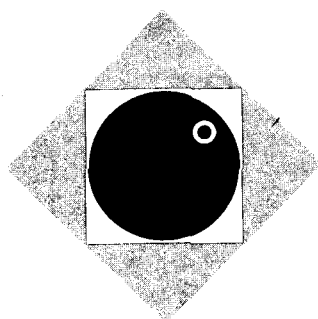


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Balmer Lawrie-Van Leer Limited

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REGISTERED OFFICE

D-195/2, T.T.C. Indl. Area, MIDC Turbhe,
Navi Mumbai-400 705.

Tel. : 6739 6400 Fax : 6739 6436
E-mail : blvl@bom2.vsnl.net.in

WORKS

Closure Division:

D-195/2, T.T.C. Indl. Area, MIDC Turbhe,
Navi Mumbai-400 705.

Tel. : 6739 6400 Fax : 6739 6436

Plastic Division Mumbai:

D-195/2, T.T.C. Indl. Area, MIDC Turbhe,
Navi Mumbai-400 705.

Tel. : 2763 0035-37 Fax : 2763 0038

Plastic Division Chennai:

Village : Janakipuram, Taluk : Madurantakam

Dist. : Kancheepuram, Cheenai

Tel. : 044-2756 7131 / 7132

Plastic Division Dehradun:

Khasra No.122, Central Hope Town (Now known as
Selakui Industrial Area), Pargana Pachhwa Doon,
Dist Dehradun, Uttarakhand.

REGISTRARS

Sharepro Services (India) Pvt. Ltd.

13AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Andheri (E), Mumbai - 400 072

Tel. : 022-2851 1872/6772 0300/6772 0400
Fax : 2859 1568

BOARD OF DIRECTORS

Reinier Hietink
Chairman

P. B. Anand Rao
Managing Director

S. K. Mukherjee
Director

V. N. Sharma
Director

MANAGEMENT TEAM

Mohan Menon
Chief Operating Officer

Rajesh Juthani
General Manager (Finance) & Company Secretary

Ajit Shah
General Manager (Operations – Valerex Division)

T.S. Shirwalkar
Dy. General Manager (Operations – Closure Division)

AUDITORS

M/s. Price Waterhouse
Chartered Accountants

INTERNAL AUDITORS

M/s. L.B. Jha & Co.
Chartered Accountants

BANKERS

The Hong Kong & Shanghai Banking Corp. Ltd.

Bank of India

Standard Chartered Bank

The Jammu & Kashmir Bank Ltd.

IndusInd Bank Ltd.



NOTICE TO MEMBERS

Notice is hereby given that the 50th Annual General Meeting of the Members of Balmer Lawrie-Van Leer Limited, will be held on Thursday, the 30th day of September, 2010 at the Registered office of the Company at D-195/2, TTC Industrial Area, MIDC Turbhe, Navi Mumbai – 400 705 at 3.00 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, 2010 and 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 pursuant to the provisions of Sec. 224A of the Companies Act, 1956 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 of the Company and the Board of Directors be and is hereby authorised to determine the amount of remuneration payable to them plus reimbursement of out of pocket expenses incurred by them for the purpose of audit of the accounts of the Company for the financial year 2010-11 by the said Auditors.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following resolution as a Special 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 appointment of Mr. Mohan Menon, as the Managing Director of the Company for a period of Three years with effect from 1st October, 2010 upon such terms and conditions including remuneration as set out in the draft Agreement to be entered into between the Company and Mr. Mohan Menon with specific authority to the Board of Directors to alter and vary the terms and conditions of the aforesaid appointment and/or Agreement, in such manner as may be agreed upon by and between the Board of Directors and Mr. Mohan Menon 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;

