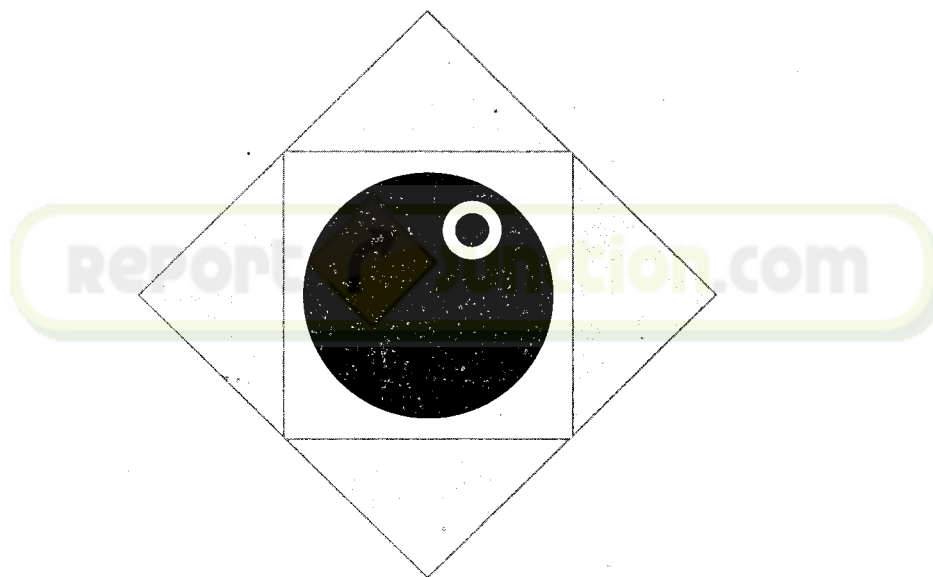


47th *Annual Report* 2006-2007



Balmer Lawrie-Van Leer Limited

47th Annual Report 2006 - 2007

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REGISTRARS

Sharepro Services (India) Pvt. Ltd.
 Satam Estate, 3rd Floor, Above Bank of Baroda,
 Cardinal Gracious Road, Chakala,
 Mumbai - 400 099.
 Tel. : 6772 0300
 Fax : 2837 5646

REGISTERED OFFICE

L.U. Gadkari Marg, Mahul, Chembur,
 Mumbai - 400 074.
 Tel. : 2554 3043, 2554 4044-46
 Fax : 2554 3984
 E-mail : blvl@bom2.vsnl.net.in

WORKS

Closure Division:

L.U. Gadkari Marg, Mahul, Chembur,
 Mumbai - 400 074.
 Tel. : 2554 3043, 2554 4044-47
 Fax : 2554 3984

Plastic Division Mumbai:

D-195/2, T.T.C. Indl. Area, Turbhe,
 P.O. Box 43, Navi Mumbai - 400 705.
 Tel. : 2763 0035-37
 Fax : 2763 0038

Plastic Division Chennai:

Village : Janakipuram, Taluk : Madurantakam
 Dist. : Kancheepuram, Chennai
 Tel. : 044-27567131 / 7132

BOARD OF DIRECTORS

D. S. van Griethuysen
 Chairman

P. B. Anand Rao
 Managing Director

S. K. Mukherjee

V. N. Sharma

U. R. Kapadia

P. G. Mehta

P. V. Narayanan

C. V. Parameswar

E. J. Boertien
 (Alternate Director to D. S. van Griethuysen)

MANAGEMENT TEAM

M. N. Menon
 Sr. Vice-President (Marketing)

Rajesh Juthani
 General Manager (Finance) & Company Secretary

Ajit Shah
 General Manager (Operations – Valerex Division)

Sharath Kumar N.
 General Manager (Operations – Closures Division)

AUDITORS

M/s. Price Waterhouse
 Chartered Accountants

BANKERS

HSBC
Bank of India



Balmer Lawrie-Van Leer Limited

Registered Office : L. U. Gadkari Marg, Mahul, Chembur, Mumbai - 400 074.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP IN ALL RESPECTS AND
HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

| |
|-----------------------------------|
| REGD. FOLIO NO./CLIENT ID : |
| DP ID NO. : |
| NAME : |
| ADDRESS : |

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 47th ANNUAL GENERAL MEETING of the Company.

