

BLOG



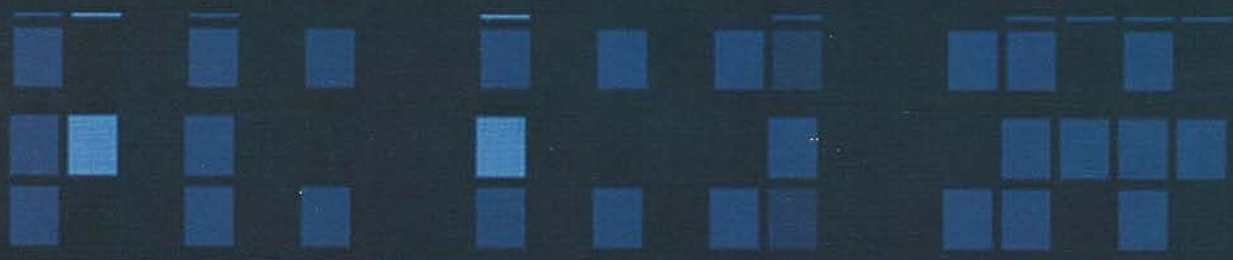
Balmer Lawrie
Organisational Gazette

Issue 14

November 2015



DRIVING GOOD GOVERNANCE



EDITORIAL

It's budgeting time in most companies. At Balmer Lawrie too SBUs / Functions are busy getting their numbers ready. I happened to read an article on the annual budgeting process in the Wall Street Journal and there were some simple tips to get the budgeting exercise right. It says that companies should do dynamic planning and annual budgets should not be used for strategic planning; many important business decisions should be based on a realistic business plan, which can adapt immediately to changes in relevant factors (interest rates, oil prices or competition) during the year. Money should be allocated where it's needed and when it's needed; no business unit or department should have to wait until next year for more resources when an unexpected and important need arises. And, budgets should not be used to evaluate performance, instead a richer set of performance metrics should be devised. While we are getting ready for the annual budgeting exercise, what could be a more opportune moment than this to learn about our colleagues in the Finance department who play such a significant role in this process!

They are the number crunchers, they decide the checks and balances, they help to streamline systems and procedures and their analytical skills, attention to detail and far sightedness is enviable. It is with their guidance that we can get the best out of any tendering process. They provide ideas for maximising profits and teach us good governance. It was indeed a pleasure to work on this issue of BLOG which is a special issue on the Accounts & Finance department.

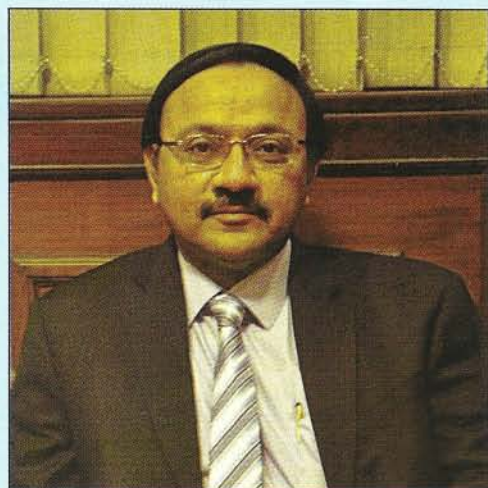
When we talk about good governance, there is one more department that can't be ignored and that is the Vigilance department. In the end of October, PSUs observe the vigilance awareness week and thus, this was also the right time to feature the department that actively works on promoting the message of anti-corruption, transparency, integrity and ethical work practices.

Hope you enjoy reading this issue. I will look forward to your suggestions, contribution and feedback as always. Do not hesitate to email me at mukhopadhyay.mohar@balmerlawrie.com.

Wish you and your family a very Happy New Year.



LEADERSHIP SPEAKS



*Mr. Prabal Basu
Chairman & Managing Director*

Balmer Lawrie, as you are all aware, is a conglomerate having six major verticals or SBUs, as we call it. This structure, by its very nature has its inherent challenges and complexities. However, there is an advantage of having such a diverse business portfolio. Over the years, there have been some business segments doing well in a particular year which helps to overcome the difficulties faced by any other SBU in that particular year, so that the overall company performance does not get affected.

In order to derive the maximum benefit from such structure / operation of the company, there is a need to have a very robust and effective Management Control System in the company. As I look at it, one of the pillars of such a control system is the Financial Control Mechanism in the company. BL, over the years has been recognized for having a very strong and efficiently run Finance / Accounts department, and all the external agencies like the Statutory & Internal Auditors / C&AG have appreciated the good work of the department over the years. However, I would like to put

in a word of caution to all the Finance professionals in the company that we cannot be complacent and be resting on our past laurels, as the accounting world is fast changing and the demands of information requirement by the businesses are ever increasing. It is a matter of pride for all finance professionals in BL that they, as a team, are looked at as the brightest and most organized team, who have worked as the backbone of the company. I would thus call upon each one of you to carry on the good work and strive to take the company to greater heights. We need to be more proactive to the business requirements and try to contribute positively to the business / operation requirements of the SBUs and the company as a whole. However, we should not at any point of time, lose sight of the basic function that the Finance professionals are expected to perform which is to work as the custodian of the assets of the company and ensure that all systems / procedures are followed to ensure maximum benefit for the organization.

LEADERSHIP SPEAKS

Apart from the Finance wing, one of the other pillars of control mechanism in our company is the Vigilance mechanism. The Vigilance department in BL has over the years been very proactive and has been contributing positively towards fine tuning / improvement of our internal controls and systems so that the company can prosper. I must acknowledge the fact that the Vigilance department in BL under the able leadership and guidance of our CVO, Shri Anand Kumar, has been working in tandem with all of us in BL for the growth and prosperity of the organization through the improvement of our systems, so as to make them more robust and transparent.

I take this opportunity to call upon all the Finance and Vigilance professionals in our organization to continue the good work and put in best efforts to make this organization grow to its full potential in the coming years.

Wish you all a happy and prosperous 2016.

EVOLUTION OF FINANCE @ BL AND WAY FORWARD

The Finance function at Balmer Lawrie (BL) primarily comprises the accounting, treasury operations, budgeting and taxation activities. Over the years, all these functions have undergone a series of changes keeping in line with the changes in the statutory and compliance environment. Taxation function has probably undergone a sea-change over the years both in terms of procedures, regulation and approaches. From the age old manual processing and consolidation of data, a system generated compatible to e-governance interface has been in vogue, and the process of development is continuing regularly.

Technological evolution and widespread application of Information Technology (IT) has changed the approach in execution of all functional activities. Information about tax deducted at source by our customers, which used to be available to us only after receipt of the physical certificates and collection of which was a herculean task, is now appearing on the computer screen on a real time basis. Issuance of TDS certificates and availability of credit thereof is almost dematerialised and online today. Deposit and Refund of tax is also being made online and all off line transactions have been rescinded with. In the frontier of Indirect taxes too, IT has changed the entire working environment. From the era of manual collection of way bills, declaration forms etc. the entire process has been made online and the e-governance interface has turned the entire process transparent and trustworthy. Similar changes have also taken place in the procedural aspects of Service Tax, Central Excise etc.

