operations of BLUK and is in the process of getting necessary statutory clearances for closure shortly from the authorities in the United Kingdom. It may be expected that the process of voluntary winding of the company would be completed during the Financial Year 2021-22.

**Deposits**

Your Company has neither accepted nor is holding any deposits from the public during the Financial Year 2020-21 and no deposit remained unpaid or unclaimed at the end of Financial Year and there was no instance of default in repayment of deposits or interests thereon during the financial year and there are NIL deposits which not in compliance with the requirements of Chapter V of the Companies Act, 2013. Further, the Company shall not be accepting any deposits in Financial Year 2021-22.

**Compliance of Right to Information Act, 2005**

Information, which are mandatorily required to be disclosed under the RTI Act 2005, have been disclosed on the website of your Company. The report on receipt and disposal of RTI applications during the financial year 2020-21 is as under:

	Opening Balance as on 01.04.2020	Received during the Year (including cases transferred to other Public Authority)	No. of cases transferred to other Public Authorities	Decisions where request/ appeals rejected	Decisions where requests/ appeals accepted	Closing balance as on 31.03.2021
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Requests	0	10*	0	2	8	0
First Appeals	0	0	0	0	0	0

\*These requests were received online through RTI Request & Appeal Management Information System hence the fee is collected by Department of Personnel & Training, Government of India.

**Balmer Lawrie Investments Limited**

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**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

Since the Company does not have any business other than to hold shares of Balmer Lawrie & Co. Ltd. the reporting of Conservation of Energy, Technology Absorption as per Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable for your Company.

The details pertaining to Foreign Exchange Earnings and Outgo are enumerated as under:

NIL

**Risk Management Policy**

The Company does not have any business apart from holding the shares of Balmer Lawrie & Co. Ltd. offloaded by IBP Ltd. and is a Special Purpose Vehicle formed for temporary purpose. Hence, the requirement of laying down procedures for risk assessment and minimization is not applicable. Further, as per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Risk Management Committee is not applicable to your Company.

**Corporate Social Responsibility (CSR)****Annual Report on CSR Activities**

1. A brief outline of the Company's CSR policy

The CSR Policy of the Company is as under:

**Philosophy**

The Policy is in the nature of initiatives or endeavour which the key stakeholders expect of the Company in the discharge of their Corporate Social Responsibility. It reflects the willingness of the Company to voluntarily take a few extra steps to address social, economic and environmental concerns but are nevertheless worthy of attention for promotion of sustainable development in its diverse dimensions.

**Activities to be undertaken**

It is the policy of the Company to undertake any activity which is permissible to be carried out towards CSR as per:

- 1) Schedule VII of the Companies Act, 2013 (the act) and the allied Rules, including any statutory amendment thereof,
- 2) The guidelines formulated by the Department of Public Enterprises (DPE) on CSR and Sustainability (hereinafter referred to as 'the Guidelines') which are applicable to CPSEs.

**Implementation**

The Company shall endeavour to implement activities/programs as per the CSR Policy keeping in view:

- 1) the constraints faced due to the form and nature of organisation.
- 2) the administrative and incidental cost are minimum so that the maximum expenditure so allocated is spent for the benefit of the society.

**CSR Expenditure**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Activities/ Programmes undertaken in accordance with the approved CSR Plan. Any surplus arising from any CSR Activities/Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

<http://www.blinv.com/Pdf/CSR%20and%20Sustainability%20Policy.pdf>

2. Composition of CSR Committee as on 31<sup>st</sup> March, 2021

The Corporate Social Responsibility Committee of the Company consist of the following members as on 31<sup>st</sup> March, 2021:

Smt. Perin Devi, Government Nominee Director- Chairperson of the Committee

Shri Sandip Das, Non Executive Director – Member



Shri Mrityunjay Jha, Government Nominee Director – Member

Shri Ajay Singhal, Independent Director-Member

Ms. Shilpa Shashikant Patwardhan, Independent Director-Member

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.balmerlawrie.com/blinv/>

<https://www.balmerlawrie.com/blinv/policies.php>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not applicable

