

Notice to the Members

NOTICE is hereby given that the 88th Annual General Meeting of the members of Balmer Lawrie & Co. Limited shall be held at Ghanashyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata - 700 019, on Friday, 23 September 2005, at 10.30 a.m. to transact the following :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2005 and the Profit and Loss Account for the financial year ended 31 March, 2005 and the reports of the Auditors and the Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri P Radhakrishnan who retires by rotation and being eligible offers himself for reappointment.
4. To fix remuneration of the Auditors for the financial year 2005-06 and to pass with or without modification(s) the following Resolution:

As an Ordinary Resolution :

“RESOLVED THAT pursuant to Section 619, read with Section 224 (8) (aa) of the Companies Act, 1956 (“the Act”), the Board of Directors be and is hereby authorized to determine the amount of remuneration payable to the Auditors appointed under Section 619 of the Act, by the Comptroller and Auditor General of India including the cost of reimbursement of out of pocket expenses incurred in connection with the audit of accounts of the Company for the financial year 2005-06 by the said Auditors.”

SPECIAL BUSINESS :

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

5. As a Special Resolution :

WHEREAS the equity shares issued by the Company are listed with The Stock Exchange – Ahmedabad, Madras Stock Exchange Ltd., The Delhi Stock Exchange Association Ltd., The Calcutta Stock Exchange Association Ltd., The Stock Exchange, Mumbai and National Stock Exchange of India Ltd;

AND WHEREAS it has been observed for a long period of time that there was no share trading through The Stock Exchange - Ahmedabad, Madras Stock Exchange Ltd., The Delhi Stock Exchange Association Ltd., and a meagre share trading volume in The Calcutta Stock Exchange Association Ltd;

AND WHEREAS most of the equity shares are traded at The Stock Exchange, Mumbai and National Stock Exchange of India Ltd. and in consideration of such it is proposed that the Company shall continue to be listed only with The Stock Exchange, Mumbai and National Stock Exchange of India Ltd;

Therefore it is

“RESOLVED that the consent of the Company be and is hereby accorded to delist the issued equity shares of the Company from all or any of the following Stock Exchanges i.e The Stock Exchange – Ahmedabad, Madras Stock Exchange Ltd., The Delhi Stock Exchange Association Ltd., The Calcutta Stock Exchange Association Ltd. ”

“RESOLVED further that the Board of Directors be and is hereby authorised to make necessary application in this regard and to do all such acts, deeds and things as may be necessary to give effect to the above special resolution.”

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6. As a Special Resolution :

“RESOLVED THAT subject to approval of the members in terms of Section 31 of the Companies Act, 1956, the following alteration be incorporated in the Articles of Association of the Company, viz :

Existing Article 20 to be deleted and replaced by the new Article 20 as follows:

‘20 – The non-executive directors shall be entitled for a sitting fee of such amount for attending any meeting of the Board of Directors or Committee thereof as may be determined by the Board of Directors within the ceiling as prescribed under Rule 10 B of the Companies (Central Government’s) General Rules & Forms, 1956 or any other rule or notification from time to time, and all payments to the non-executive directors be disclosed in the annual accounts of the Company from time to time. The non-executive Directors shall also be entitled to be paid their reasonable travelling, hotel and other expenses incurred in the execution of their duties as Directors and members of any Committee.”

7. As a Special Resolution :

“RESOLVED THAT the Company hereby accords its approval pursuant to Section 163 (1) of the Companies Act, 1956, to keep the Register of Members, Index of Members, copies of Annual Returns and other relevant and necessary records and documents in the office of Intime Spectrum Registry Ltd., the Registrar and Share Transfer Agent, at 59-C, Chowringhee Road, 3rd floor, Kolkata- 700 020.”

8. As an Ordinary Resolution :

“RESOLVED THAT Shri V N Sharma be and is hereby appointed a whole-time Director, whose office shall be subject to determination by retirement of Directors by rotation. ”

9. As an Ordinary Resolution :

“RESOLVED THAT Shri Talmiz Ahmad be and is hereby appointed a Director, whose office shall be subject to determination by retirement of Directors by rotation.”