“RESOLVED FURTHER THAT in the event of any absence or inadequacy of net profits in any financial year, the remuneration as mentioned in the Agreement to be entered between the Managing Director and the Company shall be the minimum remuneration payable to the Managing Director”.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/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 given below and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2010 to 30th September, 2010 (both days inclusive) for the purpose of determining the entitlement of Dividend and Annual General Meeting.
4. The dividend as recommended by the Board of Directors for the year ended March 31, 2010, if declared at the Annual General meeting, will be paid on or before October 30, 2010 to those members whose names stand registered on the Company's Register of Members :—
 - a. As Beneficial Owners as at the close of business hours of September 25, 2010 as per the list furnished by the National Securities Depository Limited (NSDL) and the Central depository Services (India) Limited (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 25, 2010 in respect of shares held in physical form.
5. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their Bank details, ECS mandates, nominations, power of attorney, change of address/ name etc., to their depository participant only quoting their Client ID Nos. and not to the Company or its Registrar and Share Transfer Agents. The said changes will be automatically reflected in the Company's records.
6. Members holding shares in physical form are requested to notify the above changes as stated in note no. 5 above to the Company or to the Registrar and Share Transfer Agent, M/s.Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, off Andheri- Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 Telephone nos. 6772 0300/6772 0400.
7. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956 as amended, the dividend which remained unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund established by the Central Government and no claims shall lie against the Fund or the Company. Unclaimed/unencashed dividend for the year 2002-03 has been transferred to Investor

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Education and Protection Fund pursuant to this provision. Members therefore who have either not received or encashed their dividend warrants(s) for the year ended 31st March, 2004 or any subsequent years are requested to send their claim/dividend warrant(s) for revalidation immediately either to the Company or to the Registrar and Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Limited for obtaining the payment in lieu of such warrants.

8. Pursuant to the provision of Section 205C and of the Companies Act, 1956 the Unclaimed Dividend for the financial year 2002-03 has been transferred to Investor Education and Protection Fund established by the Central Government and no claims shall lie against the Fund or the Company.
9. Members are requested to bring their copy of the Annual Report at the Meeting.
10. Members/Proxies should bring the attendance slip duly filled-in and signed for attending the meeting.
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 physical 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 34 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. Mukerjee holds directorship/membership in the following other Companies/Committee.

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
PT. Imani Ganda Utama	Commissioner

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: July 6, 2010.

Rajesh Juthani
Company Secretary

Registered Office:
D-195/2, TTC Industrial Area,
MIDC Turbhe, Navi Mumbai-400 705



EXPLANATORY STATEMENT

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

Item No. 4:

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 Messrs Price Waterhouse Coopers, 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 Board of Directors of the Company at its meeting held on 27th May, 2010 have appointed Mr. Mohan Menon as Managing Director of the Company for a period of three years with effect from 1st October, 2010 subject to approval by the members in the Annual General Meeting on the following terms and conditions:

1. Period – 3 year with effect from 1st October, 2010
2. Mr. Mohan Menon, on assuming charge as 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 the Companies Act, 1956 (the Act).
3. In consideration of the performance of his duties, Mr. Mohan Menon shall be paid remuneration as below:
 - I. Salary : Rs. 95,000/- (Rupees Ninety Five Thousand only) per month subject to annual increment with effect from 01.04.2011 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 : Free unfurnished residential accommodation. Where no accommodation is provided by the Company, house rent allowance @ 45% of salary in lieu thereof will be paid. The expenses on gas and electricity expenses shall be borne by the company, subject to annual ceiling of Rs. 60,000/- (Rupees Sixty Thousand only).

An Air-conditioned Car with driver for official purpose subject to monthly recovery towards personal use of the car as per the applicable Company Car scheme.

Reimbursement of domiciliary medical expenses for self, spouse and dependent children at actual as per rules of the Company.

Reimbursement of Insurance premium for Hospitalization policy for self, spouse and dependent children as per Company's Rules.

Leave travel assistance in the form of one month's salary per annum.

Club membership fees including entrance fees (for maximum two clubs).

Reimbursement of premium for personal accident insurance for the self subject to premium not exceeding Rs.6000 per annum.

Contribution to Provident Fund and Superannuation or annuity fund not exceeding 27% of the salary.

Gratuity at the rate of 15 days' salary for every completed year of service and proportionate period thereof subject to upper ceiling as per Payment of Gratuity Act, 1972.

Encashment of 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. Mohan Menon disqualifies or 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.
8. Minimum Remuneration : In the event of any absence or inadequacy of net profits in any financial year, the remuneration as mentioned in the Agreement to be entered between the Managing Director and the Company shall be the minimum remuneration payable to the Managing Director.

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. Mohan Menon under Section 302 of the Act.

Except Mr. Mohan Menon 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: 6th July, 2010.