Our approach in complying with all the statutory requirements has also changed in line with the changes made by the statutory authority. BL, being a tech-savvy organisation, has adopted the most modern approach for the accounting, finance and taxation functions and is continuously upgrading the same. With the implementation of SAP, the erstwhile time taking process of data sourcing and arrangement required for any assessment or otherwise has become very easy. IT is a great enabler in paving the way for best practices followed in the Company and to ensure appropriate compliances of all statutory requirements. Complying with the requirement of the proposed Goods and Service Tax (GST), which is visualised as the biggest tax and business process reforms in our country would be one of the biggest challenges for the taxation, accounting and IT functions of the Company, and Team BL as a whole is confident of overcoming that challenge too.

–Mrityunjay Acharjee, AVP [CT&IA]

FINANCE @ BALMER LAWRIE

It gives me immense pleasure in penning this article on the captioned subject, a topic which is very close to each and every single Finance personnel in Balmer Lawrie (BL) and we feel very proud to be a part of this fraternity.

The Accounts & Finance (A&F) fraternity is acknowledged for their honesty, integrity, knowledge, and most importantly for their attitude and willingness to unlearn or learn and move forward. Over the years they have spearheaded the support system for transformation of BL into a systems driven organisation, simplifying and reducing the time schedule for carrying out various activities.

The A&F fraternity is extremely well structured with opportunities for growth and seamless transfers between various SBU's. This has helped the Accountants in acquiring in-depth knowledge of various businesses and broaden their overall outlook, which has enabled them to even move out of the function and successfully lead the various functions, SBU's and even the Company. Traditionally, the 'Accountants' in BL have enjoyed tremendous confidence of the other functions and have been providing necessary inputs for taking various business decisions.

Though the Finance department in BL is considered to be very conservative, it has always been an integral part of any new initiative taken by the management and has provided whole-hearted support in taking these to their desired outcomes. Any new venture comes with its attendant uncertainty and risk factors. The A&F team has always provided the balancing factor by helping in reducing these elements.

The major achievements in the last couple of years include the implementation of SAP, which is an

FINANCE @ BALMER LAWRIE

initiative to bring things online and introduce uniformity across all SBU's. The accounts closing time has also been significantly reduced. It is the result of judicious handling of finance by the professionals at BL that we have attained a cumulative fixed deposit figure of Rupees Four hundred crores during the year 2015. And today, we enjoy the luxury of undertaking fresh investments in new ventures out of our own internal accruals and on our terms without getting exposed to the vagaries of the external interest rate movements.

Lot of changes are taking place in the corporate world which have significant bearing on the accounts of BL. The new Companies Act, 2013 was introduced requiring certain changes in the presentation of accounts. Internal Financial Control (IFC) was a new concept introduced during 2014-15 requiring the comments of Directors in the Directors' Report and from 2015-16 the statutory Auditors would also be required to comment on the same. As a step towards being International Financial Reporting Standards (IFRS) compliant, BL needs to redraft its accounts as per Indian Accounting Standards (Ind AS) and maintain its books in the prescribed manner from 2016-17 onwards. An external firm of professionals conversant with these ideas has been appointed to ensure smooth transition and the necessary groundwork has been completed.

However, we would now like to plan for a further reduction in accounts closing time, preferably fifteen days for quarterly accounts and a month for annual accounts. SAP can help to a large extent in providing the same albeit with the help of all the accountants and due support from the other functions, wherein all entries need to be captured in SAP on real time basis. The goal is to move towards a total systems driven organisation, reducing manual intervention to the minimum levels. Implementation of budget module in SAP remains a very desirable target to ensure monitoring of all budgetary controls through systems.

To conclude, I would like to reiterate that with excellent support from all the other functions we would like to keep on soaring higher.

-Saurav Dutta, AVP [Finance]

TEAM FINANCE



The Accounts and Finance Team at Balmer Lawrie comprises professionals who provide unstinted support to the SBUs/Functions and partners with them at every juncture with the sole aim of achieving the set goals.

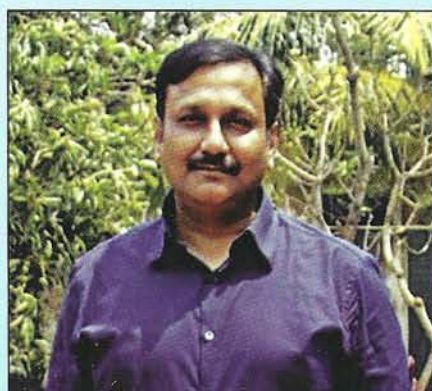
GLIMPSES FROM THE ACCOUNTS & FINANCE MEET



The Accounts & Finance Meet was held on 20th and 21st November at Pench near Nagpur.

VIGILANCE @ BALMER LAWRIE

FROM THE CVO's DESK



*Mr. Anand Kumar
Chief Vigilance Officer*

First of all, I would like to thank the Management of Balmer Lawrie for giving me an opportunity to express my views and thoughts in this special issue of BLOG of November 2015. Let me clear some concepts/ideas of vigilance functions which are very much essential for our organisation.

There is no denial that the Vigilance wing aids the management in maintaining integrity, probity and

transparency in the organisation. When we recognize Vigilance as a management function, the underlying recognition is that Vigilance is not a function at cross purposes from other managerial functions, and the objectives of the Vigilance function is well aligned to that of the organisation.

Vigilance is not the sole responsibility of Vigilance functionaries. Each and every member of the organisation and even other stakeholders have to be vigilant to keep the organisation clean, transparent and ethical. Each member of the organisation has to make sure that no unethical practice is exercised within their domain of work. As the entire management is expected to get involved in this exercise, Vigilance truly becomes a management function.

I would like to emphasize for everyone, that it is a clear lack of understanding that vigilance causes hindrance to smooth functioning of any organisation, and demotivates the executives and creates a sense of fear and obstruction to normal

VIGILANCE @ BALMER LAWRIE

decision making. In fact, it is just the contrary. The executives should have the confidence that if they take a bonafide decision, vigilance will definitely be by their side. There are various laid down guidelines and policies of the organisation which every one of us, especially the dealing officers should be well acquainted and conversant with. Many managers may perceive CVC guidelines on procurement, job rotation etc. to be constraints in their decision making. But the guidelines of CVC have been formulated based on experience to uphold the ideas of transparency and probity. They are basically the tools/ guidelines for impartial and fair decision making.

I would therefore end by saying that Vigilance is a collective responsibility, and we should follow the system of Corporate Governance i.e. be **Transparent** (make available or widely known), be **Accountable** (required to justify actions/decisions), have **Probity** (have the quality of being honest and monitoring) and **Equity** (have the quality of being fair and impartial). In abbreviation we can say **TAPE**, which becomes the benchmark for good corporate governance. If each and every employee keeps this in mind and has a positive attitude, then this will definitely make the organisation clean and healthy.