Venue : Hall of Harmony
Nehru Centre,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

Date : Friday, 28th September, 2007 at 3.30 p.m.

| | |
|--|---------------------------------------|
| NAME OF THE SHAREHOLDER/PROXY (IN BLOCK LETTERS) | SIGNATURE OF THE SHAREHOLDER OR PROXY |
|--|---------------------------------------|

✂----- CUT HERE -----✂



Balmer Lawrie-Van Leer Limited

Registered Office : L. U. Gadkari Marg, Mahul, Chembur, Mumbai - 400 074.

PROXY FORM

I/We
of in the district of being a Member/Members of
the above named Company, hereby appoint of
in the district of or failing him/her, of in
the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the 47th ANNUAL GENERAL MEETING
of the Company at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018, on Friday,
28th September, 2007 at 3.30 p.m. and at any adjournment thereof.

Signed this day of 2007.

Regd. Folio No. / Client ID :

DP ID No. :

No. of Shares :

Signature

Please
affix Re.1/-
Revenue
Stamp

Note : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the
commencement of the Meeting.

Balmer Lawrie-Van Leer Limited

Regd. Office : L. U. Gadkari Marg, Mahul, Mumbai - 400 074.



Dear Member,

Ref. : Payment of Dividend through Electronic Clearing Service (ECS)

As you are aware Securities and Exchange Board of India (SEBI) vide their circular no. DCC/FITT/CIR-3/2001 dated 15-10-2001 has made it mandatory for all companies to use the bank account details furnished by the investors for distributing dividends through ECS to the investors wherever ECS and bank details are available. In the absence of ECS facility, companies are required to print the bank account details, if available, on the payment instrument, for distribution of dividends to the investors.

With a view to safeguard our mutual interest, we would strongly recommend that you avail of the ECS facility which has been introduced by the Reserve Bank of India. The facility presently is available at Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram. In case of shareholders staying at locations not currently covered by the ECS, the bank account details will be used for suffixing along with the name of shareholders on the dividend warrants issued in future.

ECS DETAILS FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

Shareholders are requested to complete the form printed overleaf and send the same back along with a xerox copy of blank cancelled cheque by post or hand delivery to the Registrars & Share Transfer Agents of the Company at the following address :

Registered Office :

SHAREPRO SERVICES (INDIA) PVT. LTD.

Unit : **Balmer Lawrie-Van Leer Limited**

Satam Estate, 3rd Floor, Cardinal Gracious Road,
Above Bank of Baroda, Chakala, Andheri (East),
Mumbai - 400 099.

Tel. Nos. : (022) 6772 0300

Fax No. : (022) 2837 5646

E-mail : sharepro@vsnl.com

Investor Relation Centre :

SHAREPRO SERVICES (INDIA) PVT. LTD.

Unit : **Balmer Lawrie-Van Leer Limited**

912, Raheja Centre,
Free Press Journal Road, Nariman Point,
Mumbai - 400 021.

Tel. Nos. : (022) 6613 4700

Fax No. : (022) 2282 5484

E-mail : sharepro_services@roitanet.com

ECS DETAILS FOR SHAREHOLDERS HOLDING SHARES IN DEMAT FORM

Shareholders are requested to provide the details to NSDL/CDSL as the case may be through their respective Depository Participant. **Shareholders are also requested to note that changes directly intimated to the Company or its Registrars will not be considered.**

Shareholders who have already sent the required data are requested to ignore this letter.

Yours faithfully,

For BALMER LAWRIE-VAN LEER LIMITED

Sd/-

RAJESH JUTHANI
COMPANY SECRETARY

| ECS MANDATE FORM | | | | | | | | | |
|------------------|---|--------------------|--|--|---------------|--|-------------------|--|--|
| 1. | Name of the Shareholder (In Block Letters) | | | | | | | | |
| 2. | Folio No. | | | | | | | | |
| 3. | No. of Shares | | | | | | | | |
| 4. | Bank Name | | | | | | | | |
| 5. | Branch Name | | | | | | | | |
| 6. | Account Number (as appearing on Cheque Book) | | | | | | | | |
| 7. | Ledger Folio No. of the Account (If appearing on Cheque Book) | | | | | | | | |
| 8. | Account type (Please Tick ✓) (S. B. Account/Current Account or Cash Credit) with Code 10/11/13 | | | | | | | | |
| | | Savings Bank 10 | | | Current 11 | | Cash Credit 13 | | |
| 9. | 9-Digit Code Number of the Bank & Branch appearing on the MICR Cheque issued by the Bank (<u>Please attach photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above Account for verifying the accuracy of the code number</u>) | | | | | | | | |

I agree to avail of the Electronic Clearing Service Introduced by RBI with respect to payment of dividend to me.