Rajesh Juthani
Company Secretary

Registered Office:
D-195/2, TTC Industrial Area,
MIDC Turbhe, Navi Mumbai-400 705

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DIRECTORS' REPORT

(Including Management Discussion & Analysis)

Your Board of Directors have pleasure in presenting the 50th Annual Report of the Company, together with Audited Statement of Accounts of the Company, along with the report of the Auditors, for the year ended March 31, 2010.

ECONOMIC ENVIRONMENT

After a sharp, broad and synchronized global downturn started in the industrialized nations in 2007 and gradually spread across the world the effect which was felt in India during 2008 & 2009. F.Y. 2009-10 for the Indian economy also started with a cautious note. GDP growth rate in India plummeted from over 9% till 2007-08 to less than 6.7% in 2008-09. The small signs of recovery were seen with apprehension of a sluggish growth going forward. Adding to the woes was the delayed and below than normal monsoon leading to spiralling inflation in food articles across the globe

While the developed economies like U.S.A, U.K. and European Union still struggling to emerge from the clutches of wide spread slowdown despite liberal stimulus package, the Indian economy made a remarkable recovery aided by prompt fiscal stimulus initiated by the Government, favourable & growth oriented policy adopted by Reserve Bank of India, strong capital inflow and backed by strong domestic demand. With the wide spread recovery the Indian economy bounced back with GDP growth at 7.4% in 2009-10. Developing economies are still saddled with high unemployment, weak and volatile financial markets, and impending trade barriers. Lower than expected growth of these economies means sluggish export growth rates and subdued direct capital flows into the economy.

The challenge from an adverse external environment has been recently accentuated with the turmoil in European Union with potential default in Greece, Portugal, Ireland, Italy and Spain. Although the collapse of these economies has been averted by rescue package from European Union, ECB and IMF, the condition of these economies remain fragile and a challenge.

Along with the current global challenges the Indian economy also needs to contend with high inflation and tight monetary conditions. High fiscal deficit and abnormally high inflation in food items remains a source of concern for Indian economy.

INDUSTRY STRUCTURE & DEVELOPMENT

Though the market showed some resilience in the beginning of the year 2009-10 the industrial growth picked up from the second quarter of the year and there was broad based recovery in manufacturing and capital goods industry especially infrastructure, automobile, lubricant, rubber, plastic, chemicals, and telecom sectors recording an impressive turnaround.

However flow of weak economic data, less than expected improvement in unemployment and retail sales in US/Europe and steps taken by the Chinese Government to curb the pace of industrial growth as an attempt to check the inflationary trend had dampening impact on the commodity prices and prices remained more or less stable both in domestic and internationally. Appreciation of Indian rupee versus most of the currencies further helped to contain the commodity prices by way of cheaper imports.

Aided by external factors and combination of different incentives offered by the Indian Government helped to bring back the optimism and consequently set turnaround in most of the sectors and GDP growth in particular despite sharp decline in agricultural output.

Higher growth rate in manufacturing sector especially in automobile, chemicals and construction augurs well for the packaging industry.

SEGMENT WISE PERFORMANCE

CLOSURES DIVISION

The performance of the Closure Division in the 1st quarter was severely affected primarily due to carry over impact of global economic slowdown, negligible exports and cautious approach adopted by the Customers in local market due to lack of clarity on sustainability of demand, prices and lower business confidence. The demand both in local and export market improved from second quarter onwards. The production and sales during the year were at 18.67 million sets and 19.31 million sets as against 14.53 million sets and 13.81 million sets respectively, representing an increase of 39% in sales over last year. The trend in the last quarter in particular was quite encouraging. The total sale in value term was higher at Rs.5403.85 Lac versus Rs.4489.02 Lac. The price of steel a basic raw material remained more or less stable throughout the year.

PLASTICS DIVISION

Performance of Plastic Division in Physical terms especially in Valerex 200 and Blow moulded Drums have shown marked improvement as compared to other products. In case of Valerex 20 the sales were more or less at the same level as previous year and sales of Smart Pack Division (Pails) were strategically restricted/limited to niche and high value customers only. Product-wise performance is stated below:

V20

Even though sales in physical terms improved by 5.3% the same in value terms was at Rs.1869.63 Lac i.e. more or less at the same level as previous year mainly on account of less realization in export sales due to strengthening of Indian Rupee vis-à-vis USD the currency in which majority of export transactions have taken place.