Registered Office :
Balmer Lawrie House
21, Netaji Subhas Road
Kolkata - 700 001
23 August 2005

By Order of the Board
R. Mukherjee
*General Manager (Legal) &
Company Secretary*

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS STEAD, AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office, not less than 48 hours before the Meeting.
3. Dividend, if any, that may be declared at the Meeting, will be payable, except dividends which are to be kept under abeyance as per the provisions of Section 206A of the Companies Act, 1956 ("the Act"), to those Members, whose names will appear in the Register of Members or in the beneficiaries list of the Depositories on 23 September, 2005.
4. Members are requested to:
 - I. intimate Intime Spectrum Registry Limited, on or before 16 September 2005 at 59C, Chowringhee Road, 3rd floor, Kolkata- 700 020, Fax no. (033) 2289 0540 e-mail: kolkata@intimespectrum.com
 - (a) change in their address (including Pin Code), mandate,etc.;
 - (b) bank account number, name and address of the bank;
 - (c) contact phone numbers and e-mail ID.
 - II. quote the ledger folio or Client ID and DP ID numbers in all communications with the Company.
 - III. bring their copies of Annual Report and show Attendance Slip and Entry Pass at the entrance of the venue of the Meeting. Annual Report shall not be distributed at the venue of the Meeting
 - IV. note that the Register of Members and Share Transfer Books shall remain closed from 16 September 2005 to 23 September 2005 (both days inclusive)
 - V. note that unclaimed dividends relating to final dividend paid on 2 November 1998 to be transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Act, on 2 November 2005;
 - VI. note that in terms of Section 224(8)(aa) and 619 of the Act, in case of a Government Company, the Comptroller and Auditor General of India though shall appoint the Auditors(s), but the remuneration shall be fixed by the Company at the general meeting. Item no. 4 under the ordinary business has been inserted as an Ordinary Resolution.
5. The Explanatory Statements pursuant to Section 173(2) of the Act are attached hereto.

Explanatory Statement

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

Item No. 5

At present the issued equity shares of your Company are listed with six stock exchanges, viz. The Stock Exchange – Ahmedabad (ASE), Madras Stock Exchange Ltd.(MSE), The Delhi Stock Exchange Association Ltd. (DSE), The Calcutta Stock Exchange Association Ltd. (CSE), The Stock Exchange, Mumbai, (BSE) and National Stock Exchange of India Ltd. (NSE).

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It is observed for quite a long period of time that the maximum trading of equity shares of your Company was in BSE and NSE. The following table shows the percentage of volume of shares traded by each stock exchange during the last six years.

Year	Percentage of trading volume in Stock Exchanges						
	ASE	MSE	DSE	CSE	BSE	NSE	BSE and NSE jointly
1999-2000	Nil	Nil	Nil	0.64	29.87	69.49	99.36
2000-2001	Nil	Nil	Nil	0.24	39.44	60.32	99.76
2001-2002	Nil	Nil	Nil	1.24	26.60	72.16	94.76
2002-2003	Nil	Nil	Nil	2.58	19.54	77.88	97.42
2003-2004	Nil	Nil	Nil	1.66	46.07	52.27	98.34
2004-2005	Nil	Nil	Nil	0.94	44.76	54.30	99.06

The following table shows the annual listing fees paid by the Company in last six years.

Year	Annual listing fees paid to the Stock Exchanges					
	ASE Rs.	MSE Rs.	DSE Rs.	CSE Rs.	BSE Rs.	NSE Rs.
1999-2000	20,000	21,000	20,000	35,000	20,750	14,000
2000-2001	20,000	21,000	20,000	35,000	30,000	14,000
2001-2002	20,000	21,000	20,000	35,000	30,000	14,000
2002-2003	20,000	21,000	20,000	35,000	30,000	14,000
2003-2004	20,000	21,000	20,000	35,000	30,000	14,000
2004-2005	20,000	21,000	20,000	35,000	30,000	28,000

The trading volumes in ASE, MSE, DSE and CSE do not justify continuation of listing of the issued equity shares with such stock exchanges.

Hence the proposal is to delist the issued equity shares of the Company from ASE, MSE, DSE and CSE and continue to remain listed with BSE and NSE, which are having on-line trading facility. BSE and NSE put together can handle the trading requirement of the equity shares of the Company. The year 2004-05 has witnessed 99% of the trading volume of equity shares in BSE and NSE.