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons beyond the control of the Company, I would not hold Balmer Lawrie-Van Leer Limited responsible.

Date : _____

Signature of the Sole/First Shareholder

FORM 2B
(See Rules 4CCC and 5D)

NOMINATION FORM

(To be filled in by individual(s) applying singly or jointly)

I/We _____ and
 _____ and

_____ the holders of shares bearing numbers _____ of Balmer Lawrie-Van Leer Limited
 wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount
 payable in respect to shares shall vest in the event of my or our death.

Name(s) and Address(s) of Nominee(s)

Name : _____ Regd. Folio No./Client ID : _____

Address : _____

Date of Birth* : _____

*(To be furnished in case the nominee is a minor)

** The Nominee is minor whose guardian is

Name : _____

Address : _____

**(To be deleted if not applicable)

Signature : 1. _____ 2. _____ 3. _____

Name : 1. _____ 2. _____ 3. _____

Address : _____

Date : / / 2007

Name, Address and Signature of witnesses :

| (Name and Address) | Signature with Date |
|--------------------|---------------------|
| 1. _____ | 1. _____ |
| 2. _____ | 2. _____ |

INSTRUCTIONS :

- The Nomination can be made by individuals only applying/holding shares on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of HUF, holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of shares and witness.
- A minor can be nominated by a holder of shares and in that event the name and address of the Guardian shall be given by the holder.
- The nominee shall not be a trust, society, body corporate, partnership firm, Karta of HUF, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
- Nomination stands rescinded upon transfer of shares.
- Transfer of shares in favour of a nominee shall be valid discharge by a company against the legal heir.
- The intimation regarding Nomination/Nomination form shall be filed in duplicate with Company/Registrars and Share Transfer Agents of the Company who will return one copy thereof to the shareholder.



NOTICE

Notice is hereby given that the 47th Annual General Meeting of the Members of Balmer Lawrie-Van Leer Limited, will be held on Friday, 28th September, 2007 at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 at 3.30 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended March 31, 2007 the Balance Sheet as at that date together with Reports of the Directors & the Auditors thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director in place of Mr. C. V. Parameswar who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Preeti Mehta, who retires by rotation and, being eligible, offers her-self for re-appointment.
5. 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, 252, Veer Savarkar Marg, Shivaji Park, Mumbai - 400 028, 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

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the ACT"), read with Schedule XIII to the Act, or any statutory amendment or modification thereto and subject to the approval of the Central Government if necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. P. B. Anand Rao, as the Managing Director of the Company for a period of one year with effect from October 01, 2007 upon such terms and conditions including remuneration as set out in the draft Agreement to be entered into between the Company and Mr. P. B. Anand Rao with specific authority to the Board of Directors to alter and vary the terms and conditions of the aforesaid re-appointment and/or Agreement, in such manner as may be agreed upon by and between the Board of Directors and Mr. P. B. Anand Rao provided that such alteration/variation shall be within the limits specified in Schedule XIII to the Act or any amendments thereto from time to time.

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT in accordance with and subject to the provisions of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as "Delisting Guidelines") and all applicable laws, rules, regulations, notifications, clarifications and guidelines and subject to such other statutory and / or contractual approvals, permissions, consents and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions by any relevant authority including FIPB, RBI, the Stock Exchanges where the Equity Shares of the Company are listed and which may be agreed to by the Board of Directors of the Company (herein after referred to as the "Board" which term shall be deemed to include any person to whom the board may delegate authority to exercise its powers, including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to the Board to seek voluntary delisting of its Equity Shares from the

Bombay Stock Exchange after providing an exit opportunity to the existing shareholders (other than promoters) upon the payment of such price as may be determined under the "Book Building process" as stipulated in Schedule II to the Delisting Guidelines read inter alia with clause 8.2 and 8.3 thereof."

"RESOLVED Further that the exit option pursuant to the Delisting Guidelines be made by any one or both the promoters of the Company namely, Greif International Holding BV ("Greif") and Balmer Lawrie & Co. Ltd. ("BL") for such number of shares as would not, in the aggregate, exceed 31,12,053 shares equivalent to 19.76% of the subscribed and paid-up capital of the Company and that such exit option be made after making requisite Public Announcement under the Delisting Guidelines, such Public Announcement to be made by the concerned promoter(s) after appointment of the Merchant Banker registered with the Securities and Exchange Board of India and inter alia as per stipulations in the Delisting Guidelines.