V200

The spurt in demand for this product which started during last two months of the previous financial year continued through out the year barring sudden drop in demand during third quarter especially from base oil producers and Gujarat based Customers who were forced to close down their operations temporarily under the order passed by Gujarat High Court for adherence to pollution control related norms.

However the demand picked up during fourth and last quarter. The net sales on account of higher volume during the year increased from Rs.3863 Lac in previous year to Rs.5619 Lac representing an increase of 45%.

BLOW MOULDING

With the commissioning of one more Blow Moulding Machine in March, 2009 and addition of new customers this product line have shown a sizeable growth with improved production and sales.

Even though the Company strategically preferred to restrict the production to only high value segments and serve niche customers rather than compete in low margin areas the sales in physical terms grew by 34% whereas in value terms increased from Rs.464 Lac to Rs.603 Lac.



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 rather than compete for volume with suppliers offering such products at thin margins. Company's effort to maintain quality has paid off in the form of regular demand from export market. Sales in physical terms grew by 22% and in value terms the same has gone up by 13%.

PLASTIC CONTAINER DIVISION – CHENNAI

During the current financial year both production and sales from this unit has shown marked improvement. The unit attained higher capacity utilization in all products with sales in physical terms improved by 42% and in value terms the growth was 29%. The unit has turn around in current year with a small operational profit as against loss in previous year. The unit is further consolidating its operation by reducing down time and in process rejection levels.

OPERATION EXCELLENCE

During the current financial year the company under the assistance, guidance and supervision of expert from the promoter group trained select employees on operation excellence to identify the areas of improvement, replacement of worn out machinery/spare with high speed high technology machine/spares and improve attention to critical processes, co-ordination communication and team work on shop floor. These steps have shown sign of improvement in productivity and reduction of costs.

FINANCIAL PERFORMANCE:

Rs. In Lacs

	2009-10	2008-09
Sales and other Income	15726.89	12316.24
Gross Profit before interest and depreciation	1912.70	727.70
Less: Interest & Financial charges	484.50	465.00
Gross Profit before depreciation	1428.20	262.70
Less: Depreciation	661.29	541.68
Profit before Tax	766.91	(278.98)
Exceptional Item	2427.83	—
Less: Provision for Current Tax	577.78	15.78
Less: Provision for Fringe Benefit Tax	—	18.00
Less: Provision for Deferred Tax	12.54	(23.23)
Profit after Tax	2604.42	(289.53)
Add: Profit Brought Forward	195.44	484.97
Amount available for Appropriation	2799.86	195.44
Earning per Share	16.52	(1.84)
Dividend in percentage	10	—
Appropriations:		
Proposed Dividend & Dividend Distribution Tax thereon	184.42	—
Transferred to General Reserve	—	—
Profit Balance Carried Forward	2615.44	195.44
Reserves	4063.19	1643.19

Sales and other Income for the financial year under review increased by 28% as compared to previous year from Rs.12316.24 Lac to Rs.15726.89 Lac arising out of volume growth in both Steel Drum Closure and Plastic Container Divisions.

Export Turnover increased from Rs.2385.87 Lac to Rs.2955.38 Lac representing an increase of 24%.

Material Cost as % of the Sales declined from 63.6% to 60.8% mainly on account of fairly stable raw material prices, stable foreign exchange and Cost reduction efforts.

Other Operating Expenses (Manufacturing, Administration and Selling) were down from 26.7% to 23.5%.

All this contributed to improvement in EBITDA from 6.1% in F.Y. 2008-09 to 12.52% in F.Y. 2009-10.

DIVIDEND

The Directors recommend a dividend of Rs.1.00 per equity share of Rs.10 each for the year ended on March 31, 2010. The dividend if approved at the ensuing Annual General Meeting will be paid to those shareholders whose name appear on the register of members of the Company as at the close of business hours of 25th September, 2010.

The Register of Members and Share Transfer Books of the Company will be closed from 25th September, 2010 to 30th September, 2010 (both days inclusive) to determine the eligible shareholders for payment of dividend.

CREDIT RATING

In compliance of BASAL II norms the company's Short term and long terms bank facilities have been rated by ICRA Limited and has been assigned "LBBB+" (L triple B plus) for long term loans and A2 (A four plus) for short term facilities enjoyed from the bank.

