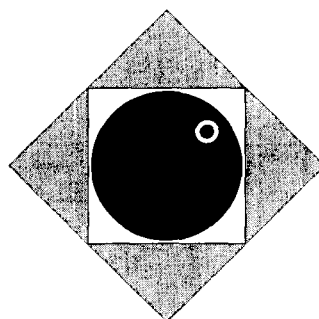


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Balmer Lawrie-Van Leer Limited

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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, Cheenai
 Tel. : 044-27587131 / 7132

BOARD OF DIRECTORS**D. S. van Griethuysen**

Chairman

(Resigned w.e.f. January 8, 2008)

Reinier Hietink

Chairman

(Nominated w.e.f. January 9, 2008)

P. B. Anand Rao

Managing Director

S. K. Mukherjee**V. N. Sharma****U. R. Kapadia**

(Resigned w.e.f. January 18, 2008)

P. G. Mehta

(Resigned w.e.f. February 29, 2008)

P. V. Narayanan**C. V. Parameswar****E. J. Boertien**

(Alternate Director to D. S. van Griethuysen)
 (Vacated office consequent to registration of
 D. S. van Griethuysen)

MANAGEMENT TEAM**Mohan 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 – Closure Division)

AUDITORS**M/s. Price Waterhouse**

Chartered Accountants

BANKERS**HSBC****Bank of India**



NOTICE

Notice is hereby given that the 48th Annual General Meeting of the Members of Balmer Lawrie-Van Leer Limited, will be held on Tuesday, the 30th September, 2008 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, 2008 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. S. K. Mukherjee who retires by rotation and being eligible, offers himself for re-appointment.
4. 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

5. 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 1st October, 2008 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;

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 Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special resolution

at Item No. 4 and Special Business at Item No. 5 of the Notice are annexed.

3. The Register of Members and the Share Transfer Books of the Company will be closed from September 22, 2008 to September 30, 2008 (both days inclusive).
4. The dividend as recommended by the Board of Directors for the year ended March 31, 2008, if declared at the Annual General meeting, will be paid on or before October 30, 2008 to those members whose names stand registered on the Company's Register of Members :—
 - a. As Beneficial Owners as at the close of September 20, 2008 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 20, 2008 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 Share Transfer Agent, M/s. Sharepro Services (India) Pvt. Ltd., Satam estate, 3rd floor Above Bank of Baroda, Cardinal Gracious Road, Chakala, Mumbai 400 099; Telephone No. 2834 8218 / 2832 9828. Members holding shares in electronic/demat form are requested to notify the above change to their respective Depository Participants quoting their DP ID 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 Share 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 20, 2008, the details of their bank account in ECS Mandate form along-with copy of a cancelled Cheque leaf either to the Company or Registrar and Share 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 en-cashed their dividend warrants(s) so far for the year ended 31st March, 2003 or any subsequent years are hereby requested to send their claim/ dividend warrant(s) for revalidation immediately either to the Company or to the

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- Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd.
9. Members are requested to bring their copy of the Annual Report at 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 the shares in physical form may file the same with the Company or Company's Registrar and Share Transfer Agents.
 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 Director retiring by rotation and eligible for re-appointment, is given below:
 Mr. S.K. Mukherjee is a B.Com. and AICWA. He has specialisation in areas of Accounts, Finance, Taxation and General Management. He has gathered rich experience of corporate management while working at different levels in different divisions, handling various assignments and portfolios in Balmer Lawrie & Company Limited during last 32 years.
 Mr. S.K. Mukherjee is at present the Managing Director of Balmer Lawrie & Company Limited and it would be in the interest

of the Company to re-appoint him. The Board of directors therefore recommends his re-appointment at this meeting.

Currently Mr. S.K. Mukherjee holds directorship/membership in the following other Companies/Committees.

Name of the company	Nature of Interest
Balmer Lawrie & Co. Ltd.	Managing Director & Member of Audit Committee and Shareholder's & Investor's Grievance Committee
Balmer Lawrie (UK) Ltd.	Director
Proseal Closure Limited	Director
Balmer Lawrie (UAE) LLC	Director
Bengal Chamber of Commerce & Ind.	Director

Except Mr. S.K. Mukherjee, none of the Directors is concerned or interested in the resolution.