"RESOLVED Further that acquisition of shares by the promoters from Non-Residents Shareholders, Shareholders of foreign nationality and/or bodies corporate etc. shall be subject to such approvals as may be required."

"RESOLVED Further that the Board including any committee of the Board thereof be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary expedient, usual or appropriate in the best interest of the company including signing of all necessary agreements, appointments of Merchant Bankers, Bankers, Solicitors, Registrars, Advertisement Agency, Compliance Officer and other advisors/ consultants and to settle all such questions, query, doubt or difficulty which may arise with regard to Voluntary delisting of the Equity Shares of the Company as may be necessary or required for giving 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/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Resolution at Item No. 5 and Special Business at Item No. 6 and 7 of the Notice are annexed.
3. The Register of Members and the Share Transfer Books of the Company will be closed from September 18, 2007 to September 28, 2007 (both days inclusive).
4. The dividend as recommended by the Board of Directors for the year ended March 31, 2007, if declared at the Annual General meeting, will be paid on or before October 28, 2007 to those members whose name stands registered on the Company's Register of Members :
 - a. As Beneficial Owners as at the close of September 17, 2007 as per the list furnished by NSDL and CDSL in respect of shares held in electronic form and
 - b. As Members in the Register of Members of the Company after giving effect to all valid share transfers lodged with the company on or before close of business hours of September 17, 2007 in respect of shares held in physical form.
5. Members holding shares in physical form are requested to immediately notify quoting their ledger folio nos. any change in their address, bank account etc. to the Company or to the Registrar and Transfer Agent, M/s. Sharepro Services Limited, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Mumbai - 400 099, Tel. : 6772 0300. Members holding

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Shares in electronic form are requested to notify the above change to their respective Depository Participants quoting their DPID Nos. and Client ID Nos.

6. With a view to prevent fraudulent encashment of dividend warrants, Members holding shares in physical form are advised to provide, if not provided earlier, particulars of their bank account viz. bank account number, name of the bank and address of the bank quoting their folio no. to the company or to the Registrar and Transfer Agent with a request to incorporate the same in the dividend warrant.
7. In respect of Members who have given mandate to receive the dividend through Electronic Clearing Service (ECS), the dividend will be paid through ECS. Members who have so far not given the mandate but are desirous of getting the dividend payment through ECS may furnish on or before September 17, 2007 the details of their bank account in ECS Mandate form (copy enclosed) along with a copy of a cancelled Cheque leaf either to the Company or Registrar and Transfer Agent in case of shares held in physical form and to the concerned Depository Participant if the shares are held in electronic/demat form.
8. Pursuant to the provisions of Section 205A and 207A of the Companies Act, 1956, the dividend which remained unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account, is required to be transferred to the Investor Education and Protection Fund established by the Central Government. According to the relevant provisions of the Companies Act, 1956, as amended, no claims shall lie against the Fund or the Company for the amount of dividend so transferred to the said Fund. Members who have either not received or encashed their dividend warrants(s) so far for the year ended 31st March, 2002 or any subsequent years are therefore requested to send their claim / dividend warrant(s) for revalidation immediately either to the Company or to the Registrar and Transfer Agent.
9. Members are requested to bring their copy of the Annual Report to the Meeting.
10. Members/Proxies are requested to deposit the enclosed attendance slip duly filled-in and signed, at the entrance of the meeting venue.
11. 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 before the date of the Annual General Meeting.
12. Pursuant to Section 109A of the Companies Act, 1956, shareholders holding shares in electronic/demat form may file nomination in the prescribed Form 2B (in duplicate) with their respective Depository Participant and shareholders holding shares in physical form may file the same with the Company or Company's Registrar and Transfer Agent.

13. Members holding shares in the same name(s) or under different folios are requested to apply for consolidation of such folios and send relevant share certificates.