Know your CVO...

Mr. Anand Kumar belongs to the 1988 Batch of the IPS and commenced his service career in August 1989. After successful completion of training at the LBSNAA, Mussoorie and NPA, Hyderabad, he was allotted to the Uttar Pradesh (UP) Cadre. Mr. Kumar has held extremely sensitive and challenging posts in UP. He has served as ASP - Gorakhpur, SP - Ghaziabad and subsequently as the District Superintendent of Police of Rae Bareilly, Muzaffarnagar, Haridwar, Dehradun and GautamBudh Nagar (Noida) districts of undivided UP. He also served as the Commandant of the 41st Bn of PAC at Ghaziabad. During his tenure as the SP/SSP in the districts where he served, he made invaluable contributions to policing, implemented innovative ideas, maintained a tight control over crime, and took strict action against criminals besides maintaining law and order of the highest order. He has also served as DIG and IG of Saharanpur range.

Mr. Kumar served as Secretary in the Home Department during which he inter alia handled complex policy making issues, Human Rights violations, Arms Licensing and Preventive Detentions in addition to monitoring law and order issues in UP. He exhibits dynamic decision making and responsiveness in handling unforeseen situations. Mr. Kumar has also served on Central Deputation as the Director (Security) of the Airports Authority of India, erstwhile Indian Airlines and NTPC Ltd., where he made significant contributions in coordinating, streamlining, augmenting and reorienting the security mechanisms in the Civil Aviation Sector and the Power Sector.

He is currently posted as the Chief Vigilance Officer, Oil India Limited and has taken effective preventive measures to reinforce and streamline the anti-corruption mechanisms. Mr. Anand Kumar has been acknowledged as an extremely efficient, hardworking and committed officer who meticulously utilised the available resources optimally and delivered superlative results. During his tenure in the field postings as SP/SSP/DIG/IG, he has received several commendation letters from senior officers of the State Government in recognition of his outstanding contribution in policing. He was accorded the Police Medal for Meritorious Services on the Republic Day 2009, in recognition of his services.

ACHIEVEMENTS OF VIGILANCE

- The Vigilance dept. continuously ensures that all the CVC circulars are uploaded in the BL intranet for ready reference of all employees.
- 131 man-hours of Vigilance awareness training was conducted at G&L – Kolkata & Silvassa, CFS – Kolkata & Dronagiri, Ballard Estate Mumbai, City Office Chennai and Manali Complex Chennai in the recent past.
- The Vigilance dept. actively carried out preventive inspection and suggested improvements in various activities ranging from CDRR amendments to process modifications in plants.
- The Vigilance dept. is proactively working with the HR Dept. to have a system of online property return submission.
- Workshops were organised by the Vigilance dept. inviting personnel from CVC, CBI and CVOs from other organizations. This helped BL executives to enhance their knowledge.

OBSERVANCE OF VIGILANCE AWARENESS WEEK



The Vigilance Awareness Week was observed from 26th to 31st October 2015. The theme this year was "Preventive Vigilance as a tool of Good Governance". During the week various programs were held centred on the theme. The week commenced with the administration of the pledge and reading out of C&MD and CVO's messages at all locations across India. Customers, suppliers, contractors, service providers, NGOs and other stakeholders were invited and presentations were made by senior officials of the company. Slogan, essay and quiz competitions were organised, in which employees participated with much enthusiasm. In a first of its kind endeavour, an extempore competition was organised in select schools and colleges in the eastern region to spread awareness on participative vigilance. Knowledge sharing sessions and vendor meets were also held.

VIGILANCE – A VALUE ADDITION

VIGILANCE is the action or the state of keeping a careful watch on the happenings and proceedings, with an ability to foresee possible dangers/difficulties and taking pro-active measures to prevent any such adversity.

Every organisation has a vision and a mission and all efforts are taken to progress and achieve the same with the help of available resources. During this process, the organisation protects itself from external dangers by keeping in place an effective security system. Vigilance, on the other hand, plays a crucial and supportive role to protect the organisation from internal dangers which are more serious than external threats. Vigilance performs the role similar to that of the human immune system, by keeping a watch on business processes and functions, identifying vulnerable areas, guiding the management to take necessary preventive/corrective actions, and suggesting modifications for improving the organisation's health.

Today, organisations play a significant role in the economic as well as the social development of the country. The challenges of today's changing economic scenario and the various ethical lapses that occur in corporate institutions call for a more sophisticated approach in managing day-to-day affairs. In the context of increasing economic, technological and social instability, the risk and responsibility of the employees are rapidly changing. Companies deal with public money and hence, while shouldering the huge responsibility of safeguarding the interest of all stakeholders, they need to be more accountable. With vast discretionary powers vested in them, conducting business has to be fair, transparent, prudent, cautious and circumspective, and they should avoid wrongful decisions and wastage/loss of resources.

Long term success of a corporate entity lies in internalization of ethical values and ensuring that these are woven irretrievably into the company's policies and practices. With a view to ensuring this, rules and procedures are laid down in the organisation and conscientious observance of those rules/procedures by all employees would ultimately enhance the efficiency of the organisation to a great extent.

The concept of Vigilance as of today is 'Vigilance for Corporate Growth'. Over the years the vigilance function has transformed from a policing function to a risk assessment, analysis and control function. By ensuring fair play, justice and by preventing seepage of resources, it promotes morale, efficiency and thereby, a better bottom-line for the organisation. Vigilance plays a crucial role in supporting the organisation in strengthening its accountability-framework, by creating an environment of absolute integrity, enriching transparency & accountability, and finally adding value to the system.

Vigilance provides important instruments for improving the performance of the organisation, which includes promoting clean business transactions, professionalism, productivity, promptness and ethical practices. It also assists in systemic improvements in curbing opportunities for corruption. In short, Vigilance is a part of the overall risk management mechanism of an organisation whereby systems are structured in such a manner so as to prevent leakage, and at the same time making the organisation more transparent and accountable. In addition to protecting the organisation's health, Vigilance serves as a tool for enhancing the efficiency and effectiveness of every management function, by suggesting measures for better utilization of material and manpower resources, so as to minimize cost, avoid loss, and maximize profits, by adopting ethical business principles and establishing good governance.

–P G Santhana Krishna, Manager [Vigilance] & A K Chougule, Chief Manager [Vigilance]

Participative vigilance and e-governance through technology

Importance of participative vigilance is the responsiveness of each Balmer Lawrie to the expectation of stakeholders, so that unethical practices are eliminated and there is equity and fair play in our dealings. Participative vigilance however is not a standalone activity. It is part of the overall strategy of Balmer Lawrie (BL) that strives for excellence in structure, systems and processes and these are built in such a manner so as to prevent leakages, which adversely affect productivity and profitability. The sense of inertia and risk avoidance has to be eradicated. Participative vigilance should be perceived as a critical feature for maintaining probity, integrity and efficiency of our organization.

