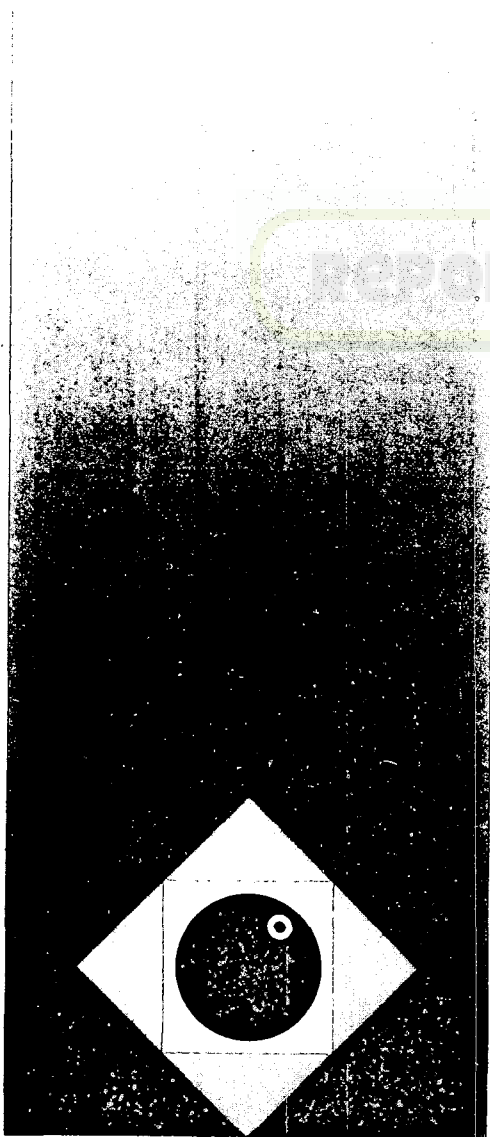


38TH

ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	✓		DPY	✓
PO	✓		DIV	✓
TR	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

Report  junction.com



Balmer Lawrie-Van Leer Limited

38th Annual Report 1997-98**BOARD OF DIRECTORS**

E.A. ROLDANUS — Chairman
 R.L. DHAWAN — Vice-Chairman &
 Managing Director
 R. RITTERSHAUS — Upto 30.06.1998
 DR. C.V. CHANDRASEKHARAN
 J. M. DIDIER
 N.P. SINGH
 N.N. KAPADIA
 U.R. KAPADIA
 PRABHAKAR DEV

MANAGEMENT TEAM

M.N. MENON — Vice-President (Tri-Sure Division)
 AJIT SHAH — General Manager
 (Operations — Valerex Division)
 ANAND DAYAL — General Manager
 (Marketing — Valerex Division)
 S.K. JATANIA — General Manager (Finance)

SECRETARY

R.U. LAKHWANI

BANKERS

Hong Kong Bank
 Bank of India

AUDITORS

M/s. Price Waterhouse
 Chartered Accountants

LEGAL ADVISORS

M/s. Little & Company

REGISTRARS

IIT Corporate Services Ltd.,
 IIT House, Opp. Vazir Glass,
 Next to Sangam Cinema,
 Near J.B. Nagar, M. Vasanji Road,
 Andheri (East),
 Mumbai - 400 059.
 Tel.: 822 5599 (10 Lines)
 Fax: 833 1417

REGISTERED OFFICE

L.U. Gadkari Marg,
 Mahul, Chembur,
 Mumbai - 400 074.
 Tel.: 556 4043-46
 Fax: 556 3984

WORKS**Tri-Sure Division:**

L.U. Gadkari Marg,
 Mahul, Chembur,
 Mumbai - 400 074.
 Tel.: 556 4043-46
 Fax: 556 3984

Valerex Division:

D-195/9, T.T.C. Indl. Area,
 Turbhe, P.O. Box 43,
 Navi Mumbai - 400 705.
 Tel.: 763 0035-37
 Fax: 763 0038