5. The Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. NA

Sl. No.	Financial year	Amount Available for set off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1.	NA	NA	NA
	Total	NA	NA

6. Average net profit of the company as per section 135(5)

Rs. 739.37 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5)

Rs. 14.79 Lakhs

- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NA

- (c) Amount required to be set off for the financial year, if any - NA

- (d) Total CSR obligation for the financial year (7a+7b-7c) Rs. 14.79 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY: 2020-21 (in Rs. Lakhs)	Amount Unspent (in Rs. Lakhs)				
14.79	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	-	-	-	-	-

- (b) Details of CSR amount spent against **ongoing projects** for FY: 2020-21.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII of the Act.	Local areas (Yes/ No)	Location of the Project		Project duration	Amount allocated for the projects (in Rs./ Lakhs)	Amount spent in the current FY (In Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency.	
				State	Dist.						Name	CSR Reg. No

**Balmer Lawrie Investments Limited**

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(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: 2020-21

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local Area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in Rs./ Lakhs)	(7) Mode of implementation on – Direct (Yes/No)	(8) Mode of implementation – Through implementing agency	
				State	Dist			Name	CSR Reg. No.
1	Contribution to PM-CARES	(viii)	NA	NA	NA	10.00	Yes	NA	NA
2	Contribution to Prime Minister's National Relief Fund	(viii)	NA	NA	NA	4.79	Yes	NA	NA

(d) Amount spent in administrative Overheads

NIL

(e) Amount Spent on Impact Assessment, if applicable.

N.A.

(f) Total Amount spent for FY (8b+8c+8d+8e).

Rs. 14.79 Lakhs

(g) Excess amount for set off, if any. N.A.

SI. No.	Particular	Amount (in Rs./Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	14.79
(ii)	Total amount spent for the FY 2020-21	14.79
(iii)	Excess amount spent for FY 2020-21 [ (ii) –(i) ]	0.00
(iv)	Surplus arising out of the CSR Projects or programmes of activities of the previous Financial Years, if any	0.00
(v)	Amount available for set off in succeeding Financial Years [ (iii)-(iv) ]	0.00

9. (a) Details of unspent CSR amount for the preceding three financial years. NA

Sl. No.	Preceding FY	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting FY (In Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding FY (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
-	-	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s):

NA

(1) Sl.	(2) Project ID	(3) Name of the project	(4) Financial Year in which the project was commenced	(5) Project Duration	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reporting financial year (in Rs.)	(8) Cumulative amount spent at the end of the reporting FY (in Rs.)	(9) Status of the project- Completed/ Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). NA

(a) Date of creation or acquisition of the capital asset(s).

- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

**Perin Devi**  
**Chairperson of CSR Committee**

**Sandip Das**  
**Member**

### **Directors' Responsibility Statement**

In terms of provisions of Section 134(3) & 134(5) of the Companies Act, 2013 your Board of Directors to the best of their knowledge and ability confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations and there were no material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments 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 and of the profit and loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Corporate Governance**

Your Company has been consistently complying with the various Regulations and Guidelines of the Securities & Exchange Board of India (SEBI) as well as of Department of Public Enterprises (DPE).

Pursuant to the said SEBI Regulations and DPE Guidelines, a separate section titled 'Corporate Governance Report' is being furnished and marked as **Annexure-1**.

The provisions on Corporate Governance under DPE Guidelines which do not exist in the SEBI Guidelines and also do not contradict any of the provisions of the SEBI Guidelines are also complied with.

Further, your Company's Statutory Auditors have examined compliance of conditions of Corporate Governance and issued a certificate, which is annexed to this Report and marked as **Annexure-2**.