The Vigilance Department in BL has been pro-active and various system improvement suggestions were made ranging from incorporation of rules in CDR to correction of technical flaws in machinery layout. This is possible only by way of having a culture of participative vigilance in the organization i.e

SAFETY IN PLANT MAINTENANCE

each employee needs to be watchful and cautious while discharging his/her public duties. The Vigilance function therefore, is neither confined to the vigilance set-up nor does it remain restricted to Vigilance functionaries. All of us are expected to follow transparent rules and ensure fair judgment based on common prudence and this calls for participation from all stakeholders.

E-governance brings in efficiency as well as transparency and therefore needs to be assimilated and integrated into all aspects of our decision making. By making all activities (especially those related to procurement, payments, outsourcing and recruitment that are vulnerable to unethical practices) available on an open platform to all the stakeholders, the likelihood of abuse is greatly reduced. Decision makers will be empowered to take quick decisions, as good governance measures through technology aided solutions would aid prudence and clarity of purpose.

BL is in the process of implementing technology based solutions, which are yet to be fully accomplished. The Vigilance Department has suggested implementation of Bill Tracking System in BL, which has already been implemented by various Public Sector organizations. With this, the vendors can view the status of their bills online. This process will help in timely payment and the system of processing of payments will be much efficient. The Department has also suggested for online submission of Property Return by employees which is under consideration. E-payment system has already been implemented. Tenders and tender details are uploaded on the corporate website.

BL has already implemented HRMS (Human Resource Management System) and the job vacancies are notified in the corporate website, where online submission of applications can be done with the help of E-recruitment User Manual, which is also available online.

In manufacturing and services business, various IT platforms have been designed and upgraded from time to time. Self-Booking Tool in Travel Department, Container tracking inside CFS using RFID technology and implementation of SAP are some of the various e-governance initiatives.

–P N Hari Narayanan, Manager [Vigilance] & D P Das, Manager [Vigilance]

Tete-e-tete with Mr. Sandip Das, VP [Finance]

You have been associated with the Finance Function since the time you have joined Balmer Lawrie. Tell us about your experience.

It is indeed true that I have been in the finance function since I joined Balmer Lawrie (BL) from GEC Alstom. My qualification and possibly circumstances would not let it be different. Having said that, let me also add that I have mentally never confined my role to the finance function alone. I am somehow fortunate enough to traverse through almost all the diverse businesses of BL (some of them extinct on date) in various roles. Sometimes as a unit accountant and sometimes as a SBU Finance Head. In my journey in BL since 1993, the diversity of businesses that I was closely associated with allowed me to learn the typicality of each business in depth. I have always believed that in order to be an effective accountant one has to have a good idea of how the activities take place. If one is not aware of the business, then an accountant will only be keeping records. He will never add value to the



business as an advisor, which is also one of his major roles.

I joined BL in Corporate Accounts in May 1993 as Asst. Manager (A&F). Here, I had the opportunity to work directly with the senior accounts team. The A&F function in BL was and even today is a very open department. It was possible that GMs would call you and assign some work directly. There were no defined tiers in work relationships. It was an ideal place to do the job independently and you were allowed to give suggestions and inputs. This was a great opportunity for a young person who wanted not only to learn but also to show his skills.

Beginning of 1996, I was sent out to man what was then called the General Bombay division. It was an offshoot of both corporate accounts and finance for the Western Region. It was my first exposure in dealing directly with banks, the RBI and other institutions. Banking limits were assigned which allowed me to decide independently for availing export loans for the International Business Division whose finance function also came under my folio.

Tete-e-tete with Mr. Sandip Das, VP [Finance]

In September 2000, I was transferred to Kolkata to head the finance function of the Tea division. In between, in 1998, I did a short cameo role of working in BL(UK) for 2 months to set up a computerised system for the new tea factory as well as closing of accounts of the unit. Tea was a completely new business area for me. After a short stint there, I was moved to head the A&F function of IP-Kolkata in end 2002. This was my first exposure in factory accounts and I lapped up the opportunity to learn and learn. I was put in difficult situations but fortunately I was able to find solutions for all of these with the help of my seniors. This was also a very tough time professionally and personally due to some indecent incidents, but again I was able to come out of the situation. During this time the only thing that sustained me was my conviction in truth.

In May 2008, I headed back to Corporate Office as SBU Finance Head of LS. This was by far the shortest stint for me in BL till date. By the time I had managed to get a thorough grasp of the business model, I was transferred back to head Corporate Accounts in December 2009 where I had started, thereby completing a full circle.

In April 2012, I took over the Corporate Finance function in addition to Corporate Accounts. By this time the all India finance function had become centralised to take advantage of the computerisation of banks in India. We were centrally managing funds of the whole company on a daily basis and also doing investments. This was a completely different ball game for me and I was really enjoying the work.

However, the stone had not stopped rolling yet. Very recently, in November 2014, I was transferred to G&L as the SBU Finance Head. I hated missing my Saturday offs which I had got accustomed to, but again this was a perfect opportunity to learn another business model about which I knew almost nothing.

Overall, it has been a very fruitful and enjoyable journey mainly because of the diverse businesses and environments, both favourable and adverse, in which I had to operate.

What according to you are the strengths and weaknesses of Balmer Lawrie?

This is a difficult question and I will try to normalise it. If the business of BL is broken up into simple pieces, there are two major verticals, manufacturing and services.

In manufacturing, the major drawbacks are too many competitors due to low technology barriers. This needs to be overcome by modernisation and selling across this point to our customers as a positive for them. Our aim should be to not only retain them but also wean the others away from competition. Our high class facilities and research

work carried out in ARL and PDC's need to be market oriented and marketed.

In services, the travel and ticketing industry is going through a difficult consolidation phase because of the financial health of the airlines and a cut throat market. The logistics business is a victim of the economic downturn and unorganised market players. In both these areas, our major strength lies in funding of these businesses. In travel, once the consolidation phase is over, the business will look up due to our investments in automation. In logistics, the right step has been taken by the management to integrate the businesses of LS and LI. This will provide value added services for the customer. With focussed marketing, this business is bound to grow if proper care is taken in pricing the bundled services. In addition the services sector is growing rapidly in India and a structured and regulated market has to evolve to take the trade away from the unorganised sector. This, in itself is an opportunity for BL to increase the foothold in the market.

What do you think will majorly affect the profitability and growth of Balmer Lawrie 5 years from now?

It will certainly be coming through automation, technology and IT upgradation and a differentiation creation in the market for both manufacturing and services sectors.

Your tips to Business Managers in integrating financial aspects into decision making...

There is always a need to integrate business performance with finance for deciding on setting performance objectives and targets through optimal use of resources, monitoring them and measuring and reporting the actual levels of performance.

