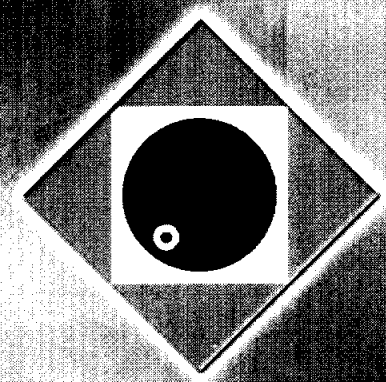


**42nd Annual Report  
2001-2002**



**Balmer Lawrie-Van Leer Limited**

## 42nd Annual Report 2001 - 2002

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### REGISTRARS

IIT Corporate Services Ltd.,  
Protoprima Chambers, 2nd Floor, Suren Road,  
Near Cine Magic Theatre, Andheri (East),  
Mumbai - 400 093.  
Telefax: 683 6790 / 683 6791

### REGISTERED OFFICE

L.U. Gadkari Marg,  
Mahul, Chembur,  
Mumbai - 400 074.  
Tel.: 554 3043, 554 4044-47  
Fax: 554 3984  
E-mail : blvl@bom2.vsnl.net.in

### WORKS

#### *Tri-Sure Division:*

L.U. Gadkari Marg,  
Mahul, Chembur,  
Mumbai - 400 074.  
Tel.: 554 3043, 554 4044-47  
Fax: 554 3984

#### *Valerex Division:*

D-195/2, T.T.C. Indl. Area,  
Turbhe, P.O. Box 43,  
Navi Mumbai - 400 705.  
Tel.: 763 0035-37  
Fax: 763 0038

### BOARD OF DIRECTORS

**J. M. CASPARIE**  
Chairman

**P. K. BISHNOI**  
Vice-Chairman

**P. B. ANAND RAO**  
Managing Director

**R. L. DHAWAN**

**T. J. ARMSTRONG**

**N. P. SINGH**

**U. R. KAPADIA**

**N. P. SARDA**

**P. G. MEHTA**

**P. V. NARAYANAN**

### MANAGEMENT TEAM

**M. N. MENON**  
Sr. Vice-President (Marketing)

**AJIT SHAH**  
General Manager (Operations — Valerex Division)

**S. K. JATANIA**  
General Manager (Finance)

**SHARATH KUMAR N.**  
General Manager (Operations - Closure Division)

### COMPANY SECRETARY

**R. U. LAKHWANI**

### AUDITORS

**M/s. Price Waterhouse**  
Chartered Accountants

### BANKERS

**Hongkong Bank**  
**Bank of India**



## NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the Members 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, (Kala Ghoda), Fort, Mumbai 400 001 on Friday, 26th July, 2002 at 3.30 p.m. to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002, the Profit and Loss Account for the year ended on that date together with Report of the Directors & Auditors thereon.
2. To appoint a Director in place of Mr. U. R. Kapadia, 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 the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be determined by the Board in consultation with them, plus reimbursement of out of pocket expenses incurred by them for the purpose of audit of the Company."

### 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. P. K. Bishnoi be and is hereby appointed a Director of the Company, liable to retire by rotation."
5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. R. L. Dhawan be and is hereby appointed a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Ms. P. G. Mehta be and is hereby appointed a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. P. V. Narayanan be and is hereby appointed a Director of the Company, liable to retire by rotation."
8. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. N. P. Sarda be and is hereby appointed a Director of the Company, liable to retire by rotation."
9. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the appointment of Mr. P. B. Anand Rao as the Managing Director of the Company for a period of 5 years or attainment of 60 years of age, whichever is earlier, effective from 1st April, 2002 on the terms and conditions contained in the agreement dated 11th March, 2002 entered into between the Company and Mr. P. B. Anand Rao, which agreement is hereby specifically sanctioned, with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, as may be agreed between the Directors and Mr. P. B. Anand Rao."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A 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 COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement setting out the material facts concerning the special business mentioned under item No. 4, 5, 6, 7, 8 & 9 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 Wednesday, 17th July, 2002 to Friday, 26th July, 2002 (both days inclusive).
4. Members are requested to notify immediately any change in the address to the Registrars Messrs IIT Corporate Services Ltd., 2nd Floor, Protoprma Chambers, Suren Road, Near Cine Magic Theatre, Andheri (East), Mumbai 400 093, or to their Depository Participants in case shares are held in electronic form.
5. Members are requested to bring their 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. It may be noted that all dividends unclaimed for a period of seven years are to be transferred by the Company to the Investor Education & Protection Fund (the Fund) established by the Central Government, as provided for under Section 205C of the Companies Act, 1956. Accordingly all unclaimed dividends from and including the financial year ended 31st March, 1995, will be transferred by the Company to the Fund in the manner prescribed in the said Section 205C of the Act.
8. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended 31st March, 1994 have been transferred to the General Revenue of the Central Government. Shareholders who have not encashed the Dividend warrants for the said period are requested to claim the same from the Central Govt. in the prescribed form.
9. Members intending to require information about specific aspects of the Accounts to be explained at the meeting, are requested to write to the Company, at least ten days in advance of the Annual General Meeting.
10. Members holding shares in the same name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates.