It may be pertinent to note that on and from 26 June 2000, the equity shares are available for trading only in dematerialized form and with the extensive networking of BSE and NSE, the investors of your Company would have access to online dealing in the equity shares across the country. The proposed special resolution shall be in the overall interest of the investors, and shall neither affect the shareholders of the Company in an adverse manner, nor cause any hardship to the capital market.

As per Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, the members may approve the special resolution for enabling the voluntary delisting from ASE, MSE, DSE and CSE.

The proposed delisting shall take effect only when all the requisite permissions, approval and sanctions are received from the appropriate authorities.

Your Directors recommend passing of this special resolution.

None of the Directors of the Company are in any way interested or concerned in the proposed special resolution.

Item No. 6

Article No. 20 of the Articles of Association of your Company contains provision relating to the remuneration of the directors which was inserted long time back and the same is required to be replaced for remunerating the non- executive directors for attending the Board and Committee meetings.

It may be pertinent to note that at present no remuneration is paid in any form to the non-executive directors who are all Government nominees. This special resolution is an enabling resolution to remunerate independent directors (who would be non-executive directors).

In terms of Section 31 of the Companies Act, 1956, alteration of the Articles of Association can be effected only by passing a special resolution and accordingly the Directors recommend the special resolution in this item of the notice for approval of the shareholders.

None of the directors of the Company are concerned or interested in this special resolution.

Item No. 7

Section 163 (1) of the Companies Act, 1956, (hereinafter stated as "the Act") states that Register of Members, Index, copies of Annual Returns and all related documents (hereinafter referred to collectively as "Statutory Registers") are required to be kept by a Company at its Registered office provided that such Statutory Registers can be kept by a Company at any other place within the city, town or village where the Registered office of the Company is situated, if such other place is approved by a special resolution passed by the Company in a general meeting.

Intime Spectrum Registry Ltd. (ISRL) the Registrar and Share Transfer Agent of the Company, has shifted their office at 59-C, Chowringhee Road, 3rd floor, Kolkata – 700 020. The Statutory Registers are proposed to be kept at such office of ISRL with effect from 24 September 2005.

A copy of the communication of ISRL dated 13 April 2005 intimating the above change of address by ISRL, is available for inspection at the registered office between 10 a.m. and 12 noon on any working day (except Saturdays).

An advance copy of this proposed special resolution shall be forwarded to the Registrar of Companies, West Bengal, for their information and record, pursuant to the provisions of Section 163 (1) (iii) of the Act.

Your Board recommends the passing of this special resolution.

None of the Directors of the Company are concerned or interested in this resolution.

Item No. 8

Shri V N Sharma, a B. Tech in Chemical Engineering from the University of Madras and a Postgraduate Diploma holder in Business Management from XLRI, serving the Company for last 30 years, was appointed an Additional Director on 20 January 2005.

Pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") and Article 9 of the Articles of Association of the Company, Shri Sharma shall hold office only upto the date of the forthcoming Annual General Meeting.

The Company has received a notice under Section 257 of the Act, proposing the appointment of Shri Sharma as Director of the Company whose office shall be subject to determination by retirement of Director by rotation.

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Your Company being a government company within the meaning Section 617 of the Act, the provisions of Sections 198, 269, 309, 310 & 311 of the Act is not applicable for the appointment and remuneration of Shri Sharma as a whole-time Director. The Ministry of Petroleum and Natural Gas ('Administrative Ministry'), Government of India, communicated the appointment of Shri Sharma as Director (Bombay) by their letter of 20 January 2005 and subsequently the terms and conditions of such appointment was intimated to the Company by their letter no. 31023/3/2004 – CA of 29 April 2005, which was circulated under Section 302 of the Act to the members.

The above-referred letters relating to the appointment of Shri Sharma and the Articles of Association of the Company are open for inspection at the Registered Office on all working days (except Saturday) during 10 a.m. to 12 noon.

Yours Directors recommend passing of this ordinary resolution.

Except Shri Sharma no other Director is interested or concerned in the resolution.