In a lighter vein, take your Finance Head into confidence because ultimately whatever is done or achieved tends to be judged by numbers and it is always comfortable to have a friend by your side.

What personal financial investment tips would you like to give to young Balmer Lawriens?

Here, I can only speak from my experience. My words should not be construed as from an expert. Firstly, start investing as early as possible for your future needs and goals. Focus on very safe forced saving investment options like PPF; for example, if you start at the age of 30 in PPF, your full saving becomes available to you at the age of 45. Remember, it is not necessary to start with a big bang. Start small and then grow your investments as your income grows. It is always nice to see your money multiply. As you grow older and have created sufficient fallback financial security, you can start looking at riskier investment avenues for

Tete-e-tete with Mr. Sandip Das, VP [Finance]

getting better returns. By this time, you are mature enough to decide on the pros and cons. (I never do this when I am working for the company because the downside is unknown)

Lastly, before taking any investment decisions, invest in time. Always do a thorough research on what you are getting into since only long term investments are known to give adequate returns and once you are in, it may be difficult to get out. There are a lot of websites and enough material available on the web for research.

Your advice to new comers in the Finance Dept.

Finance as a function has a very strong background in this company. Financial concurrence is required in almost all decision processes. There are guides available like the purchase manual and the practices generally followed by the company in conduct of business. Learn about them and follow them. Believe in your knowledge and intellect, be rational and you will seldom be wrong. When in doubt, do not hesitate to question. Seek guidance from your functional boss, if required (I still do; after all he knows more than you).

And the most important piece of advice, never stop learning.

Tete-e-tete with Mr. Udayan Ghosh, VP [Finance]

You have been associated with the Finance Function since the time you have joined Balmer Lawrie. Tell us about your experience.

My innings in BL as an Accountant is more than 20 years old and spans across several SBU's starting from my first stint as Associate Services Chennai Accountant and then moving over to Internal Audit, Projects and finally SBU:Logistics. It has been an enriching experience for me both in terms of acquiring functional as well as business knowledge. This company has provided me a lot of opportunities to learn new things and be a change agent to support business needs. I feel privileged to be part of the team responsible for preparation of the project feasibility report of the Temperature Controlled Warehouse (TCW) business, expansion of LI Mumbai and Kolkata, MMLH Vizag and other projects that are under implementation. The support from my colleagues and valuable guidance from my superiors is something that I cherish, and this shall remain everlastingly in my heart.

What according to you are the strengths and weaknesses of Balmer Lawrie?

The strengths of BL are its entrepreneurial culture, adaptability to change, strong financials and wide geographical presence, which have enabled the company to grow from a nominal topline of Rs 41 Cr in 1980-81 to Rs 2816 Cr in 2014-15 which translates to CAGR growth of around 14% in topline. The PBT has also grown from a mere Rs 2 Cr in 1980-81 to Rs 210 Cr in 2014-15 signifying CAGR growth of around 16%. However, BL's weaknesses lie in slow adoption of technology, low entry barrier



business, overdependence on PSU/Govt business and not being aggressive in advertising / branding. The top management is aware of the weaknesses and various measures have been taken starting from branding of the organization, technology upgradation, investments in TCW, MMLH Vizag and more focus on marketing activities has already been initiated.

What are the challenges faced by Finance in a diversified business group like ours?

BL is a diversified company with each of its businesses (both in manufacturing and services) being unique and not having any similarity with the other. The role of an Accountant in such a company with diversified businesses becomes very challenging as he needs to understand the business process of each SBU, its operating package and the data integration with SAP FICO module. The introduction of IFRS commonly known as Ind AS effective from 1st April 2016 is a challenge for our Accounts team as accounts for 15/16 needs to be prepared following the new applicable standard required for comparable reporting of previous year's figures.

How do you think we can make our procurement process more robust in keeping with the changing needs and demands?

We have a well laid down purchase policy which has been periodically reviewed and updated to take care of our business needs. Last revision took place in 2011. The Purchase Manual of our company is more or less in sync with the Public Procurement Bill, 2012 of the Government

Tete-e-tete with Mr. Udayan Ghosh, VP [Finance]

barring some issues like banning of vendors and putting up of details of various tenders at each stage of the purchase function. The only change we can envisage for BL is to make our IT system more robust to take care of the various reporting requirements through an automated process. We also need to strengthen our vendor registration process to ensure wide participation of bidders in our tenders so as to achieve the objective of competitive bidding and economy in procurement cost.

Your advice on retirement planning...

I would advise to take up retirement financial planning from early 50's and invest in a systematic way. Investments can be in various financial instruments available in the market so as to provide a healthy corpus apart from the company retirement dues, which would provide some financial comfort/security in the post-retirement

days. One more important thing is to take a sizeable health insurance policy as early as possible so as to enjoy no claim bonus during employment period, which would mitigate the rising medical costs if any in the post retirement period to some extent.

Your message for newcomers in the Finance Dept.

My humble advise to new comers is to work hard with all dedication and be focused on the current assignment as this company being a mid-size company will surely give you an opportunity to work in various aspects of the Accounts & Finance function. This in turn would provide opportunities for knowledge enhancement and individual growth. BL always recognizes pro-active effort of employees and this coupled with an excellent working atmosphere accelerates the process of bonding with the company.

Tete-e-tete with Mr. Dipankar Mondal, AVP [Vigilance] & SA to CVO

Tell us how Balmer Lawrie is one with CVC's mission of combating corruption through participative vigilance.

Our organization is very much in line with the CVC guidelines. The good practice of Balmer Lawrie is that, it implements the CVC guidelines to combat corruption. One of the major advantages for us is that major purchases are mainly Base Oil & Steel which is around Rs. 30-40 crores and these procurements are mostly done from PSUs. Our purchase manual is well defined and is in line with the CVC guidelines. Hence, there is limited chance of corruption in the purchase procedures. Our Vigilance Department primarily works on preventive vigilance by modifying rules, regulations and taking care of procedural lapses. Participation is one step ahead of preventive vigilance; so let's join hands to combat corruption together.

Your thoughts on preventive vigilance as a tool of good governance...

Preventive vigilance is adoption of packages of measures to improve systems and procedures to bring transparency, accountability, probity and equitability. All these attributes are the



characteristics of good governance. Actually preventive vigilance is the journey towards achieving good governance.

Balmer Lawrie is a clean organisation. What according to you is that one important thing that each one of us need to practice to enjoy this status forever?

It is a top driven policy. Our rules, regulations and procedures should be transparent, accountable and equitable. Manuals need to be updated and implemented as per government guidelines. Each member of the organization has to make sure that no unethical practice is exercised within their domain of work. We should consider ourselves as one of the vigilance officers. If we start practicing this, Balmer Lawrie will be clean organization forever.

Highlight the areas that need special attention in our mission towards eradicating corruption in Balmer Lawrie.