DIRECTOR

Mr. S.K. Mukherjee retires by rotation 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, 2010 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 has achieved sales income (including other income) of Rs. 4419.69 Lac as against Rs.5042.84 Lac in previous year and a net profit before tax of Rs. 544.94 Lac as against Rs. 696.69 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, 2010 the Accounting Standard- 21 of the Institute of Chartered Accountants of India was not applicable and therefore the Consolidated Financial Statements (by consolidating Subsidiary Companies Financial statements) are not attached herewith.

REPORT ON CORPORATE GOVERNANCE

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 no more applicable

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to your Company. However as a prudent practise the Company continues to include a report on Corporate Governance without Certificate from a practicing Company Secretary which forms an integral part of this Report.

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. As such no Principal amount or interest was outstanding on the Balance Sheet date.

ENVIRONMENT COMPLIANCE & SAFETY

The company gives utmost importance to the health and safety of its employees. The Company's manufacturing facilities at all locations continued to run eco friendly and 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/INDUSTRIAL RELATIONS

Your Company gives utmost importance to nurturing and development of human capital and the HR policies and procedures are geared towards this objective. Your company follows a well defined policy approved by the Board for attracting, retaining and rewarding talent. The system of rewarding the performers are transparent and well laid down. Succession Planning and Talent Management are given due priority.

The Company has formulated and has in place a well defined variable pay scheme linked to the performance of an employee as an individual and as a team member.

A healthy and cordial atmosphere prevailed throughout the year at all manufacturing locations.

The company has 319 permanent employees on the payroll as on the date of this report.

Your Directors wish to place on record their appreciation 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.

OPPORTUNITIES AND THREATS

The promoter group companies continue to extend their full technical and managerial support besides sourcing their entire requirements of Drum Closures from the company.

"Trisure" make Steel drum Closures is a brand recognised world over for adherence to stringent quality parameters. An association with Greif International Holdings B.V as one of the promoters offers great potential in the international market. The company's "Valerex" brand drums with the best possible weight to strength ratio and possibility of number of colour combination derived from its design commands a greater acceptability and premium amongst wide range of customers and the demand is buoyant.

With the Indian Government continuing the fiscal stimulus package with the partial roll out, priority to economic and industrial policies over inflation and increased thrust to infrastructure/development/ growth oriented spending as well as the monetary measures of RBI to ensure sufficient liquidity in to the systems it is expected that the domestic growth rate will get impetus and Company sees a large demand for its products.

Continuation of business downturn in United States of America and

other continents over longer period can adversely affect the business prospects of Steel Drum Closure business in particular.

With the improvement in general business conditions there has been sizeable addition to capacities in plastic drum business which means cut throat competition to enhance and retain the market share.

RISKS AND CONCERNS

The company recognises that risks are inevitable and are integral in any business. It also believes that in today's dynamic market conditions the complexity of doing business has significantly increased. It therefore believes in identifying and reviewing the same on an ongoing basis so as to take corrective or remedial action on time and attempt to reduce its impact if not totally avoidable. The company has identified and analyzed the key business risk as Business Cyclical risk, Customer concentration risk, Quality risk, Competition risk, Credit risk, Raw material and Energy cost fluctuation risk, Fluctuation in Foreign Exchange, Compliance and Regulatory risk.

Even though the Indian economy is on the path to recovery and is expected to grow at faster rate as compared to other developed/ emerging economies with large inflow of funds and addition of new capacities, the rising fiscal deficit arising out of fiscal packages, abnormally high inflation for food items and with-drawl of stimulus package or any downturn in business cycle due to further deepening of economic crisis in euro zones is a threat to the Company. The company is therefore expanding the product range and customer base spread over various sectors so as to mitigate the effects of slow down in particular sector.

In spite of strong commitments and support from the joint promoters as single largest customers, the business risk attached to them can affect the performance of your company especially in case of Steel Drum Closure business.

The Customers' expectation for the right product of right quality at competitive price with increased volume and customer base has become a serious challenge. The addition of capacities especially in Blow Moulded segment by organised and unorganised players could add pressure on the product pricing and impact on overall margins.

The Company's dependence on few limited Indian and international suppliers for steel/polymers can have an adverse impact on the performance of the company in case of their act in unison.

Even though the Company has taken steps to broad base its manufacturing facilities and improve the risk perception amongst its customers of operating from a single centralized location by having unit in Chennai in Southern India and at Dehradun in Northern India the availability of continuous and quality power supply at an affordable tariff are causes of concern.