By Order of the Board of Directors

For **Balmer Lawrie-Van Leer Limited**

Place : Mumbai,
Dated: 22nd May, 2008.

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

Rajesh Juthani
Company Secretary



EXPLANATORY STATEMENT

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

Item No. 4:

In terms of Section 224A 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 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 is interested in the resolution. The Directors recommend their re-appointment.

Item No. 5:

The terms of appointment of Mr. P. B. Anand Rao, Managing Director was extended by a period of one year from 1st October, 2007 upto 30th September, 2008 by the Board of Directors of the Company at their meeting held on 31st July, 2007 and the same was also approved by the members at the Annual General Meeting held on 28th September, 2007.

The Board of Directors at their meeting held on 22nd May, 2008 have recommended an extension of the terms of appointment of Mr. P. B. Anand Rao as the Managing Director by a further period of one year from 1st October, 2008 to 30th September, 2009 on the following terms and conditions :

1. Period – 1 year with effect from 1st October, 2008
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 (Act).
3. In consideration of the performance of his duties, Mr. P.B. Anand Rao shall be paid remuneration as below:
 - I. Salary : Rs.90, 000 per month.
 - 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 settlement 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 with 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, no other directors are interested or concerned in the resolution.

By Order of the Board of Directors

For Balmer Lawrie-Van Leer Limited

Place : Mumbai,
Dated: 22nd May, 2008.

Rajesh Juthani
Company Secretary

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

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty Eighth Annual Report, together with Audited Statement of Accounts of the Company, along with the report of the Auditors, for the year ended March 31, 2008.

Financial Highlights

	Rs. In Lacs	
	2007-08	2006-07
Sales and other Income	11315.30	10331.64
Gross Profit before interest and depreciation	1120.68	1184.73
Less: Interest & Financial charges	217.35	226.56
Gross Profit before depreciation	903.33	958.17
Less: Depreciation	399.77	402.46
Profit before Tax	503.56	555.71
Exceptional Item	316.00	0.00
Less: Provision for Current Tax	212.00	230.00
Less: Provision for Fringe Benefit Tax	14.83	13.10
Less: Provision for Deferred Tax	(40.44)	(43.27)
Profit after Tax	1.17	355.88
Add: Profit Brought Forward	575.94	450.11
Amount available for Appropriation	577.11	805.99
Appropriations:		
Proposed Dividend & Dividend Distribution Tax thereon	78.76	221.15
Transferred to General Reserve	—	8.90
Profit Balance Carried Forward	484.97	575.94

As can be seen from the above, your Company's Sales and other Income grew by 9.52% 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. 503.56 Lac which is close to last year's profits. Effective profit before tax was however reduced by Rs. 316 Lac due to one time charge in Profit & Loss Account arising out of surrender of lease hold right on a portion of land at Chembur.

DIVIDEND

Considering the performance of the current year and the distributable profits, your Directors have recommended a dividend of 5%. If this dividend is approved in the forthcoming Annual General Meeting, dividend at the rate of 5% 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 20th September, 2008.

OPERATIONS

CLOSURE DIVISION

The performance of the Closure Division both in terms of Production & Sales was in line with estimates and has shown reasonable growth over last year. While the production and sales were 17.99 million sets and 18.22 million sets respectively during the financial year,

representing an increase of 12% 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. 3580 Lac to 4004 Lac. The price of steel, which is the basic raw material, was more or less stable in 1st half of the year kept on increasing during 2nd half of the year. In spite of best efforts the price increase could not be passed on fully to customers because of severe competition.

PLASTIC DIVISION – MUMBAI

Performance of Plastic Division in Physical terms especially in Valerex 200 and Valerex 20 has shown sizeable growth whereas in case of Blow Moulded Products and Smart Pack Division (Pails) the operation was restricted strategically for limited niche and High value customers only in view of high polymer cost resulting in lower margins for regular products. Production of Blow moulded Drums and Smartpack was partially disrupted in last quarter due to capacity expansion on Valerex 20 and Valerex 200 being carried out during the same period. 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 successfully recover the entire market lost after introduction of pail and could attain 8 % growth in both production and sales volume. The sales in value term increased from Rs. 1211 Lac to Rs. 1516 Lac i.e., an improvement of 25% over the previous year.