Generally the role of Vigilance is not perceived positively. This mind set towards Vigilance should change first. People should believe that Vigilance is a support function like other support functions, only

Tete-e-tete with Mr. Dipankar Mondal, AVP [Vigilance] & SA to CVO

then can we witness participative vigilance. Also, awareness training programs need to be organised, which would help to change perception.

Your message for new comers in Balmer Lawrie...

I will request all new comers to go through our rules/regulations/procedures. All the manuals are available on the intranet. Be transparent, fair and ethical and help others to be so. You should always keep the organization clean and corruption free in the present and future.

Know Your Leader...



Manoj Lakhanpal
Senior Vice President [Finance]

1. Your motivation to stay with Balmer Lawrie

I joined Balmer Lawrie (BL) in the year 1988 at Mathura. At that point of time I was not sure whether I had taken the right decision of working with BL and wanted to move out. Now I find BL is one of the best places to work. Primarily it is the culture of BL, which has been gluing me to it and then the inter-woven Accounts & Finance fraternity that has been acting as a binding force. BL is one of the most professionally managed organisations where employees can have different views as compared to the views of superiors, and this paves the way for very healthy discussions. Within the overall job responsibilities, BL offers lot of freedom to plan and carry out the work. For me the journey has been quite rewarding and satisfying.

2. Significant professional and personal achievements

I joined BL in grade 'B' (equivalent to 'E2' now). At that time I never imagined that one day I will reach the level of General Manager and report to Director (Finance). Having reached so far, now I am party to

the decisions relating to the Finance Department for the entire Company. As a special invitee to the Audit Committee, I have been making presentations on Quarterly Accounts, Revenue Budgets, Capital Expenditure Budgets etc. I am now also discharging the role of CFO of the Company.

3. Significant achievements of the Finance function in Balmer Lawrie

We have been seeing lot of changes taking place in the Finance function over the last about five years. As imbibed in the culture, the entire Accounts & Finance fraternity stood by and was religiously dedicated to implement all the changes. It started with the revised format for Schedule VI for Balance Sheet and Profit & Loss Account. Thereafter Companies Act 2013 brought additional requirements. During the year 2014/15 a new subject was added – Internal Financial Controls on which there was no adverse comments in the Directors' Report. From the year 2015/16 Statutory Auditors will also be required to comment on Internal Financial Controls and we are gearing up for the same.

Being a listed Company, our Accounts are to be drawn as per Ind-AS (IFRS) effective from 1st April 2016. All the Accountants are putting in sincere efforts for its compliance. In the last few years Cost Records and Audit have been made mandatory for our manufacturing businesses, which with a lot of efforts have been duly complied with. The A&F fraternity also successfully worked towards the challenging implementation of the FICO module of SAP and other operating softwares across the Company.

It is the collective achievement of the entire A&F fraternity that all the compliance requirements have been duly fulfilled. I feel blessed to work with such a dedicated and cohesive team of Accountants who are always giving their best to the organisation.

4. Who all are there in your family?

My family consists of my mother, wife (Anita Lakhanpal) and daughter (Bela Lakhanpal). My mother is 91 years old and is totally bed ridden. She retired as a school principal. Many a times I feel

Know Your Leader...

guilty of not being with her at Mumbai, especially at this time when she needs me the most. But Anita is very caring and smilingly attends to my mother 24 x 7 without taking any holiday.

Anita is a post-graduate in English and was fully engaged with her profession as a teacher for more than 20 years. She is now a homemaker and enjoys frivolous shopping, which at times annoys me. Bela is a Chartered Accountant and is currently working with a bank at Mumbai. She gives great company to Anita and we are planning for her marriage next year.

5. Who is the person who influenced you the most and why?

I have been influenced by Mr. S K Menon. He worked with BL as DGM(F) and was based at Mumbai. Although I am not in contact with him since he left BL, but I do recall his jovial nature. He is one person who believed in total delegation.

There are two more persons with whom I enjoy working. One of them is Mr. Prabal Basu. He is a gentleman who has no hidden / personal agenda and is always fully transparent. The ease with which he interprets complex figures is really commendable. Saurav Dutta is the other person who has impressed me a lot. He is very much aligned to the profession and keeps his jobs upto date and in the process successfully maintains timelines.

6. What is your favourite one liner?

Run as fast as you can. In the changing environment this will perhaps enable you to stay where you are.

7. What are your hobbies?

I do not have any hobby. All my spare time goes in

discharging my responsibilities towards my family in terms of managing family properties. However, I enjoy going to the gym and for swimming every evening.

8. Which is your favourite travel destination?

My smaller family and I are based at Mumbai for more than twenty years. Whenever we get an opportunity, we visit Chandigarh, which is my home town. It is a beautiful city which harbours lots of memories for me. Being fully occupied with office and family chores, I have not been able to take my family on a holiday in the past 10 years and I feel deeply embarrassed and guilty about this.

9. Two things that your colleagues don't know about you

I enjoy sleeping. During week days I generally sleep for 8 hours and on holidays I sleep for 10 hours.

I hate tours and like to enjoy a steady and regular schedule in my life.

10. Your management style or mantra

Hard work and hard work.

My day starts at about 7:45 am when I reach office. There is absolutely no disturbance at that time and I can plan my day ahead. During the day the papers that I get are cleared by me within 2 to 4 hours and generally I do not leave any paper pending with me by the day end.

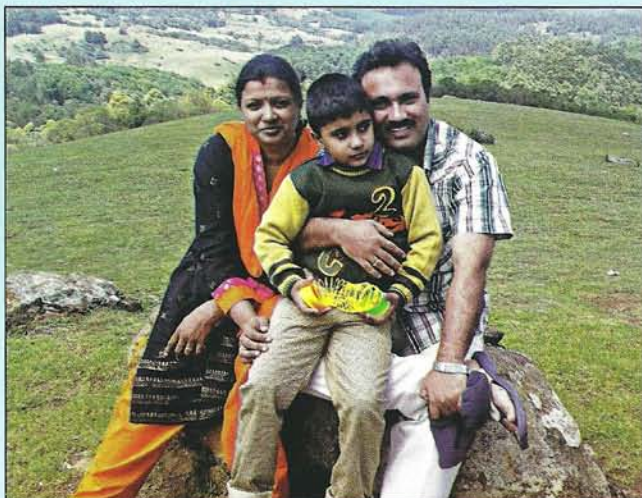
11. Message for all Balmer Lawrie employees

There is no substitute for hard work.

It always pays to be methodical.

Believe in self-introspection and also do critical analysis of self.

Know your fellow Balmer Lawrie...



Mr. Karthikeyan Kandan,
Chief Manager [Finance], Associate Services - Chennai

How long have you been working with Balmer Lawrie and currently what is your role/dept?

I joined as Asst. Manager [A&F] in Travel, Delhi twelve years ago. Currently I am the Finance Head of SBU: Leather Chemicals and Chief Manager [Finance] of Associate Services, Chennai.

What do you like about Balmer Lawrie?