Item No. 9

Shri Talmiz Ahmad, IFS, (Additional Secretary, Ministry of Petroleum and Natural Gas, Government of India), was appointed an additional Director on 6 April 2005.

Pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") and article 9 of the Articles of Association of the Company, Shri Ahmad shall hold office only upto the date of the forthcoming Annual General Meeting.

The Company has received a notice under Section 257 of the Act, proposing the appointment of Shri Ahmad as Director of the Company whose office shall be subject to determination by retirement of Director by rotation.

The letter dated 6 April 2005 received in this regard for the appointment of Shri Ahmad from the Ministry of Petroleum and Natural Gas, Government of India as non-executive director (government nominee) and the Articles of Association of the Company are open for inspection at the Registered Office on all working days (except Saturdays) during 10 a.m. to 12 noon.

Your Directors recommend the ordinary resolution for your approval.

Except Shri Ahmad no other director is interested or concerned in the resolution.

**Details of the Director seeking Appointment/Re-appointment at the
88th Annual General Meeting to be held on 23 September, 2005**

Name	Shri P. Radhakrishnan	Shri V. N. Sharma	Shri T. Ahmad
Date of Birth	20 December 1949	4 July 1952	10 August 1951
Date of Appointment	11 March 2003	20 January 2005	6 April 2005
Date of last Re-appointment	24 September 2003	—	—
Qualification	B.A., D.S.W.	B. Tech (Chemical Engineering), MBA	M. A. (History)
Expertise in Specific Functional Area	<p>a. Human Resource Development.</p> <p>b. Personnel Management and Industrial Relations.</p> <p>c. General Management</p> <p>He has over 30 years of varied and rich managerial experience spread over Steel Authority of India Ltd. (SAIL) and Balmer Lawrie & Co. Ltd. Starting his career as a management trainee in SAIL in 1973, he served in various capacities in HR function before joining Balmer Lawrie in 1984. He held Chairmanship of National Institute of Personnel Management (NIPM), Kerala Chapter during 1987-89, National Council membership for several years and had been in the executive committee of West Bengal Council of Confederation of Indian Industry (CII).</p>	<p>a. Production/Operations Management.</p> <p>b. Project Management</p> <p>c. R&D Management</p> <p>d. General Management</p> <p>Joined the Company as Management Trainee in May 1975. He has worked in different functions such as Production Materials, Projects etc over the past 30 years. He has also worked in different capacities as the head of Profit center, R&D and Grease and Lubricants Division. From 1993 to 95 he was responsible for project feasibility study, Joint Venture negotiations, formation of a company (Joint Venture between Balmer Lawrie, Indian Oil Corporation Ltd. and the French Company, Nyco SA), financing arrangement etc in connection with a project for establishing an Aviation lubricants business. He was Chief executive of Avi-Oil India Ltd. [Now Avi-Oil India (P) Ltd.]. He underwent a training programme in the UK on Management of Production. He played a key role in the formation of the Indian Chapter of National Lubricating Grease Institute. He is Vice President of Indian Chapter of NLGI and Eastern Section of SAEINDIA. He is President of the Tribology Society of India.</p>	<p>a. International Affairs.</p> <p>b. Diplomacy</p> <p>c. Oil Affairs.</p> <p>An IFS of 1974 batch. Posted early in his career in Kuwait, Baghdad, and Sana'a and later as Consul General in Jeddah. He has also been posted at the Indian Consulate in New York (1984-87), as Minister (Press and Information) in the Indian High Commission in London (1991-94) and as Deputy High Commissioner in Pretoria, South Africa (1994-97). He has served as Official Spokesman of the Ministry of External Affairs in 1997. During 1998 to 2000 he was Joint Secretary (Gulf/Haj) in the Ministry of External Affairs. He was appointed as the Ambassador of India to Saudi Arabia in 2000 and to the Sultanate of Oman in July 2003. He has published a monograph titled "An Introduction to Contemporary Islamic Groups and Movements in India" and another monograph titled "Reform in the Arab World" is expected to be published shortly. He has joined the Ministry of External Affairs in October 2004 and is responsible for International Cooperation as Additional Secretary in the Ministry of Petroleum and Natural Gas.</p>