V200

The performance of this product line in physical terms also grew more beyond expectation with new demand coming from both existing customers and new customers. The sales during the year in value terms increased from Rs. 3259 Lac in previous year to Rs. 3706 Lac representing an increase of 14%. There has been sharp improvement in the performance in the fourth and the last quarter. With the trend continuing in current year too and additional capacity expected to flow from August 08 it is expected that the result will be quite visible in next year's performance.

BLOW MOULDING

With the production capacity and the demand from the existing customers remaining at same level this product line showed a modest growth. With the phenomenal increase in price of polymer due to increase in Crude Petroleum price in international markets, the company strategically preferred to restrict the production to only high value segments and serve niche valued customers rather than compete in low margin areas. The sales revenue reduced from Rs. 444 Lac to Rs. 350 Lac. The company is in the process of adding one more Blow Moulding Machine and introduce new sizes and variants in the current year..

PAIL

The production and sales of this product was downsized strategically and was restricted to very few niche customers and thereby cut down on fixed cost and improve overall profitability from this division rather than compete with suppliers with thin margins.

PLASTIC CONTAINER DIVISION – CHENNAI

During the last financial year, your Company had 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 includes the first complete year of operational performance of this unit. During the current year Company concentrated on revamping its' manufacturing facilities by replacing old electrical, electronics and mechanical controls with new



control system, setting right production process parameters, improve product quality, widen the customer base, addition to the product range. However due to extended trial being conducted on establishing new 200 Ltr Mould the production was disrupted frequently resulting in lower production than anticipated and operational loss of Rs. 72 Lacs. However the trend has been reversed and the operation has resulted in marginal profit in the month of March' 08. The trend has continued in current year and the operation has shown remarkable improvement with both production and sales making new high every month.

CLARIFICATION ON AUDIT REPORT

The statutory auditors in their report to the members at point No.17 have mentioned about the short term funds being used for Long term purposes as at 31st March, 2008. Utilization of advance money of Rs. 1439 Lac (reflected as "Current Liability" in Financial Account as at the Balance Sheet Date) received from Hindustan Petroleum Corporation Ltd. (HPCL) on signing of Record of Understanding for meeting expenses on shifting of Closure Division at Turbhe and capacity expansion, pending the execution of formal Sale Agreement between the Company and Hindustan Petroleum Corporation Limited (HPCL) has been the reason for this note.

SHIFTING OF CLOSURE DIVISION

During the year the Company negotiated and entered in to Record of Understanding on 14th August, 2007 with Hindustan Petroleum Corporation Limited for sale of Land and Factory Building at Chembur where the Closure Division was located for a total consideration of Rs. 2762 Lac and relocate the said Division at place adjacent to Plastic Division at MIDC Turbhe at Navi Mumbai. The Company has simultaneously undertaken major capacity expansion programme at both Closure and Plastic Division at Mumbai at a total cost of Rs. 40 Crore to be financed partially out of the sale proceeds from Chembur Land and balance out of borrowing from the bank. The company has entered into a Memorandum of Understanding with Balmer Lawrie & Co.Limited for purchase of their entire leasehold land at MIDC Turbhe, Navi Mumbai. The work of shifting and relocation of plant at new place has also started. The shifting is expected to be complete by August, 2008.

After Expansion the Capacity of Closure Division is estimated to double from 18 Mn Sets as at present to 35 Mn Sets per annum. Similarly at Plastic Division, Mumbai, the production of Valerex 20 and Valerex 200 are estimated to go up from 135000 and 40000 as at present to 175000 and 80000 per month respectively.

Consequent to shifting of Closure Division from Chembur to MIDC Turbhe the Registered office of the Company is also proposed to be shifted from L. U. Gadkari Marg, Mahul, Chembur, Mumbai-400 074 to D-195/2, TTC Industrial Area, MIDC Turbhe, Navi Mumbai-400 705.