I am lucky that I got the opportunity to work in five SBUs in the last 12 years. I like the work culture in BL and the sense of belongingness. The commitment of employees is amazing and the top Management believes in developing healthy relations with the employees. The internal controls are undoubtedly effective and our work loads are such that there is not much difference between us and private companies. BL is indeed a PSU with a difference.

Know Your Fellow Balmer Lawrien...

What is your most memorable moment in Balmer Lawrie?

I fondly remember the appreciation of C&MD and my other colleagues for the presentation that I made at my first Sr. Accountants & IT conference at Lucknow in the year 2011.

Who is your inspiration in life and why?

I am lucky to have more than one mentor who guide me in various aspects of my life.

What are your hobbies?

Playing cricket and watching movies.

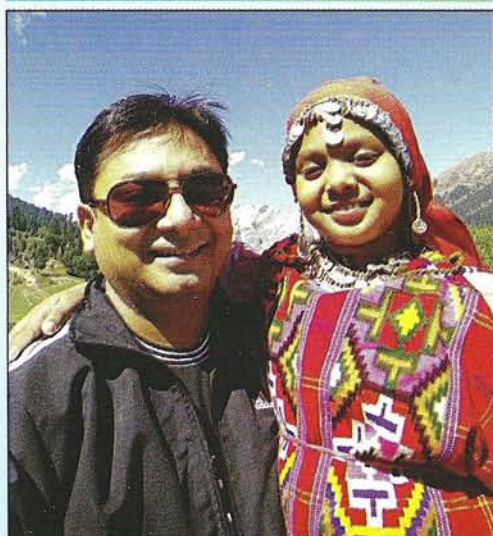
Place you belong to and who all are there in your family?

I was born in Kumbakonam (Tanjore district). My family comprises my mother, Smt K Sugantha, my wife Madhuri and my son Priyesh, who is 8 yrs old and studies in Class 2. He is extremely active and keeps us on our toes always.

Any message for Balmer Lawriens...

Friends, let's learn to enjoy our routines and continue to work hard and contribute towards growth in both topline and bottomline.

Know Your Fellow Balmer Lawrien...



*Santanu Acharya
Chief Manager [A&F], T&V*

How long have you been working with Balmer Lawrie and currently what is your role/dept?

I joined BL in April 2011 as Manager-CC in the erstwhile SBU: Tours & Travel. Prior to joining BL, I was working with Lafarge India in a Zonal Role. Presently I am working as Finance Head of SBU: Travel & Vacations.

What do you like about Balmer Lawrie?

The company is like a family and everyone makes you feel comfortable. The accommodative culture

of BL encourages employees to come up with new ideas. BL is also adaptable to change and besides its ability to transform with times, the openness and accessibility, especially of the top management, is BL's uniqueness.

What is your most memorable moment in Balmer Lawrie?

I have a long innings ahead and the memorable moment is yet to come.

Who is your inspiration in life and why?

My parents and the support of my spouse and above all Lord Shiva for his karmic ability.

What are your hobbies?

I am fond of cars and I love to drive through unexplored roads especially in the mountains. I like playing basketball and watching NBA matches.

Place you belong to and who all are there in your family?

I belong to Burdwan in West Bengal and my family includes my parents, brother, wife and my daughter.

Any message for Balmer Lawriens...

Continue to upgrade yourself with professional knowledge and always remember that the two words perseverance and attitude makes the difference. There is always a next time so go ahead and get what you want.

Know Your Fellow Balmer Lawrien...



*Niranjjan Kumar
Sr. Manager [A&F] - CAC*

How long have you been working with Balmer Lawrie and currently what is your role/dept?

I shall be completing my 9 years in BL on 29th December 2015. I am currently working with SBU: Logistics in CAC.

What do you like about Balmer Lawrie?

Like other PSUs, BL is driven by well-defined procedures for various things. Nevertheless, due importance is given for expeditious conclusion of issues and decisions. Management

Know Your Fellow Balmer Lawrien...

appreciates and provides all the possible support, if someone wants to achieve things faster and in a better manner. We enjoy good interpersonal relationships at BL but that never comes in the way of dealing with things professionally.

What is your most memorable moment in Balmer Lawrie?

I had the opportunity of working very closely with five different immediate superiors and four GMs/COOs in the last 9 years. I feel I have been getting the best possible support from my CAC team, Logistics branches, Corporate Finance and Taxation department with whom I have to interact for my day to day work. Their trust in me created many memorable moments. Quoting the best out of them is difficult for me.

Who is your inspiration in life and why?

My elder sister, from whom I have learnt the equation of result being directly proportional to consistent effort. My mother who is very accommodative, caring and flexible on one side and very strong and firm on the other side.

What are your hobbies?

Nothing very specific but I feel relaxed while reading, and I love taking breaks from the routine schedule and going on small trips with my family.

Place you belong to and who all are there in your family?

I hail from Bokaro Steel City, Jharkhand. I am the fourth of five brothers and sister. My family in Kolkata consists of my wife, six year old son and my mother.

Any message for Balmer Lawriens...

I want to convey to youngsters joining the organisation that by being updated in their profession and technology they can add a lot to the organisation. This is possible only if they are able to merge this with the experience of the company. Contribution of each one of them is very important in whichever area they are posted. Each one of them can bring about a big change in the organisation with their knowledge and experience.

Know Your Fellow Balmer Lawrien...



Vivek Shantaram Patil
Manager [A&F], IP - Silvassa

How long have you been working with Balmer Lawrie and currently what is your role/dept?

I joined BL in January 1996 as a clerk in the Accounts Division of IP, Sewri. I got transferred to IP, Silvassa in June 2008. Since then I have been at Silvassa and currently, I am taking care of the Accounts & Finance function of G&L, Silvassa as Manager [A&F].

What do you like about Balmer Lawrie?

The Top Management of BL is accessible to all levels of BL employees. Any suggestion given by employees in favour of BL is generally considered by the Top Management. There is a healthy relationship between employees and the senior management. They are encouraging, guiding and caring. Colleagues are very supportive and committed. Even though BL is a government enterprise, I believe our work culture is nothing less than a private company or any other corporate sector.

What is your most memorable moment in Balmer Lawrie?

The most memorable moment in BL is the day when I became CWA and stood testimony to the encouragement and support of my seniors, colleagues and family.

Who is your inspiration in life and why?

Although there are many mentors in my life, I follow the quote in Bhagvad Gita - "*Karmanye vadhikaraste ma phaleshu kadachna. Karmaphalehtur bhurma te sangostvakarmani*", which means that you have the right to work only and not expect fruits. Neither let the

Know your fellow Balmer Lawrien...

fruits of action be your motive, nor let your attachment lead to inaction.

What are your hobbies?

Watching movies and playing with my children.

Place you belong to and who all are there in your family?

I belong to Mumbai. There are four members in

my family, my mother Smt Jayashree Patil, wife Swati and two loving sons Yash (9 years) and Shubham (3 years).

Any message for Balmer Lawriens...