CONTENTS**Page No.**

NOTICE	1
DIRECTORS' REPORT	3
AUDITORS' REPORT	5
BALANCE SHEET	7
PROFIT & LOSS ACCOUNT	8
SCHEDULES	9
NOTES TO THE ACCOUNTS	17
CASH FLOW STATEMENT	23



Balmer Lawrie-Van Leer Limited

NOTICE

Notice is hereby given that the 38th Annual General Meeting of Balmer Lawrie - Van Leer Limited, will be held at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubash Marg, (Rampart Row), Fort, Mumbai - 400 023, on Tuesday the 1st September, 1998, at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors Report, Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date together with Auditors' Report thereon.
2. To appoint a Director in place of Mr. N. P. Singh, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT M/s. Price Waterhouse, Chartered Accountants, 1102, Raheja Chambers, Nariman Point, Mumbai 400 021, the retiring Auditors be and are hereby re-appointed Auditors for the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at such Remuneration and reimbursement of out of pocket expenses in such instalments as may be agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Prabhakar Dev, be and is hereby appointed a Director of the Company."

5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. J. M. Didier, be and is hereby appointed a Director of the Company."

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THIS ANNUAL GENERAL MEETING.

2. The Explanatory Statement setting out the material facts concerning the special business mentioned under item Nos. 4 & 5 of the Notice as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Transfer Books of the Company will be closed from 24th August, 1998 to 1st September, 1998, (both days inclusive).
4. Members are requested to notify immediately any change in the address to the Registrars.
5. Please bring your copy of the Annual Report to the Meeting.
6. Members/Proxies are requested to deposit the enclosed attendance slip duly filled-in and signed, at the entrance of the meeting venue.
7. Members intending to require information about Accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the AGM.
8. Members holding shares/debentures in the same name(s) under different folios are requested to apply for consolidation of such folios and send relevant share/debenture certificates.
9. Pursuant to section 205A of the Companies Act, 1956, the dividend for the financial year ended on 31st March, 1994 which remained unpaid or unclaimed, has been transferred to the General Revenue Account of the Central Government. Shareholders, who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Bombay, Second Floor, Hakoba Compound, Dattaram Lad Marg, Kalachowki, Mumbai 400 033. The Company will transfer unclaimed dividend relating to the year 1994-95 to the General Revenue Account of the Central Government within the statutory period.

By order of the Board of Directors
For Balmer Lawrie - Van Leer Limited

R.U. Lakhwani
Secretary

Mumbai,
Dated: July 30, 1998
Registered Office:
L.U. Gadkari Marg,
Mahul, Chembur,
MUMBAI 400 074

38th Annual Report 1997-98

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 3 :

In terms of Section 224 A of the Companies Act, 1956, if not less than 25% of the subscribed capital is held either singly or jointly or in combination by public financial institutions, government companies, etc., then the appointment or re-appointment of the auditors of that company has to be made by a special resolution.

In the case of the Company, the combined holding of the aforesaid categories of shareholders exceeds 25% of the subscribed capital. Hence, it is necessary to pass a special resolution to re-appoint Messrs Price Waterhouse, as the Auditors of the Company.

The Shareholders approval is also being sought to authorise the Board of Directors to determine the remuneration payable to the Auditors in consultation with them.

As required under Section 224 of the Act, certificates have been received from the Auditors to the effect that their re-appointments, if made, will be in accordance with limits specified in Section 224 of the Act.

None of the Directors are interested in the resolution. The Directors recommend their re-appointment.

Item No. 4:

Mr. Prabhakar Dev was appointed as an Alternate Director to Mr. E. A. Roldanus on 2nd September 1997. On 20th February, 1998 Mr. Prabhakar Dev was appointed as an Additional Director. As such, pursuant to Section 260, of the Companies Act, 1956, Mr. Prabhakar Dev holds office of a Director upto the date of this meeting. It is proposed to appoint Mr. Prabhakar Dev as a Director liable to retire by rotation. A Notice in writing, pursuant to Section 257 of the Companies Act 1956, has been received from a member intending to propose Mr. Prabhakar Dev as a candidate for the office of Director, at this Annual General Meeting, along with a deposit of Rs. 500/-, as required under that Section. Requisite consent has been filed by Mr. Prabhakar Dev pursuant to the provisions of Section 264 (1) of the Companies Act 1956, to act as such Director, if appointed.