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

R. U. Lakhwani  
Company Secretary

Mumbai,  
Dated : May 27, 2002  
Registered Office:  
L. U. Gadkari Marg  
Mahul, Chembur  
MUMBAI 400 074



## 42nd Annual Report 2001 - 2002

### EXPLANATORY STATEMENT

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

**Item No. 2 :** Mr. U. R. Kapadia retires by rotation and being eligible offers himself for reappointment. Mr. U. R. Kapadia is a B.Tech in Metallurgical Engineering from IIT and an M.Sc in Industrial Metallurgy and Management Techniques (U.K.), Mr. U. R. Kapadia has wide experience at management level, Board recommends his appointment. Currently Mr. U. R. Kapadia holds Directorship in the following Companies:

Name of the Companies	Nature of Interest
1. Kaira Can Co. Ltd.	Managing Director
2. Tecnimount ICB Pvt. Ltd.	Director
3. Harshadray Pvt. Ltd.	Director
4. Harshadray Investment Pvt. Ltd.	Director
5. Dryden Pvt. Ltd.	Director
6. Modern Machinery & Equip. Ltd.	Director
7. Farm Chemicals Pvt. Ltd.	Director
8. Annakrish Investment & Trdg. Pvt. Ltd.	Director
9. Protos Engg. Co. Pvt. Ltd.	Director
10. Silicon Interfaces Pvt. Ltd.	Director
11. TUV India Pvt. Ltd.	Director
12. FirstService.com (I) Pvt. Ltd.	Director

**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, certificate has been received from the Auditors to the effect that their re-appointment, if made, will be in accordance within limits specified in Section 224 of the Act.

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

**Item No. 4 :** Mr. P. K. Bishnoi was appointed as an Additional Director from 7th January, 2002. As such, pursuant to Section 260 of the Companies Act, 1956, Mr. P. K. Bishnoi holds office of a Director up to the date of this Annual General Meeting. It is proposed to appoint Mr. P. K. Bishnoi 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. P. K. Bishnoi as a candidate for the office of Director, at the Annual General Meeting, along with the requisite deposit as required under that Section.

Mr. P. K. Bishnoi is a B.Sc (Engg)-Petroleum and has done his PGDM from IIM Ahmedabad. He has over 25 years of experience in Balmer Lawrie & Co. Ltd. of which 4 years are at Board Level. He is presently the Managing Director of Balmer Lawrie & Co. Ltd. It would be in the interest of the Company to appoint him as a Director liable to retire by rotation. The Directors, therefore, recommend his appointment at the Meeting.

Mr. P. K. Bishnoi may be considered to be interested in the resolution for his appointment. None of the other Directors is interested in the resolution.

Currently Mr. P. K. Bishnoi holds Directorship / Membership in the following Companies / Committees.