### **Directors & Key Managerial Personnel (KMP) and meetings of the Board during the year**

#### **Directors and Key Managerial Personnel**

As on 31<sup>st</sup> March, 2021, the Board of your Company consisted of the following five Directors:

- a. Shri Sandip Das, Non-Executive Director, Non- Independent Director, Chairperson, Ex-officio member.
- b. Smt. Perin Devi, Government Nominee Director, Non-Executive Woman Director.
- c. Shri Mrityunjay Jha, Government Nominee Director, Non-Executive Director.
- d. Shri Ajay Singhal, Non-Executive, Independent Director and
- e. Smt. Shilpa Shashikant Patwardhan, Non-Executive, Independent Director

The Company has only one KMP i.e. Company Secretary. The Company does not have any MD/Whole time director or CFO.



## Balmer Lawrie Investments Limited

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### Meetings of the Board during the year

The details of the meetings of the Board held during the year have been enumerated in the Corporate Governance Report marked as **Annexure – 1**.

### Directors retired/appointed/resigned during the year

#### Appointments

Shri Sandip Das (DIN: 08217697), was appointed as an Additional Director as per the applicable provisions of the Companies Act, 2013 and allied Rules, via Resolution by Circulation dated 4<sup>th</sup> May, 2020 which was effective from 5<sup>th</sup> May, 2020 and in line with letters bearing reference no. P-21014/1/2006-Mkt dated 16<sup>th</sup> April, 2010 and CA-31024/2/2018-PNG (25059) dated 20<sup>th</sup> January, 2020 received from Ministry of Petroleum & Natural Gas (MOP&NG). Thereafter, Shri Sandip Das was appointed as Non-Executive, Non-Independent Director (Ex-Officio) by the shareholders at the 19<sup>th</sup> AGM of the Company held on 25<sup>th</sup> September, 2020.

Shri Mrityunjay Jha (DIN: 08483795), was appointed as an Additional Director as per the applicable provisions of the Companies Act, 2013 and allied Rules, via Resolution by Circulation dated 8<sup>th</sup> January, 2021 which was effective from 14<sup>th</sup> January, 2021 and in line with letter bearing reference no. C-31033/1/2016-CA/FTS: 42979 dated 11<sup>th</sup> December, 2020 received from Ministry of Petroleum & Natural Gas (MOP&NG).

#### Cessation

Shri Shyam Sundar Khuntia, attained superannuation on close of business hours on 30<sup>th</sup> April, 2020 and his directorship as Director (Finance) in Balmer Lawrie & Co. Ltd. (subsidiary of Balmer Lawrie Investments Limited) ceased w.e.f. 1<sup>st</sup> May, 2020. Accordingly, Shri Khuntia ceased to be Director of the Company.

Shri Shyam Singh Mahar ceased to be Non-Executive, Government Nominee Director of the Company with effect from 14<sup>th</sup> January, 2021, owing to withdrawal of his nomination by the Administrative Ministry- Ministry of Petroleum & Natural Gas, (MOP&NG), Government of India.

### Board Evaluation and Criteria for evaluation

Your Company, being a Government Company - vide Notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015 as amended by Notification No. GSR 582(E) dated 13<sup>th</sup> June 2017 and notification No. GSR 802(E) dated 23<sup>rd</sup> February, 2018, has been exempted from applicability of section 134(3)(p) and 178(2), (3) and (4) of the Companies Act, 2013.

### Declaration by Independent Director

Your Company has received a declaration from the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the SEBI (LODR) Regulations, 2015.

### Audit Committee

The Committee as of 31<sup>st</sup> March, 2021 consisted of 3 members and all of them, including the Chairperson of the Committee, were Non-Executive Directors.

As of 31<sup>st</sup> March, 2021 the following were the members of the Committee:

Names	Position held
Shri Ajay Singhal, Independent Director	Chairperson
Shri Sandip Das, Non-Executive Director	Member
Smt. Shilpa Shashikant Patwardhan, Independent Director	Member

All the members of the Audit Committee are financially literate and some members possess accounting/ financial management expertise also. The Company Secretary acts as the Secretary to this Committee.