DE-LISTING:

At the last Annual General Meeting held on 28th September, 2007 the members had authorized the purchase of equity shares of the Company by the promoters of the Company viz Balmer Lawrie & Company Limited and M/s.Greif International Holding B. V. (Formerly known as Royal Packaging Industries Van Leer B. V.)(("Acquirer") by making an open offer to the existing shareholders under Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003 ("Guidelines").

Accordingly Greif International Holding B. V. one of the Promoter Company acting for themselves and on behalf of other Promoter M/ s.Balmer Lawrie & Co.Limited had issued Public Announcement ("PA") on December 3, 2007 and had invited the Bids for purchase of shares from the existing shareholders holding shares in dematerialized form through "Reverse Book Building Process" during the period from December 14, 2007 to December 20, 2007. At the

end of Bid process 1190300 equity shares were acquired by the promoters at an exit price of Rs. 70 per share. Further in accordance with the Guidelines the Promoter acquired 29439 shares from shareholders holding shares in physical form in a bid process held during the period from December 28, 2007 to January 11, 2008.

At the end of the process, Mumbai stock Exchange granted an approval to de-list the equity shares from the Exchange and notified discontinuation of trading in shares of the Company w.e.f. 26th February, 2008 and the shares were de-listed from the exchange w.e.f. 4th March, 2008.

In terms of the Guidelines and approval granted by Mumbai Stock Exchange the Acquirer is offering to accept the shares from the remaining shareholders during further period of 6 months starting March 4, 2008 at the exit price of Rs. 70 per share subject to the terms and conditions as stated in PA. Till April 30, 2008 the promoters have acquired 14736014 equity shares representing 13.31% of the total shareholding. Promoters' shareholding after this acquisition stands increased from 80.24% to 93.55%.

DIRECTORS

During the year Mr. D. S. Van Griethyusen, the Chairman of your company consequent to his resignation from the Promoter Company viz., Greif International Holding B.V (Formerly known as Royal Packaging Industries Van Leer B.V) resigned from the Board of your Company w.e.f 8th January, 2008 and in his place Mr. Reinier Hietink was nominated as the Chairman of the Company w.e.f. 9th January, 2008.

Consequent to M/s.Harshadray Private Limited having offered their entire shareholding to the promoters under Delisting offer, Mr. Utsav Kapadia who was holding office as Non-Executive Director as nominee of M/s. Harshadray Private Limited submitted his resignation as director on the Board of the Company and consequently from membership of the Audit Committee w.e.f January 18, 2008.

Post Delisting Ms. Preeti Mehta hoding office as an Independent Director also resigned from the Board and Membership of the Audit Committee w.e.f.29th February, 2008.

Mr. S. K. Mukhejee will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself 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 31 March, 2008 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 company has achieved net sales income (including other income) of Rs. 3676 Lac as against Rs.3135 Lac in previous year and a profit before tax of Rs. 301.93 Lac as against Rs. 168.78 in the previous year.

Since the Equity Shares of the Company were not listed on any of the Stock Exchanges in India as on 31st March, 2008, the Accounting Standard 21 of the Institute of Chartered Accountants of India was not applicable and therefore the Consolidated Financial Statements (by consolidating Subsidiary Company's Financial Statements) are not attached herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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- (ii) the accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) proper and sufficient care has been taken 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;
- (iv) the annual accounts have been prepared on a going concern basis

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required to be disclosed u/s 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 are given in Annexure I which forms part of this Report.

PARTICULARS OF EMPLOYEES

There are no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence no particulars are furnished.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

SAFETY AND ENVIRONMENT COMPLIANCE

Your company gives utmost importance to the health and safety of its employees. The Company's manufacturing facilities at all locations continued to remain fully compliant with regard to the applicable Environmental Regulations and has obtained all environmental

consents such as air, water and hazardous waste authorisation from the respective Pollution Control Boards. The equipments and infrastructure for environmental management were kept operational and met regulatory standards.

HUMAN RESOURCES

Your Directors wish to place on record their deep appreciation of the sincere and the dedicated teamwork by the employees at all levels to meet the quality, cost and delivery expectations of our customers in a highly competitive and demanding market. Industrial relations at all plants remained cordial and harmonious during the year.