Name of Companies	Nature of Interest
1. Balmer Lawrie & Co.Ltd.	Managing Director
2. Balmer Lawrie (UK) Ltd.	Chairman
3. Indian Container Leasing Company Ltd.	Director / Chairman

4. Balmer Lawrie (UAE) LLC	Vice Chairman
5. Proseal Closures Pvt. Ltd.	Director
6. Avi-Oil India (P) Ltd.	Director
7. Balmer Lawrie & Co. Ltd.	Member-Audit Committee
8. Balmer Lawrie & Co. Ltd.	Chairman-Share Transfer Committee

**Item No. 5 :** Mr. R. L. Dhawan was appointed as an Additional Director from 1st April, 2002. As such, pursuant to Section 260 of the Companies Act, 1956, Mr. R. L. Dhawan holds office of a Director upto the date of this Annual General Meeting. It is proposed to appoint Mr. R. L. Dhawan 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. R. L. Dhawan as a candidate for the office of Director, at the Annual General Meeting, along with the requisite deposit as required under that Section.

Mr. R. L. Dhawan has done his M.Sc. (Chem) and also holds Diploma in Business Management from Geneva. Mr. R. L. Dhawan was the ex-Director of Balmer Lawrie & Co. Ltd. and also the former Vice Chairman & Managing Director of Balmer Lawrie-Van Leer Ltd. He is in this industry for over 35 years and his contribution to the Company would be of immense help. It would be in the interest of the Company to appoint him as a Director liable to retire by rotation. The Directors, therefore, recommend his appointment at the Meeting.

Mr. R.L. Dhawan may be considered to be interested in the resolution for his appointment. None of the other Directors is interested in the resolution.

Currently Mr. R. L. Dhawan does not hold Directorship in any other Company.

**Item No. 6 :** Ms. P. G. Mehta was appointed as an Additional Director from 12th April, 2002. As such, pursuant to Section 260 of the Companies Act, 1956, Ms. P. G. Mehta holds office of a Director up to the date of this Annual General Meeting. It is proposed to appoint Ms. P. G. Mehta 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 Ms. P. G. Mehta as a candidate for the office of Director, at the Annual General Meeting, along with the requisite deposit as required under that Section.

Ms. P. G. Mehta is a Solicitor from the Bombay Incorporated Law Society and also from the Law Society U.K. She is a Partner with Kanga & Co., a renowned and leading Solicitor firm, and has wide knowledge and experience in dealing with various legal matters concerning commercial, banking, foreign collaborations. Her contribution would be of immense help to the Company. It would be in the interest of the Company to appoint her as a Director liable to retire by rotation. The Directors, therefore, recommend her appointment at the Meeting.

Ms. P. G. Mehta may be considered to be interested in the resolution for her appointment. None of the other Directors is interested in the resolution.

Currently Ms. P. G. Mehta does not hold Directorship in any other Company.

**Item No. 7 :** Mr. P. V. Narayanan was appointed as an Additional Director from 12th April, 2002. As such, pursuant to Section 260 of the Companies Act, 1956, Mr. P. V. Narayanan holds office of a Director up to the date of this Annual General Meeting. It is proposed to appoint Mr. P. V. Narayanan 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. P. V. Narayanan as a candidate for the office of Director, at the Annual General Meeting, along with the requisite deposit as required under that Section.

Mr. P. V. Narayanan has done his post graduation in Chemistry, from University of Mumbai, and is also a diploma holder in Marketing Management from Mumbai, he was an ex-Director with Indian Institute

of Packaging and presently Chair Professor and Director of SIES School of Packaging. Mr. P. V. Narayanan has a wide variety of experience in packaging at National/International level of over 37 years. It would be in the interest of the Company to appoint him as a Director liable to retire by rotation. The Directors, therefore, recommend his appointment at the Meeting.

Mr. P. V. Narayanan may be considered to be interested in the resolution for his appointment. None of the other Directors is interested in the resolution.

Currently Mr. P. V. Narayanan holds Directorship in the following Companies:

Name of Companies	Nature of Interest
1. Hindustan Tin Works Ltd.	Director
2. The Paper Products Ltd.	Director
3. Texplast Industries Ltd.	Director

**Item No. 8 :** Mr. N. P. Sarda was appointed as an Additional Director from 12th April, 2002. As such, pursuant to Section 260 of the Companies Act, 1956, Mr. N.P. Sarda holds office of a Director up to the date of this Annual General Meeting. It is proposed to appoint Mr. N. P. Sarda 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. N. P. Sarda as a candidate for the office of Director, at the Annual General Meeting, along with the requisite deposit as required under that Section.