There were no such instances where the Board had not accepted any recommendation of the Audit Committee.

### Related Party Transactions

Your Company adopted a policy on “Related Party Transactions” with effect from 28<sup>th</sup> March, 2015. The said Policy was amended vide resolution dated 10<sup>th</sup> February, 2020 to bring it in line with the amendment in the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and has been uploaded on the website of the Company and is available on the following link :

<http://www.blinv.com/Pdf/Related%20Party%20Transactions%20Policy.pdf>

The Policy aims at setting out the materiality thresholds for Related Party Transactions and the manner of dealing with the transactions between the Company and its Related Parties based on the applicable laws.

**Particulars of contracts and arrangements with Related Parties referred under section 188(1) of the Companies Act, 2013**

The particulars of contracts and arrangements with Related Parties referred under section 188(1) of the Companies Act, 2013 in the prescribed form is as under:

**Form No. AOC 2**

1. Details of contracts and arrangements or transactions not at arm's length basis – NIL. All the contracts and arrangements or transactions with Related Parties during the year ended 31<sup>st</sup> March, 2021 were on arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis – NIL. None of the transactions with Related Party can be considered as "material" as per the policy on - Materiality of Related Party Transactions and dealing with Related Party Transactions adopted by the Company.

All contracts or arrangement entered into under Section 188(1) of the Companies Act, 2013 has been enumerated in details in Note no. 31 of Financial Statements in compliance with the applicable accounting standards, thereby forming part of the financial statement as on 31<sup>st</sup> March, 2021.

**Justification on the Related Party Transactions entered –**

- In the year 2002, the Company for the purpose of infrastructure and management support entered into a service contract with its subsidiary Balmer Lawrie & Co. Ltd. (BL), since the Company does not have any infrastructure arrangement or any employee. The said agreement is renewed from time to time pursuant to which the Company receives services in nature of administration, finance, taxation, legal, secretarial, etc from BL.
- The Company was formed as a Special Purpose Vehicle with no regular business activity on 20<sup>th</sup> September, 2001, with the sole objective of holding the Equity shares of BL, transferred / de-merged from IBP Co. Ltd. (under the scheme of Arrangement & Reconstruction);
- The major source of income of your Company is dividend earned from its subsidiary, BL.
- The Company has no employees of its own including the Company Secretary, who is deputed from the subsidiary Company.

**Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013**

Details of investments made by the Company in other company is enumerated in Note 7 of Financial Statement.

**Auditors**

The Statutory Auditors of your Company (being a 'Government Company'), are appointed by the Comptroller & Auditor General of India ('CAG') under Section 139 and other applicable provisions of the Companies Act, 2013.

Pursuant to Section 142 and other applicable provisions of the Companies Act, 2013 the remuneration of the Statutory Auditors for the year 2021-22 is to be determined by the members at the ensuing 20<sup>th</sup> Annual General Meeting.

**Report of the Statutory Auditor**

The Report of the Statutory Auditors on Annual Accounts of your Company for Financial Year ended 31<sup>st</sup> March, 2021 does not have any reservation, qualification or adverse remark. Report of the Statutory Auditors is attached with the Financial Statement.

The office of the Comptroller & Auditor General of India ('CAG') had decided to (conduct/not to conduct) the supplementary audit of the financial statements of the Company for the year ended 31<sup>st</sup> March, 2021. The CAG has commented that nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditor's report. The communication from the CAG in this regard is attached as **Annexure-3**.

**Balmer Lawrie Investments Limited**

CIN: L65999WB2001GOI093759

**Report of the Secretarial Auditor**

The Company also appointed M/s N.K & Associates, Practicing Company Secretaries, 159 Rabindra Sarani, 9<sup>th</sup> Floor, Kolkata 700007 as Secretarial Auditor in compliance with the provisions of Section 204 of the Companies Act, 2013. The Report of Secretarial Auditor is annexed and marked as **Annexure-4**.