AUDITORS

M/s. Price Waterhouse, Chartered Accountants hold 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 DISCUSSIONS

With de-listing of equity shares of the Company from BSE w.e.f March 4, 2008 the shares of the Company are no more listed on any Stock Exchanges in India and the terms and conditions of Listing Agreement including Clause 41 of the Listing Agreement on Publication of Un-Audited Financial Results and Clause 49 of the Listing Agreement on Corporate Governance are not applicable to your Company. However as a prudent practise a report on Corporate Governance approved by the Board of Directors and Management Discussions and Analysis report are annexed herewith which forms an integral part of this Report.

ACKNOWLEDGEMENT

The Board of Directors of your Company place on record their gratitude and would like to thank Shareholders, Bankers, customers, Suppliers and all others connected with the business of the Company for their co-operation.

On behalf of the Board of Directors,

Place : Mumbai
Dated: 22nd May, 2008.

P. B. ANANDRAO
Managing Director

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 Director's Report for the year ended 31st March, 2008.

1. ENERGY CONSERVATION

Measures taken and its impact

At Valerex Division

- Valerex Division received the status of "Continuous Process Industry from Maharashtra State Electricity Development Corporation (MSEDCL) which may help in obtaining the uninterrupted quality power supply from express feeder and thereby bring down per unit power requirement.
- Improvement in dimension of the part of Valerex 200 moulds and contour of the product components has resulted in reducing the production cycle time and power cost per drum in effect.

At Plastic Division, Chennai

Replacement of old electrical wiring with new wires/cables & old Electronic control panel with Total Machine Control system the productivity from the 'Kautex' make Blow Moulding Machine has improved with reduction in breakdown and on line product rejections. This has also resulted in improving the power factor and bringing down the per unit power cost.

2. RESEARCH & DEVELOPMENT

As a part of the continuous improvement plan all products were analysed in depth to carry out requisite modifications and alterations in the product line, moulds and process parameters for further enhancement of performance standards.

3. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Closure Division:

Installation of Vision system on 2" Flange and ¾" Plug packing line has helped to eliminate customer's complaint of having received these products without thread or in damaged condition to a large extent.

Plastic Division:

Regular interaction and training of workmen carried out by technical experts from the parent Company for technology up-gradation and innovation.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the foreign exchange earning from exports was Rs.2391.50 Lac while the foreign exchange outgo for imports and payments towards other services and expenses was Rs.4217.95 Lac.



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 your Company as on 31st March, 2008 comprised of six directors – three non-executive promoter directors [one being a nominee of Royal Packaging Ind. Van Leer B. V., (now renamed as Greif International Holding B. V.) and two others being the nominees of Balmer Lawrie & Co. Ltd.,] two independent directors and one managing director.

(b) The table below gives composition of the Board, and inter alia nature of directorship, the outside directorship held by each of the directors of the Company whether as member on the Board / Committee of the Board as Chairman/member etc., shares held in the Company.

Name of the Director	Nature of Directorship	No. of Directorship in other Companies*	No. of Chairmanship of Committee of other Boards	No. of Membership in Committee of other Boards**	No. of Shares held in the Company as on 31st March, 2008
Mr. D. S. Van Griethuysen @	Chairman-NED	1	–	1	Nil
Mr. E. J. Boertien @@	Alternate to Mr. D. S. Van Griethuysen	–	–	–	Nil
Mr. Reinier Hietink @@@	Chairman-NED	1	–	1	Nil
Mr. P. B. Anand Rao	Managing Director	1	–	–	50
Mr. S. K. Mukherjee	NED	6	–	2	50
Mr. V. N. Sharma	NED	3	–	–	1000
Mr. U. R. Kapadia #	NED	12	–	–	Nil
Mr. P. V. Narayanan	NED (I)	2	1	–	Nil
Mr. C. V. Parameswar	NED (I)	2	1	–	Nil
Ms. P. G. Mehta \$	NED (I)	1	–	–	Nil

NED (I) - Non Executive Director - Independent

NED - Non-Executive Director

MD - Managing Director

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

** Membership in Audit Committees, Shareholders' & Investors' Grievance Committee/Remuneration Committee of all Public Limited Companies have been considered.