Mr. N. P. Sarda is a Fellow Member of The Institute of Chartered Accountants of India. He was also the President of Institute of Chartered Accountants of India and has represented the Institute of Chartered Accountants of India on the Board of International Accounting Standards Committee. He is presently a Partner of Deloitte Haskins & Sells, C.C. Chokshi & Co. and P.C. Hansotia & Co., Chartered Accountants and also a member of the Accounting Standards Committee of SEBI and a Public Representative Director on the Governing Board of Mumbai Stock Exchange. With his vast experience, his contribution to the Company would be of immense help. It would be in the interest of the Company to appoint him as a Director liable to retire by rotation. The Directors, therefore, recommend his appointment at the Meeting.

Mr. N. P. Sarda may be considered to be interested in the resolution for his appointment. None of the other Directors is interested in the resolution.

Currently Mr. N. P. Sarda holds Directorship in the following Companies:

Name of the Companies	Nature of Interest
1. Hansotia Consultancy Pvt. Ltd.	Director
2. Mumbai Stock Exchange	Director

**Item No. 9 :** Consequent to the superannuation of Mr. R. L. Dhawan on 31st March, 2002, the Board of Directors of the Company have appointed Mr. P. B. Anand Rao as Managing Director for a period of 5 years or attainment of 60 years of age, whichever is earlier, with effect from 1st April, 2002 on the terms and conditions finalised in their Meeting held on 31st January, 2002. Mr. P. B. Anand Rao is a B. E. (Mech) and has experience of over 33 years at various levels. Currently Mr. P. B. Anand Rao is a Director in Proseal Closures Pvt. Ltd. The main terms and conditions of his appointment are as set out below :

- |                 |   |
|-----------------|---|
| (1) Tenure      | : For a period of 5 years or attainment of 60 years of age, whichever is earlier.                       |
| (2) Salary      | : Rs. 44,000/- per month.   |
| (3) Commission  | : 0.5% of the net profits of the Company as determined under the Companies Act, 1956.                   |
| (4) Perquisites |   |
| (a) Housing     | : (i) Unfurnished Company accommodation.<br>(ii) Gas/electricity expenses will be borne by the Company. |

- |                                     |  |
|-------------------------------------|--|
| (b) Conveyance                      | : Air conditioned chauffeur driven car with total expenses of running and maintenance met by the Company. A monthly recovery of Rs. 450/- shall be made towards personal use of the car.   |
| (c) Medical Expenses                | : Reimbursement of medical expenses for self, spouse and dependent children at actuals as per rules of the Company and within the overall limit under the Act.   |
| (d) Leave & Leave Travel Assistance | : Leave and leave encashment subject to the rules of the Company and one month's salary as Leave Travel Assistance per annum.  |
| (e) Club Fees                       | : Corporate membership of two clubs and entrance fee/ subscription to be met by the Company.   |
| (f) Accident Insurance              | : Subject to a premium limit of Rs. 6000/- p.a.  |
| (g) Separation Benefits             | : (i) Contribution @ 12% of Salary towards Provident Fund with matching contribution by the Company.<br>(ii) Eligibility to superannuation benefits and contribution @ 15% of Salary to be made by the Company on this account.<br>(iii) Gratuity @ 4.8% of Salary for every completed year of service.<br>(iv) Entitlement to encash privilege and sick leave lying to his credit at end of his tenure as per rules of the Company. |
| (h) Other Post Retirement Benefits  | : Post retirement Benefits such as re-settlement allowance, housing accommodation for specific period and other facilities as approved by the Board of Directors.  |
| (i) Miscellaneous                   | : Eligibility of various allowances/benefits and perquisites that may be applicable to him as per rules of the Company from time to time.  |

- (5) Overall ceiling of Salary, Commission and Perquisites will be subject to provisions of Sections 198, 309 and Schedule XIII of the Act.

(Copy of Agreement with Mr. P. B. Anand Rao is available for inspection by any member at the Registered Office of the Company between 10.00 a.m. and 12 noon on any working day and will also be available for inspection at the Meeting.)

The Directors recommend the above resolution for your approval. Apart from Mr. P. B. Anand Rao, no other Director is interested in this resolution.