14. A brief profile of the Directors retiring by rotation and eligible for re-appointment, as required by Clause 49 (IV)(G) of the Listing Agreement signed by the Company with the Bombay Stock Exchange, is given below :

Mr. C. V. Parameswar retires by rotation and being eligible offers himself for re-appointment. Mr. C. V. Parameswar is B.Com, LLB and a Fellow member of Institute of Chartered Accountants of India (FCA). He is a senior partner in M/s. Thakur Vaidyanath Aiyar & Co. a firm of Practising Chartered Accountants and has rich knowledge and long years of experience in corporate accounts, finance and taxation matters and 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.

Except Mr. C. V. Parameswar, none of the Directors is concerned or interested in the resolution.

Currently Mr. C. V. Parameswar is Chairman of the Audit Committee of your company and a Director on the Board of Proseal Closures Limited, a subsidiary of your company and Double Cola Beverages Ltd.

Ms. Preeti Mehta retires by rotation and being eligible offers herself for re-appointment. Ms. Preeti Mehta is a Solicitor from the Bombay Incorporated Law Society and also from the Law Society U.K. She is also a partner with Kanga & Company, a renowned and leading Solicitor firm and has wide knowledge and experience in dealing with various legal matters concerning commercial, banking, foreign collaborations, mergers and acquisitions and corporate matters in particular. It would therefore 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.

Except Ms. Preeti Mehta, none of the Directors is concerned or interested in the resolution.

Currently Ms. Preeti Mehta is member of the Audit Committee of your company and is also a Director on the Board of Hexaware Technologies Limited and Six Sigma Gases India Private Limited.

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

Rajesh Juthani
Company Secretary

Place : Mumbai
Dated : August 14, 2007
Registered Office :
L. U. Gadkari Marg,
Mahul, Chembur,
MUMBAI - 400 074.

EXPLANATORY STATEMENT

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

Item No. 5 :

In terms of Section 224 A of the Companies Act, 1956, (hereinafter referred to as the "Act"), 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 your 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 M/s. 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 is interested in the resolution. The Directors recommend their re-appointment.

Item No. 6 :

The terms of appointment of Mr. P. B. Anand Rao, Managing Director was extended by a period of one year from 22nd September, 2006 upto 30th September, 2007 by the Board of Directors of the Company at their meeting held on 25th July, 2006 and the appointment was recommended for approval by the members at the Annual General Meeting held on 29th August, 2006.

The Board of Directors at their meeting held on 31st July, 2007 have recommended an extension of the terms of appointment of Mr. P. B.

Balmer Lawrie-Van Leer Limited



Anand Rao as the Managing Director by a further period of one year from 1st October, 2007 to 30th September, 2008 on the following terms and conditions :

1. Period - 1 year with effect from 1st October, 2007
2. Mr. P. B. Anand Rao as the Managing Director shall be entrusted with the substantial powers of the Management and control of the affairs of the company subject to the superintendence, control and direction of the Board of Directors and relevant provisions of the Articles of Association of the Company and Companies Act, 1956.
3. In consideration of the performance of his duties, Mr. P. B. Anand Rao shall be paid remuneration as below :
 - I. Salary : Rs. 80,000 per month subject to annual increment w.e.f. 01/04/2008 as may be decided by the Board.
 - II. Commission : 0.5% of the net profit of the Company as determined under the Companies Act, 1956.
 - III. Perquisites : In addition to the above, remuneration would comprise of free unfurnished accommodation or HRA in lieu thereof with gas, electricity expenses to be borne by the company, company maintained chauffeur driven air-condition car for official purpose (with a monthly recovery towards personal use of the car as per Company Car scheme), Reimbursement of medical expenses for self, spouse and dependent children at actual as per rules of the Company, one month's salary as leave travel concessions, Club membership fees including entrance fees (for maximum two clubs), reimbursement of premium for personal accident insurance (subject to a limit of Rs. 6000 per annum), post retirement benefits such as re-settlement allowance, temporary housing accommodation for specified period and such other facilities as may be approved by the Board on completion of tenure and such other allowances/ benefits and perquisites as may be applicable to him as per rules of the Company from time to time.
 - IV. Separation Benefits : In addition Mr. P. B. Anand Rao shall be entitled to the Company's Contribution to Provident Fund and Superannuation Fund not exceeding 27% of the Basic salary, Gratuity payment @ 4.8% of Salary for every completed year of service and encashment of earned privilege and sick leave in accordance of the rules of the Company.
4. The contract may be terminated by either party by giving to the other party three months' notice.
5. Confidentiality Clause and adherence to Company's Code of Conduct.
6. If at any time Mr. P. B. Anand Rao, the Managing Director disqualifies/ceases to be Director of the Company for any reason/ cause whatsoever, he shall vacate office as the Managing Director of the Company.
7. The Overall ceiling of Salary, Commission and Perquisites will be subject to provisions of Section 198,309 and Schedule XIII of the Act.