The response of management to the observations to qualification, observations or remarks of the Secretarial Auditors is as under:

SI No.	Observation /Comment/ Qualification of the Secretarial Auditors	Clarification from the Management
1	The composition of the board of directors is not in compliance with the provisions of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	We are a Government Company and as is evident from our shareholding pattern, President of India has a majority shareholding in our Company. As per the Articles of Association of the Company so long as the Company remains a Government Company, the President of India shall be entitled to appoint one or more person(s) to hold office as Director(s) on the Board and also to appoint one or more such Director(s) as Managing or Whole-time Director(s) of the Company. Accordingly, Ministry of Petroleum & Natural Gas (MOP&NG), being the administrative Ministry directs us every time there is a change in appointment of Directors is required. The direction of MOP&NG is awaited. The Company has no employee of its own except, the Company Secretary whose services have been seconded from its subsidiary pursuant to a Service Agreement between the Company and Balmer Lawrie & Co. Ltd. It may be pertinent to mention that MCA vide GSR dated 5 <sup>th</sup> June 2015 has exempted that : The provisions of sub-sections (1), (2), (3) and (4) of section 203 of the Companies Act 2013 shall not apply to a Managing Director or Chief Executive Officer or Manager and in their absence, a Wholetime director of the Government Company."
2	The composition of the audit committee was not in compliance with the provisions of Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Same as explanation provided in Serial No.1 This composition was brought in line with the applicable provisions w.e.f. 29 <sup>th</sup> June, 2020

**Adequacy of Internal Financial Controls**

The Company has *inter-alia* taken the following measures to ensure that an adequate internal financial control exists:

- Appointment of Internal Auditor as per Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 as well as Secretarial Auditor as per Section 204 of the Companies Act, 2013.
- The Company has adopted the following policies apart from the Code of Conduct applicable to Directors and Senior Management:
  - Policy on ‘Related Party Transactions’;
  - Policy for determining ‘Material subsidiaries’;
  - “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” and
  - “Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and immediate relative of Designated Persons”.
  - “Vigil Mechanism/ Whistle Blower Policy of the Company.”

**Details of Significant and Material Orders passed by the Regulators, Courts and Tribunals**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**Vigilance Cases**

No vigilance cases were reported, disposed off nor there are any such cases pending during the year.

**Constitution of Internal Committee**

The Company has no employees of its own. The requirement of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 did not arise.

**Cost Records**

The requirement of maintenance of cost records is not applicable to your Company.

**Procurement from MSMEs**

The Company is formed for temporary purpose and is not having any business and hence has neither had taken any target nor made procurement from MSMEs.

**Extract of Annual Return and Weblink**

In terms of Section 92 of the Companies Act, 2013 read with Rules made thereunder, the Company shall place a copy of the Annual Return (MGT-7) on the website of the Company [www.blinv.com](http://www.blinv.com) after filing the same with Ministry of Corporate Affairs.

**Compliance with Secretarial Standards**

The Company is in compliance with Secretarial Standard-1 and Secretarial Standard-2

**Business Responsibility Report**

Your Company is not engaged in any other business activity except to hold the equity shares of Balmer Lawrie & Co. Ltd. and accordingly matters to be covered under Business Responsibility Report are not applicable to your Company.

**Appreciation**

Your Directors wish to place on record their appreciation for the continued guidance and support extended by the Ministry of Petroleum & Natural Gas & and other Ministries. Your Directors also acknowledge the valuable support and services provided by BL. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

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

On behalf of Board of:  
**Balmer Lawrie Investments Ltd.**

.....  
[Shri Sandip Das]  
Director  
(DIN 08217697)

.....  
[Perin Devi]  
Director  
(DIN 07145051)

Date: 10 August, 2021