By Order of the Board of Directors  
For Balmer Lawrie - Van Leer Limited  
R. U. Lakhwani  
Company Secretary

Mumbai,  
Dated : May 27, 2002  
Registered Office:  
L. U. Gadkari Marg  
Mahul, Chembur  
MUMBAI 400 074

## 42nd Annual Report 2001 - 2002

### DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty Second Annual Report, together with Audited Accounts of the Company, for the year ended March 31, 2002.

#### FINANCIAL RESULTS

	Rs. In lakhs	
	2001-2002	2000-2001
Profit before Interest, Financial Charges, Depreciation and Tax	1282.20	1168.04
Profit before Depreciation & Tax	750.28	595.98
Less : Depreciation on Fixed Assets	448.74	417.61
Profit before Tax	301.54	178.37
Provision for Taxation	27.66	15.22
Profit after Tax	273.88	163.15
Appropriations : Transfer (to) / from Debenture Redemption Reserve	281.47	(163.15)
Balance of (Loss) carried forward	(26.95)	(582.30)

The above Financial Results show that Company has recorded a profit before tax of Rs. 301.54 lacs compared to Rs. 178.37 lacs in the previous year. The improvement has been due to better performance particularly in the Closure and Valerex 200 divisions.

#### DIVIDEND

In view of the unabsorbed carried forward losses, the Directors regret their inability to consider payment of Dividend.

#### OPERATIONS

##### CLOSURE DIVISION

Closure Division performed well achieving better profitability. This was mainly due to lower steel costs due to indigenisation of steel procurements, and efforts towards cost reduction. However steel prices have now begun firming up since April, 2002.

##### PLASTIC DIVISIONS

###### V-20

Performance of V20 in terms of Sales and profits was lower than previous year which has happened because of loss in volumes caused due to demand shift and lower selling prices.

###### V-200

This division has performed well and there has been significant contribution to bottom line from this product mainly attributed to higher volumes and lower raw material costs.

##### BLOW MOULDED

The sales have almost doubled compared to previous year and the Plant has been running at full capacity. We expect this trend to continue during the current year.

##### PAIL (BUCKET)

We are pleased to inform Members that this product has been extremely well accepted in the market. With finalisation of Contracts with major Customers, this division is currently operating at full capacity.

#### DIRECTORS

Mr. P. K. Bishnoi, was appointed as Additional Director on the Board of the Company in place of Mr. S. N. Mathur w.e.f. 7th January, 2002. Mr P. K. Bishnoi has also been designated as Vice Chairman of the Company w.e.f. 12th April, 2002. Mr. P. K. Bishnoi holds office upto the date of this Annual General Meeting. Your approval is sought for his appointment vide resolution set out in Item No: 4 of the accompanying notice.

Mr. R. L. Dhawan superannuated from the services of the Company w.e.f. closing hours of 31st March, 2002. Board takes this opportunity to appreciate the significant contribution made by Mr. R. L. Dhawan during his tenure as a Vice-Chairman and Managing Director of the Company. Consequent to superannuation of Mr. R. L. Dhawan, Mr. P. B. Anand Rao has been appointed as Managing Director w.e.f. 1st April, 2002. Your approval is sought for appointment of Mr. P. B. Anand Rao vide resolution set out in Item No. 9 of the accompanying notice.

Mr. P. Dev, Director resigned from the Board w.e.f. 31st March, 2002. Consequent to this Mr. R. L. Dhawan has been appointed as Additional Director w.e.f. 1st April, 2002. Mr. R. L. Dhawan holds office upto the date of this Annual General Meeting. Your approval is sought for his appointment vide resolution set out in Item No. 5 of the accompanying notice. Board also takes this opportunity to appreciate the contribution made by Mr. P. Dev during his tenure.

Mr. U. R. Kapadia retires by rotation and being eligible offers himself for reappointment, which the Board recommends.

Ms. P. G. Mehta, Mr. P. V. Narayanan and Mr. N. P. Sarda were appointed as Additional Directors of the Company w.e.f. 12th April, 2002 to comply with the Listing Agreement requirement of appointment of Independent Directors. They hold office until the date of this Annual General Meeting of the Company. Your approval is sought for their appointments vide resolution set out in Items No. 6, 7 and 8 respectively, of the accompanying notice.