In compliance with the provisions of Section 309, 310, 311 and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of remuneration specified above is placed before the Members for their approval.

This may be treated as an abstract of the draft Agreement to be entered into between the company and Mr.P.B.Anand Rao under Section 302 of the Act.

Except Mr. P. B. Anand Rao, none of the other directors are interested or concerned in the resolution.

Item No. 7 :

According to Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003, and subsequent amendments made, if any, thereto (hereinafter referred to as Delisting Guidelines), a Company may voluntarily de-list the securities from the Stock Exchange where its securities are listed, if such voluntary delisting is sought by the promoters

of that Company in accordance with and subject to the conditions specified in the Delisting Guidelines. These Guidelines provide that, any promoter of the Company who desires to de-list securities from Stock Exchange is required to provide an exit opportunity to the investors and determine an exit price for delisting of securities in accordance with the book building process described in Schedule II of the Delisting Guidelines and shall make in this regard a public announcement which shall contain all the information specified in Schedule I of the Delisting Guidelines.

The promoters of the Company at present together hold 80.24% of the equity share capital of the Company as under :

| Name of the Promoter | No. of Equity Shares held | % of total Shareholding |
|-------------------------------------|---------------------------|-------------------------|
| Balmer Lawrie & Co. Ltd | 6319978 | 40.12 |
| Royal Packaging Ind. Van leer BV | 6319983 | 40.12 |
| Total | 12639961 | 80.24 |

The Company had received a letter Ref. No. DS/16D dated 11th August, 2007 from M/s. Balmer Lawrie & Co. Ltd., informing receipt of communication from Royal Packaging Ind. Van Leer BV (Now known as Greif International Holding BV), the other promoter company expressing their views and concurring with their views, are seeking voluntary delisting of the equity shares of the Company by offering to acquire the remaining 3112053 equity shares from the public representing 19.76% of the total shareholding i.e. the share holding of all persons other than promoters, in accordance with and subject to the conditions specified in the Delisting Guidelines.

The Board at their meeting held on 14th August, 2007 has therefore decided to seek the approval of the shareholders to the proposed Special Resolution, after which the promoters of your company will proceed, at its discretion, to make an offer in accordance with the Delisting Guidelines.

The directors recommend this resolution for adoption by the members.

None of the Directors may be deemed to be interested in the said special resolution except Mr. U. R. Kapadia who may be deemed concerned or interested by virtue of his holding the position of Director of M/s. Harshadray Private Limited a body corporate which holds 5.77% of total Equity Shares of the Company.

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

Rajesh Juthani
Company Secretary

Place : Mumbai
Dated : August 14, 2007
Registered Office :
L. U. Gadkari Marg,
Mahul, Chembur,
MUMBAI - 400 074.

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DIRECTORS' REPORT

Your Directors have pleasure in presenting their Forty Seventh Annual Report, together with the Audited Statement of Accounts of the Company, along with the report of the Auditors, for the year ended March 31, 2007.

Financial Highlights

| | Rs. in Lac | |
|---|------------|---------|
| | 2006-07 | 2005-06 |
| Sales and other Income | 10331.64 | 8584.97 |
| Gross Profit before interest and depreciation | 1184.73 | 1198.57 |
| Less : Interest & Financial charges | 226.56 | 145.46 |
| Gross Profit before depreciation | 958.17 | 1053.11 |
| Less : Depreciation | 402.46 | 419.26 |
| Profit before Tax | 555.71 | 633.85 |
| Less : Provision Current Tax | 230.00 | 82.90 |
| Less : Provision for Fringe Benefit Tax | 13.10 | 16.47 |
| Less : Provision for Deferred Tax | (43.27) | 86.77 |
| Profit after Tax | 355.88 | 447.71 |
| Add : Profit Brought Forward | 450.11 | 359.70 |
| Amount available for Appropriation | 805.99 | 807.41 |
| Appropriations : | | |
| Proposed Dividend & Dividend Distribution Tax thereon | 221.15 | 323.30 |
| Transferred to General Reserve | 8.90 | 34.00 |
| Profit Balance Carried Forward | 575.94 | 450.11 |

As can be seen from the above, your Company's Sales and other Income grew by 20.35% over last year primarily on account of volume growth in both the Divisions.