Mr. Prabhakar Dev is the representative of Royal Packaging Industries, Van Leer N. V. in India and has over 25 years experience in Indian Industry. It would be in the interest of the Company to appoint him as a Director retiring by rotation. The Directors, therefore, recommend his appointment at the Meeting.

Mr. Prabhakar Dev may be considered to be interested in the Resolution for his appointment. No other Directors are interested in the Resolution.

Item No. 5 :

Mr. J. M. Didier was appointed as an Additional Director on 30th July 1998. As such, pursuant to Section 260, of the Companies Act, 1956, Mr. J. M. Didier holds office of a Director upto the date of this meeting. It is proposed to appoint Mr. J. M. Didier as a Director liable to retire by rotation. A Notice in writing, pursuant to Section 257 of the Companies Act 1956, has been received from a member intending to propose Mr. J. M. Didier as a candidate for the office of Director, at this Annual General Meeting, along with a deposit of Rs. 500/-, as required under that Section. Requisite consent has been filed by Mr. J.M. Didier pursuant to the provisions of Section 264 (1) of the Companies Act 1956, to act as such Director, if appointed.

Mr. J. M. Didier is the Strategic Business Unit Manager for Van Leer Packaging Worldwide covering the Eastern Mediterranean, the Middle East and the Indian Subcontinent. It would be in the interest of the Company to appoint him as a Director retiring by rotation. The Directors, therefore, recommend his appointment at the meeting.

Mr. J. M. Didier may be considered to be interested in the Resolution for his appointment. No other Directors are interested in the Resolution.

By order of the Board of Directors
For Balmer Lawrie - Van Leer Limited

R.U. Lakhwani
Secretary

Mumbai,

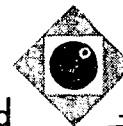
Dated: July 30, 1998

Registered Office:

L.U. Gadkari Marg,

Mahul, Chembur,

MUMBAI 400 074



Balmer Lawrie-Van Leer Limited

DIRECTORS' REPORT

The Directors have pleasure in presenting the Thirty Eighth Annual Report and Audited Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	1997-98	1996-97
	Rs. Lacs	Rs. Lacs
Profit before other Income, Interest,		
Depreciation, Tax and Loss on Exchange	686.21	504.15
Gain/(Loss) on Foreign Exchange	(70.29)	0.51
Profit before Depreciation and Tax	0.14	1.27
Less : Depreciation on Fixed Assets	375.74	309.49
Profit before Tax	(375.60)	(308.22)
Add : Profit from earlier year	(145.51)	163.25
Balance of Profit/(Loss) carried forward	(521.57)	(145.51)

OPERATIONS

Tri - Sure Division:

After the completion of Closure Division Expansion Project in 1996/97, sales showed substantial growth of over 40% particularly exports resulting in improved operating results. Division obtained ISO-9002 Certification in March 1998. Division also received award for Export Excellence from Engineering Export Promotion Council

Valerex Divisions :

V-20

Valerex 20 operations continued to be profitable but growth was lower than expected as slow down in industrial activity in the country led to lower demand in the Lube Oil Sector. Value Addition was under pressure on account of increase in raw material cost which could not be recovered in selling price due to intense competition.

V-200

Production, Sales of Valerex 200 showed very good growth of 52% over previous year. However, due to overcapacity in the industry, Value addition continued to be extremely low and increase in raw material cost could not be recovered resulting in low operating profit and loss after considering interest and depreciation. Strategy is to achieve full capacity utilization and improve contribution including through new open top drum product in 1998-99.