#### SUBSIDIARY COMPANY

The performance of the newly acquired subsidiary M/s. Proseal Closures Pvt. Ltd. continues to be encouraging. The turnover and profit after tax for the year ended 31st March, 2002 was Rs. 813.67 lacs and Rs. 98.98 lacs respectively.

#### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) which was introduced by the Companies (Amendment) Act, 2000 your Directors' confirm that :

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2002 and of the profit of the Company for the year ended 31st March, 2002
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.

#### DEBENTURE REDEMPTION

The Company has prepaid 2 instalments (Rs. 34/- of Part B and Rs. 50/- of Part C) of the 14% Secured Non-Convertible Debentures issued by the Company in 1994, alongwith interest due thereon on 8th March, 2002, and the said debentures have been fully repaid.

#### INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

Information required to be disclosed under Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) rules 1988 with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo forms part of this report as Annexure I.



**PARTICULARS OF EMPLOYEES**

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this report as Annexure II.

**SAFETY AND ENVIRONMENT PROTECTION**

The Company continues to accord utmost priority to areas of health, safety and environment protection and comply with all safety norms and regular monitoring of effluents which are integral part of the Company's operating systems.

**HUMAN RESOURCES**

The Board wishes to place on record their sincere appreciation for the efforts put in by all the employees for achieving good results. Industrial relations remained cordial and harmonious during the year.

**AUDITORS**

Messrs Price Waterhouse, Chartered Accountants holds office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment as Statutory Auditors.

**REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION**

Report on Corporate Governance along with Certificate from the Auditors of the Company regarding compliance of the conditions of the Corporate Governance as also Management discussion and analysis report pursuant to Clause 49 of the Listing Agreement are annexed forming part of this report.

**ACKNOWLEDGEMENT**

The Board of Directors of your Company place on record their gratitude and would like to thank the Shareholders, Bankers, Customers, Suppliers for their support and co-operation.

For and on behalf of the Board

**J. M. CASPARIE**  
CHAIRMAN

Place : Mumbai

Dated : May 27, 2002

**ANNEXURE I TO THE DIRECTORS' REPORT**

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2002

**1. CONSERVATION OF ENERGY****i) Energy Conservation Measures**

- The Company has installed additional capacitor bank which has resulted in improving the power factor.
- Monitoring of utilities like Chillers, Compressors from the point of view of arresting leakages, replacing some of the motors with lower rated motors, has resulted in reduction of energy consumption.

**ii) Additional investment proposals for conservation of energy**

- Installation of energy meter on different load centres to help analysis of consumption.

**iii) Impact of above measures on cost of production**

- The above measures have helped in containing increase in the cost of products to a certain extent.

**2. RESEARCH & DEVELOPMENT****i) Specific areas for which R & D work has been carried out by the Company**

- Development of new design for pail.

**ii) Benefits derived as a result of the above R & D work**

- The package has been well accepted as one of the best in the market.

**iii) Future plan of action**

- The Company would continue to place emphasis on R & D so as to lead to product improvement and customisation.

**iv) Expenditure on R & D in 2001- 2002**

	Rs. in lakhs
Capital Expenditure	53.68

**3. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****i) Efforts in brief made towards above**

- The Company has been continuously receiving technical assistance from the parent company for manufacture of its products.

**ii) Benefits derived**

- Cost Reduction
- Sustained operations and improved customer service.

**iii) Import of Technology - N.A.****4. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company earned Rs.1,631.75 lacs in foreign exchange from exports during the year and outgo was Rs.1,119.84 lacs.

**ANNEXURE II TO THE DIRECTORS' REPORT**

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 and forming part of the Director's Report for the year ended March 31, 2002.

Sr.	Name & Age	Qualifications	Designation & Nature of Duties	Date of commencement of employment	Experience in years	Remuneration Rs.	Last employment held
1.	Dhawan R. L. (62 years)	M.Sc. (Chem) Dip. in Business Mgmt. (Geneva)	Vice Chairman & Managing Director	05.08.1994	38	1,842,505	Director-Balmer Lawrie & Co. Ltd.

Notes : 1. Nature of employment - contractual.

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 is covered by the provision of Section 217 (2A)(a)(iii).

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### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's Philosophy of Corporate Governance

The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner.