Despite your Company operating in an environment which was extremely adverse; with runaway increases in Raw material and other consumable costs, concurrent increase in the selling prices of your Company's products not coming thru because of competition and sliding export realisations due to constant rupee appreciation against US Dollar, the volume growth enabled your company to post a decent performance with profit before tax at Rs.555.71 Lac which is close to last year's profits.

DIVIDEND

Considering the performance of the current year and the distributable profits, your Directors have recommended a dividend of 12%. If this dividend is approved in the forthcoming Annual General Meeting, dividend at the rate of 12% on 15752014 equity shares will be paid to the shareholders whose names appear in the Register of Members as at the end of business hours on 17th September, 2007.

OPERATIONS

CLOSURES DIVISION

The performance of the Closure Division both in terms of Production & Sales was quite satisfactory and has shown reasonable growth over last year. While the production and sales were 16.55 million sets and 16.32 million sets respectively during the financial year, representing an increase of 6% over last year, the trend in the last quarter in particular was quite encouraging and the company surpassed its' previous highest production and sales volume in the last quarter. The total sales in value terms grew from Rs.3194 Lac to 3580 Lac. The price of steel, which is the basic raw material, kept on increasing during 1st half of the year, but was more or less stable in 2nd half of the year. The increase however could not be passed on fully to customers because of severe competitive pressures.

PLASTICS DIVISION

Performance of Plastic Division in Physical terms has shown robust growth in spite of a disruption in normal operation for 3 months period

from November' 06 to January' 07 caused by a section of workmen due to industrial relation issues. Product-wise performance is dealt with below:

V20

The demand for this product continued to grow at the rapid pace with the additional demand forthcoming both from the existing customers as also new customers and new segments. The company could fully recover market lost in past after some of the large customer shifted to pail and could achieve a double digit growth in both production and sales volume. The sales in value term increased from Rs.975 Lac to Rs.1211 Lac i.e., an improvement of 24% over the previous year.

V200

The performance of this product line in physical terms for the year as a whole shown robust growth with the sales revenue for the year being higher at Rs.3259 Lac as against Rs.2974 Lac in previous year. There has been sharp improvement in the performance in the fourth and the last quarter and with this trend continuing, it is expected that the result will be quite visible in next year's performance.

BLOW MOULDING

With good demand from the existing customers this line showed reasonable growth rate of 22%. The sales revenue increased from Rs.396 Lac to Rs.444 Lac. The company is in the process of adding new sizes and variants in the current year.

PAIL

The product range was diversified during the year and even though the overall volumes were lower by 10%, the improvement in unit sales realisation helped to maintain the sales revenue at the last year's level. This was mainly because your Company decided to restrict dealings to discerning customers and not to get into market segments where, due to severe competition prices were very low and sometimes even lower than the costs.

PLASTIC CONTAINER DIVISION - CHENNAI

During the Current financial year, your company acquired the assets of a plastic container division located at Chennai from Gillanders Arbuthnot & Co. Limited, on a going concern basis w.e.f. 1st May, 2006. The financial of the current year included the operational performance of this unit of 11 month. The current year being the 1st year of operation in south the company concentrated on revamping its' manufacturing facilities, widening the customer base, improving the product lines and product quality. Although the volume has picked up and the customer base is growing, the 11 months operation has resulted in marginal cash loss of Rs.16 Lac.

CLARIFICATION ON AUDIT REPORT

The statutory auditors in their report to the members at point no. 4 have mentioned about the housing loan of Rs.15 Lac being given to the Managing Director without prior approval of the central government in terms of Section 295 of the Companies, Act, 1956. As stated in their report and note no.5 Schedule "s" Notes to Accounts the loan was repaid with interest and the company had subsequently taken necessary suo-moto steps. The company has also received the necessary order from Company Law Board for compounding of offence which has since been complied with.

DIRECTORS

Mr. C. V. Parameswar and Ms. Preeti Mehta directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 212 of the Companies Act, 1956 the Annual Accounts for the period ended March 31, 2007 as also Auditors' and Directors' Reports in respect of the Company's subsidiary, M/s. Proseal Closures Ltd., are attached to the Accounts of the Company. The Subsidiary Company had completed its expansion plan during the previous year and the results are visible in the current years' performance. The company has achieved net sales income (including