CONSERVATION OF ENERGY

(a) Energy Conservation measures taken :

In addition to Energy conservation measures taken in 1996-97, I.C. motors were provided with AC variable Drive, and balancing of processing temperature of polymer with respect to Screw rpm.

(b) Additional investments and proposals, being implemented for reduction of consumption of energy.

It is proposed to install AC Drive to main motor of Injection Moulding Machines.

(c) The measures taken in (a) & (b) above have resulted in reduction in consumption of electricity and product wastage.

TECHNOLOGY ABSORPTION

Problems in process management cum quality assurance were solved by close interaction and technical assistance of collaborators including upgrading of PLC controls. This resulted in improvement of productivity cum quality. Design for DIN Plug mould for Valerex 200 was developed in-house and new plugs were manufactured and supplied to customers. Product and equipment design for open top drums was received from the collaborator and equipment was in advanced stage of manufacture.

SAFETY AND ENVIRONMENT PROTECTION

Closure Division continued to use an integrated effluent treatment and reverse osmosis plant for generating demineralized water. Scrap generated in Valerex Division was recycled.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation to all employees for their efforts and dedication. Relationship with the Union has been harmonious.

DIRECTORS

During the year Mr. R. Rittershaus resigned from the Board of Balmer Lawrie - Van Leer Limited effective 30th June 1998. The Directors place on record their appreciation for the long and valuable services rendered by Mr. R. Rittershaus to the Company.

Mr. J. M. Didier, of the Van Leer Group was appointed as an Additional Director on 30th July, 1998. Mr. J. M. Didier holds office upto the forthcoming Annual General Meeting of the Company. A Notice has been received from one of the member of the Company proposing the candidature of Mr. J. M. Didier as a Director of the Company.

Mr. Prabhakar Dev, formerly appointed as an alternate to Mr. E. A. Roldanus on 2nd September, 1997, has been appointed as an Additional Director effective 20th February, 1998. Mr. Prabhakar Dev holds office upto the forthcoming Annual General Meeting of the Company. A Notice has been received from one of the member of the Company proposing the candidature of Mr. Prabhakar Dev as a Director of the Company.

AUDITORS

Price Waterhouse hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

38th Annual Report 1997-98

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company Exported goods worth Rs. 11.49 Crores during the financial year. Foreign Exchange outgo for the same period was Rs. 15.80 Crores.

PARTICULARS OF EMPLOYEES

A statement incorporating the particulars of employees as required under sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of this Report is annexed hereto.

For and on behalf of the Board

R. L. Dhawan — Vice Chairman &
Managing Director

R. U. Lakhwani
Company Secretary
Mumbai, 30th July, 1998

N. P. Singh — Director

Annexure to the Director's Report

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March, 1997.

Sr. No.	Name & Age	Qualifications	Designation & Nature of Duties	Date of Commencement of employment	Experience in years	Remuneration Rs.	Last Employment held
1.	Dhawan R.L. (58)	M.Sc. (Chem) Dip. in Business Mgmt. (Geneva)	Vice Chairman & Managing Director	05.08.1994	34	723,531	Balmer Lawrie & Co. Ltd.
2.	Mohan Menon (50)	B.E., M.M.M., M.I.E., M.I.I.P.E	Vice President (Closure Divn.)	17.11.1988	26	332,672	Press Metal Corpn. Ltd.
3.	Menon S.K. (46)	B.Com. (Hons.) ACA	Vice President (Finance)	26.04.1994	20	330,157	Balmer Lawrie & Co. Ltd.
4.	Shah A. (48)	B. Tech. (Mech)	Genl. Manager (Operations) Valerex Division	26.04.1994	27	391,558	Balmer Lawrie & Co. Ltd.
5.	Dayal A. (43)	B.A. (Econ.) Dip. in Mktg. Management	Genl. Manager (Mktg.) Valerex Division	26.04.1994	22	390,940	Balmer Lawrie & Co. Ltd.

Notes : 1. Nature of employment - Contractual in all cases.