#### 2. Board of Directors

##### (a) Composition

The Board of Directors comprises of Seven Directors. Apart from the Managing Director, all the other six Directors are Non-Executive Directors. Three are nominees of The Royal Packaging Industries Van Leer N.V., The Netherlands & three are nominees of Balmer Lawrie & Co. Ltd. One Director is a nominee of Harshadray Private Ltd.

The Company was required to appoint three independent Directors in addition to the above Directors on or before 31st March, 2002, to comply with the requirements of Clause 49 (1) (A) of the Listing Agreement. This process of induction of independent Directors could not be completed by 31st March, 2002.

The reason for non compliance was that the Company wanted to induct Non-Executive Directors who would not only be truly Independent but add value to the Company. We are pleased to report that the Board of Directors in their meeting held on 12th April, 2002, have complied with the above requirement by having appointed Mr. N. P. Sarda, Mr. P. V. Narayanan and Ms. P. G. Mehta as Independent Directors.

##### (b) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM) :

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Mr. J. M. Casparie (w.e.f. 29/5/2001)	Chairman – NED	4	NO
Mr. P. K. Bishnoi (w.e.f 7/1/2002)	NED	2	NO
Mr. S. N. Mathur (upto 7/1/2002)	NED	2	NO
Mr. R. L. Dhawan	MD – ED	6	YES
Mr. P. Dev	NED	5	YES
Mr. T. J. Armstrong	NED	2	NO
Mr. N. P. Singh	NED	6	YES
Mr. J. H. C. Koek (upto 29/5/2001)	Chairman – NED	1	NO
Mr. U. R. Kapadia	NED	3	YES

NED – Non-Executive Director

ED – Executive Director

MD – Managing Director

##### (c) Number of other Boards of Directors or Board Committees where Directors of the Company are a Director/Member/Chairman :

Name of Director	No. of Directorships in other Boards*	No. of Memberships in other Board Committees**	No. of Chairmanships in other Board Committees
Mr. J. M. Casparie	3	Nil	Nil
Mr. P. K. Bishnoi	6	2	1
Mr. R. L. Dhawan	1	Nil	Nil
Mr. P. Dev	2	Nil	Nil
Mr. T. J. Armstrong	8	Nil	Nil
Mr. N. P. Singh	1	Nil	Nil
Mr. U. R. Kapadia	12	Nil	Nil

\* Directorships in Foreign Companies and Private Limited Companies are also included in the above table.

\*\* Membership in Audit Committees/Shareholder Grievance Committee/Remuneration Committee of all Public Limited Companies have been considered.





(d) Details of Board Meetings held for the period 1st April, 2001 to 31st March, 2002 :

Sr. No.	Date
1.	29/05/2001
2.	09/08/2001
3.	19/09/2001
4.	29/10/2001
5.	07/01/2002
6.	31/01/2002

### 3. Audit Committee

#### i) Composition, No. of Meetings and Attendance

The Audit Committee was constituted on 7th February, 2001 under Section 292 (A) of the Companies Act 1956.

Details of Audit Committee Meetings held during the period 1st April, 2001 to 31st March, 2002 :

The Committee meetings held during the year were on 25/05/2001, 25/10/2001 and 24/01/2002 respectively.

Sr. No.	Name of Directors who are members of the Audit Committee	No. of Meetings attended
1.	Mr. U. R. Kapadia	3
2.	Mr. R. L. Dhawan	3
3.	Mr. N. P. Singh	3

Two members of the Audit Committee are Non-Executive Directors. The General Manager (Finance) of the Company, Internal Auditors and Statutory Auditors are invitees to the meeting. The Company Secretary of the Company acts as the Secretary to the Committee.

The Company was required to appoint two Independent Directors, and appoint one of the Independent Directors as Chairman of the Audit Committee on or before 31st March, 2002 to comply with requirement of Clause 49(2)(A)(a) & (b) of the Listing Agreement. This process of induction of Independent Directors, could not be completed by 31st March, 2002. The reasons for non-compliance has already been mentioned in paragraph 3 of item (2) above.

However, on 12th April, 2002 the Audit Committee has been reconstituted with the appointment of three Non-Executive Directors of which two are independent Directors, namely Mr. N. P. Sarda, Mr. P. V. Narayanan, Mr. N. P. Singh. Mr. N. P. Sarda has been appointed as Chairman of the Audit Committee.