@ Consequent to resignation from the Promoter Company M/s. Greif International Holding B. V. his nomination withdrawn as the Chairman w.e.f. 8th January, 2008

@@ Consequent to the Resignation of Mr. D. S. Van Griethuysen the post of Alternate Director was vacated by him w.e.f. 8th January, 2008

@@@ Nominated by M/s. Greif International Holding B.V. (Foreign Promoter) as Chairman w.e.f. 9th January, 2008 in place of Mr. D. S. Van Griethuysen

Resigned as Director w.e.f. 18th January, 2008

\$ Resigned as Director w.e.f. 29th February, 2008

(c) Details of Board Meetings held during the year April 1, 2007 to March 31, 2008

Sr. No.	Date
1	22nd May 2007
2	31st July 2007
3	14th August 2007
4	30th October 2007
5	30th January 2008

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- (d) Attendance at the Board Meeting / Annual General Meeting (AGM) & Remuneration of each Director on the Board during the Financial Year 2007-08.

Name of Director	Total Attendance at Board Meeting	Attendance at the AGM held on 28.09.2007	Sitting Fees* (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total Remuneration (Rs.)
Mr. D. S. Van Griethuysen	4	Yes	Nil	NA	NA	0
Mr Reinier Hietink	1	NA	Nil	NA	NA	0
Mr. P. B. Anand Rao	5	Yes	NA	2588179	104650	2692829
Mr. S. K. Mukherjee	5	Yes	10,000**	NA	NA	10,000
Mr. V. N. Sharma	5	Yes	10,000**	NA	NA	10,000
Mr. U. R. Kapadia	4	No	14,000	NA	NA	14,000
Mr. P. V. Naryananan	5	Yes	16,000	NA	NA	16,000
Ms. P. G. Mehta	2	Yes	8,000	NA	NA	8,000
Mr C.V.Parameswar	4	Yes	14,000	NA	NA	14,000

*Sitting fees includes payment for attending Board Meeting as also Audit Committee Meetings.

**Paid to M/s. Balmer Lawrie & Co. Ltd.

3. Audit Committee for the year 2007-08

- (i) Composition, No. of Meetings and Attendance

The Audit Committee comprised of four Directors all being non-executive directors, of which three were Independent Directors. Mr. C. V. Parameswar an independent director was the Chairman of the Committee.

Ms. P. G. Mehta, Mr. P. V. Narayanan (both Independent director) and Mr. U. R. Kapadia were other members of the Committee.

During the year, Audit Committee Meetings were held on 21st May, 2007, 30th July, 2007, 30th October, 2007 and 30th January, 2008 and the attendance thereof were as under :

Sr. No.	Name of Directors who were members of the Audit committee during 2007-08	No. of Meetings attended
1.	Mr. U. R. Kapadia	3
2.	Mr. P. V. Narayanan	3
3.	Ms. P. G. Mehta	2
4	Mr C.V. Parameswar	3

The Managing Director, Internal Auditors and Statutory Auditors are invitees to the meeting. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

- (ii) Terms of Reference

The terms of reference of this Committee covered matters as were specified under the Listing Agreement and the Companies Act, 1956 of India.

4. Remuneration Committee

Constitution of Remuneration Committee by listed Public Limited 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 remuneration of the Managing Director is governed by the agreement dated 28th September, 2007 between the Company and Mr. P. B. Anand Rao which has been approved by the Board. The main terms and conditions of the agreement have already been approved by the Members. The Managing Director is not entitled to any sitting fees for attending meetings of the Board and Committees.

Details of remuneration paid to the executive directors including Managing Director are given at item 2(d) above. The Company does not have stock option.

5. Shareholders' & Investors' Grievance Committee for the year 2007-08

- (i) Composition

This committee comprised of three Directors, Mr. U. R. Kapadia was the Chairman of the Committee, Mr. P. B. Anand Rao & Mr. P. V. Narayanan, were the other members of the Committee.

- (ii) Compliance Officer

Mr Rajesh Juthani, Company Secretary, was appointed as Compliance officer w.e.f. 7th April, 2006.