2. Remuneration includes salary, allowances, leave encashment, Company's contribution to Provident Fund, Superannuation Fund, Reimbursement of medical expenses, leave travel assistance, rent paid less recoveries in providing accommodation and where it is not possible to ascertain the actual expenditure incurred by the Company in providing a perquisite, the monetary value of such perquisites has been calculated in accordance with the Income Tax Act 1961 and Rules made thereunder.

3. None of the employees is a relative of any Director of the Company.

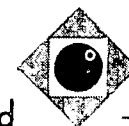
4. No employee of the Company is covered by the provision of Section 217(2A)(a)(iii).

For and on behalf of the Board

R. L. Dhawan — Vice Chairman &
Managing Director

R. U. Lakhwani
Company Secretary
Mumbai, 30th July, 1998

N. P. Singh — Director



Balmer Lawrie-Van Leer Limited

AUDITORS' REPORT**TO THE MEMBERS OF BALMER LAWRIE-VAN LEER LIMITED**

1. We report that we have audited the Balance Sheet of Balmer Lawrie-Van Leer Limited as at March 31, 1998 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report.
2. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account, together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956, and, also give respectively, a true and fair view of the state of the Company's affairs as at March 31, 1998 and its loss for the year ended on that date.
3. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion proper books of account have been kept as required by law so far as appears from our examination of the books and the above mentioned accounts are in agreement therewith.
4. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, dated September 7, 1988 and issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
 - (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - (ii) The fixed assets of the Company have not been revalued during the year.
 - (iii) The stocks of finished goods, stores, spare parts and raw and packing materials of the Company at all the locations have been physically verified by the Management during the year.
 - (iv) In our opinion, the procedures of physical verification of stocks, followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (v) The discrepancies between the physical stocks and the book stocks, which have been properly dealt with in the books of account, were not material.
 - (vi) In our opinion, the valuation of stocks of finished goods, stores, spare parts and raw and packing materials has been fair and proper in accordance with the normally accepted accounting principles, and, is on the same basis as in the earlier years, except as indicated in Note 8-Schedule N to the accounts regarding valuation of stocks.
 - (vii) In our opinion, the rate of interest and the terms and conditions of loans and deposits taken by the Company during the year from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and/or companies under the same management as defined under Section (1B) of Section 370 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
 - (viii) The Company has not granted any loans, secured and unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and or/to companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
 - (ix) The employees to whom loans or advances in the nature of loans have been given by the Company, are repaying the principal amounts as stipulated, and are also regular in the payment of interest, where applicable.
 - (x) In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials, components, plant and machinery, equipment and other similar assets for the sale of goods.
 - (xi) In our opinion purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year Rs. 50,000 or more in value in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices at which the transactions for similar goods or services have been made with other parties, where applicable.
 - (xii) The Company has a system of determining unserviceable or damaged stores, raw materials and finished goods on the basis of technical evaluation and on such basis, in our opinion, adequate amounts have been written off such stocks in the accounts.
 - (xiii) The Company has not accepted any deposits from the public.

38th Annual Report 1997-98

- (xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap, where applicable and significant. The Company does not have any by-product.
- (xv) In our opinion, the Company's present internal audit system is commensurate with the size and nature of its business.
- (xvi) According to the information given to us, the Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1)(d) of the Companies Act, 1956 for any of its products.
- (xvii) The Company has generally been regular in depositing during the year, provident fund and Employees' State Insurance dues with the appropriate authorities.
- (xviii) At the last day of the financial year, there were no amounts outstanding in respect of undisputed income tax, wealth tax, sales tax, custom's duty and excise duty which was due for more than six months from the date they became payable.
- (xix) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses which have been charged to Profit and Loss Account other than those payable under contractual obligations and accepted business practices nor have we been informed of any such case by the Management in their representation to us.
- (xx) The Company is not a sick industrial company within the meaning of clause (o) of Section 3(1) of Sick Industrial Companies (Special Provision) Act, 1985.

P. N. GHATALIA
Partner

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place: Mumbai
Date : June 24, 1998.

Report  junction.com