#### ii) Terms of Reference

The terms of reference of this Committee cover matters specified under the Listing Agreement and the Companies Act, 1956.

### 4. Remuneration Committee

Constitution of Remuneration Committee by listed Public Companies pursuant to the Listing Agreement is voluntary. Presently the Company does not pay any remuneration to any Non-Executive Director other than sitting fees for attending Board meeting. The salary of the Executive Director is decided by the Board of Directors and is put up for approval of the shareholders at each Annual General Meeting.

#### (a) Details of remuneration paid to the executive directors for the period 1.4.2001 to 31.3.2002.

Name of Director	Salary & Benefits	Performance Linked bonus	Perquisites & contribution to Provident Fund	Terms of appointment
Mr. R. L. Dhawan	720,000	75,000	1,047,505	01/04/2001 to 31/03/2002

i. The Company does not have a stock option scheme.

ii. Either party can terminate the agreement by giving 3 months' notice.

### 5. Shareholders' / Investors' Grievance Committee

#### i) Composition :

The Existing Board Sub Committee for Share Transfers was renamed as Shareholders' / Investors' Grievance Committee with effect from 29th October, 2001.

Members of the Committee are:

- Mr. U. R. Kapadia - Chairman
- Mr. N. P. Singh
- Mr. R. L. Dhawan

The meetings of the Shareholders'/Investors' Grievance Committee were held on 11th February and 6th March, 2002 and were attended by all the members.

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ii) Compliance Officer :  
Mr. R. U. Lakhwani

iii) Complaints :

80 Complaints were received during the period under review. All the complaints have been generally solved to the satisfaction of the shareholders. There were 31 pending Share Transfers as on 31st March, 2002, which were duly transferred within the prescribed time.

### 6. General Body Meetings

(i) Location and time where last three Annual General Meetings were held :

Financial Year	Date	Time	Venue
1998-99	30/7/1999	3.30 p.m.	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Orion House, 6 <sup>th</sup> floor, 12 K Dubash Marg, (Kala Ghoda), Fort, Mumbai 400 001.
1999-00	29/9/2000	4.00 p.m.	Alexandra Girls English Institution, 31, Hazarimal Somani Marg, Fort, Mumbai 400 001
2000-01	19/9/2001	4.00 p.m.	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Orion House, 6 <sup>th</sup> floor, 12 K Dubash Marg, (Kala Ghoda), Fort, Mumbai 400 001.

(ii) No special resolution was put through Postal Ballot in the last year.

7. (i) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed against it in the last three years.

(ii) There are no materially significant related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in note no. 16 of Schedule 'S' to the Accounts in the Annual Report.

### 8. Means of Communication

Quarterly results are published in one English daily newspaper (Free Press Journal) circulating in the country and one Marathi newspaper (Navshakti) published from Mumbai. The Company does not have a website at present but the same is under preparation. During the financial year, the Company has not made any presentation to the institutional investors or analysts.

The Management Discussion and Analysis Report forms part of this Report.

### 9. General Shareholder Information

AGM : Date, Time & Venue	26 <sup>th</sup> July 2002, 3.30 p.m at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Orion House, 6 <sup>th</sup> floor, 12, K. Dubash Marg, Fort, Mumbai 400 001.	
Financial calendar	i) Financial year – 1st April to 31st March. ii) First Quarter Results – Last Week July, 2002. iii) Half Yearly Results – Last Week of October, 2002. iv) Third Quarter Results – Last Week of January 2003. v) Audited Results for the year 2002-03 – Last Week of May / June, 2003.	
Date of Book Closure	17 <sup>th</sup> July, 2002 to 26 <sup>th</sup> July, 2002 (both days inclusive)	
Dividend Payment date	N.A	
Listing of Stock Exchanges	<b>The Stock Exchange</b> 1. Mumbai 2. Chennai 3. Kolkatta 4. Ahmedabad	<b>Code</b> 505846 BLV 012046 07509
ISIN Number for NSDL & CDSL	INE920D01015	
Market Price Data : High, Low during each month in last financial year	Please see Annexure 'A'	
Stock Performance	Please see Annexure 'B'	