Friends, we have successfully covered almost 150 years, which is a matter of great pride for us. Let's work with more passion and dedication to enjoy the same pride for another 150+ years.

Know your fellow Balmer Lawrien...



*Sagarika Basu,
Jr. Officer [Vigilance], Kolkata*

How long have you been working with Balmer Lawrie and currently what is your role/dept?

I joined Balmer Lawrie on 20th November 2014. Since then, I have been working as Junior Officer (Vigilance) in the Vigilance Department, Corporate Office, Kolkata. I am assisting AVP (Vigilance) and other senior executives in the day-to-day departmental activities, in coordination with all the regional Vigilance Officers of BL and the Central Vigilance Commission under the supervision of Shri Anand Kumar, CVO. I perform all the back office operational jobs as assigned to me by my seniors from time to time. Besides, I also participate in the promotional activities/campaigns in schools, colleges and SBUs on behalf of the Vigilance Department.

What do you like about Balmer Lawrie?

As an employee and as a human being, I like the work culture that Balmer Lawrie follows. It has a

great blend of professionalism and interpersonal associations. Everybody is very cordial and helpful.

What is your most memorable moment in Balmer Lawrie?

The most memorable moment in BL was just about a month after my joining i.e. on 14th December 2014. It was the day when we organized the Walkathon to promote "Swachh Bharat Abhiyan". I saw all Balmer Lawriens wearing the same t-shirt walking together starting from the Corporate Office to the destination point at our Elgin Road Guest House. I still feel the pride of participating in that amazing event.

Who is your inspiration in life and why?

The most beautiful feeling in this world is to see my parents smiling and knowing that I am the reason behind that smile. Their smile is my inspiration in life.

What are your hobbies?

I enjoy music. I love to travel as it gives me not only the opportunity to see many beautiful places, but also refreshes my mind a lot. Hill stations are my favourite spots.

Place you belong to and who all are there in your family?

I belong to Kolkata. We are a modest family and stay jointly.

Any message for Balmer Lawriens...

Balmer Lawrie is a great workplace. Let's together continue to foster a strong performance driven culture. All of us are talented and can provide all support to innovate, grow and develop the organisation. So, we should go ahead and work with passion and take forward the legacy of our company and work for the betterment of the society as a whole.

KNOW ABOUT LOAN SCHEMES

In the October 2014 issue of BLOG, we had written about the Continuous Learning Scheme. The company has initiated various employee benefit schemes of which Loans are an important part. In this issue we bring you details of various Loans that the company gives its employees.

Transport

The Company may, at its discretion, provide a car, with or without a driver, to an Executive provided the same is considered essential for the work of the Company. Recoveries from such Executives for personal use of the car will be on such terms as may be decided by the Company from time to time.

The Company may, at its discretion, grant a loan to equip a confirmed Executive with private transport provided it is considered essential for the work of the Company and other operational/representational needs of the job. Details of scheme granting loans together with rules for reimbursement of expenses to Executives for use of privately owned cars/ motor cycles/ scooters/ mopeds for the Official work of the Company are recorded below.

Car / Two Wheeler Loan for Executives

The Car loan shall be on the road price of the new car subject to the following maximum amounts :

Management Level	Maximum Loan Amount
Top Management (Grade E8 and above)	Rs. 7 lakhs
Senior Management (Grade E6-E7)	Rs. 5 lakhs
Middle Management (Grade E4-E5)	Rs. 4 lakhs
Junior Management (Grade E1-E3)	Rs. 3 lakhs

The loan for two wheeler shall be restricted to on the road price of a new Two Wheeler, subject to a maximum of Rs. 1 lakh. The interest rate for all vehicle loans is 5% and will be computed on the balance outstanding on the last day of each month.

Scheme for provision of furniture / equipment at the residence of executives

Executives in Grade 'E0' and above having completed 3 years service as an Executive in the Company shall be eligible for provision of furniture items at their residence. The residence shall be at the place of posting of Executive or at the place from which he / she ordinarily performs his / her duties.

An Executive in Grade 'E3' or above who has not completed 3 years stipulated service will also be eligible, provided a surety from another confirmed Executive of the Company or a bank guarantee is given for an amount equal to the cost of furniture as specified for various categories of Executives.

For Executives in Grade 'E3' and above, the eligibility of 3 years will also include service rendered in any other PSU / Government Department prior to joining the Company subject to the condition that there is no break in service exceeding 30 days from the date of leaving the previous post and the date of joining the Company.

House Building Loan

The Company also provides House Building Loan to its employees.

To know more about the schemes please check the HR Manual uploaded in the company's internet.

TALENT UNLIMITED

MY LIFE

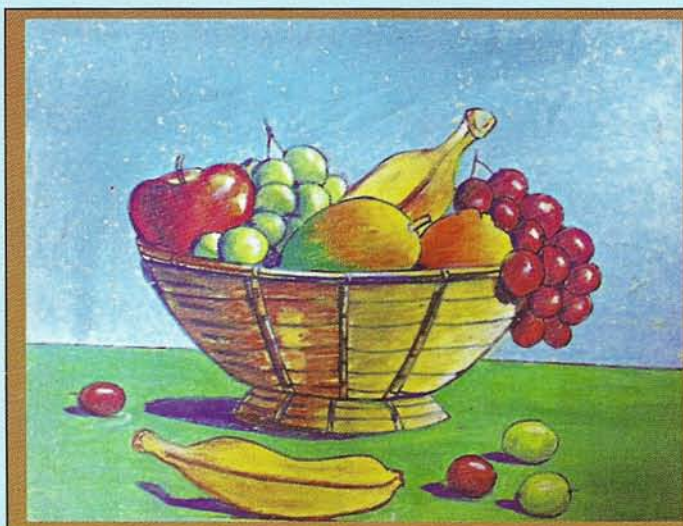
Summer is over,
 Dawn thy winter,
 Exams are in,
 Cricket is on,
 Run-by-run we all enjoy the fun,
 An alien game though,
 Makes India feel one,
 We are all keen to see our home team win,
 Overwhelmed nation on a stage to adorn.

Agrata d/o P M Dutta (Corporate IT)

You...

Ever had a sense of a feeling where you wanted nothing to write, but the words oozed out of the keyboards. The soft, perfect synchronization of the fingers, gentle movement on your lips, lamented eyes withstanding the pressures of the dreams and out of a storm of thoughts running through your head, you manage to put down a drizzle on the computer screen. This is, perhaps, how I felt today. Emotions undressed themselves before you. Thoughts shredded into words and feelings crying out inks. It never pained to be a writer. I was always into pathos. It pains, however, that you were the subject of pathos and not fulfilment. If love was ever to be made in the kitchen, mine would taste bland since the most crucial ingredient of love is missing from my dish - you.

Sidharth Udani, Asst Manager, Logistics - Kolkata

PAINTINGS

Manisha d/o Mintu Dey, CHR D - Kolkata



Sidharth Udani, Logistics - Kolkata