Transactions in foreign currencies are generally hedged by taking a forward cover from time to time to minimize the risk of adverse currency fluctuations. However there can be some time gap between transactions and the company may be exposed to some risk.

The Company acknowledges the risk of attrition being faced by manufacturing industries in general due to continuous migration of skilled manpower to service sector where the demand for the skilled manpower has grown exponentially and has taken few steps for attracting, retaining and developing the competent people.

FUTURE EXPANSION & OUTLOOK

The Company has commissioned a green field project at Selaqui



near Dehradun in Uttarakhand for manufacture of Plastic Container to cater to the needs of existing and new customers located in northern region. Second hand imported plant & machinery to manufacture Valerex 20 drums duly refurbished have been installed and trial productions has commenced. Sample drums are being given to prospective customers for product approval.

The Company has begun construction of additional shed at Chennai and the work of refurbishing the imported Second hand Valerex 200 line which it proposes to install at Chennai Unit to augment the capacity of bigger sized drums and add flexibility to the product range being offered to customers. This will enable the Company to broad base its' operation, to improve service level to customers, add new customers and check competition.

The Company is further looking for expansion of capacities at Steel Drum Closure Division at Mumbai and relocation of Blow Moulding operation at strategic location in Gujarat.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company employs an adequate system of internal controls commensurate with the size and nature of the company's business so as to ensure protection and safeguarding company's assets/resources against loss from unauthorised use or disposition and to ensure that those transactions are authorized, recorded and reported correctly and are in compliance of all applicable laws on time.

The company has well defined organisation structure with defined authorisation and approval levels for various transactions which form an integral part of the internal control systems.

The internal control system is supplemented by an extensive internal audit programme based on scope approved by the Board by an internal auditors M/s. L.B. Jha & Co. an old firm of chartered Accountants, review by the management, documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial information and for maintaining accountability of assets.

AUDITORS

The Statutory Auditors M/s. Price Waterhouse, Chartered Accountants retire at this Annual General Meeting and are recommended for re-appointment. The Company has received a Confirmation under Section 224(1B) of the Companies Act, 1956 from the Statutory Auditors.

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 and there was no departure from such standards;

- (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

Statement of Particulars of employees as required in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is given in Annexure-II which forms part of this Report.

CAUTIONARY STATEMENT

While the Management stands by the integrity and objectivity of the financial statements in this report the company's objectives, projections, estimates and expectations mentioned in the analysis may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those either expressed or implied in such forward looking statements depending on the circumstances. Readers & shareholders are cautioned not to place undue reliance on these forward looking statements which may be true on the date said. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

ACKNOWLEDGEMENT

The Board of Directors of your Company would like to record its appreciation for the co-operation and support received from its employees, investors, bankers, customers, vendors and all others connected with the business of the Company.

On behalf of the Board of Directors,

Place: Mumbai
Dated: July 6, 2010.

P. B. ANANDRAO
Managing Director

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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, 2010.

1. ENERGY CONSERVATION

Measures taken and its impact

Replacement of normal reciprocating type Water chiller with Screw type friction less "Daikin" Make water chiller which is highly energy efficient and consumes as low energy as 0.35 KW Per Ton as compared to 1 KW Per Ton.

Installation of "SEL" Make electrical Power Optimization System on new Main Power panel to shield infinite no. of surges, transients and spikes and thereby protect costlier electronic parts of equipments like PLC, AC Drives, Electronic Card etc., This has helped to reduce power fluctuations, frequent failure of electric components, saving in replacement cost besides correction of power factor and consequent eligibility for incentive on energy charges.

Regulating the movement of electric motors on press Lines and conveyors as per demand supply principal by connecting to PLC and programming PLC in such a way that the motor automatically stops when running is not required. This has resulted in reduction in power consumption by 76 units per day.

2. RESEARCH & DEVELOPMENT

Due to prevailing market conditions and utilization of existing human resources for implementing operation excellence programme and attaining production capacities envisaged on completion of capacity expansion related projects at Steel Drum Closure Division and V200 and V20 product lines at Plastic Container Division research or development related activities could not be undertaken.

3. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company is working on a in house developed technology to manufacture drums on 'Knock down concept' by using the excess extrusion capacity of producing tubes at Mumbai and to produce Valerex 200 drums by installing injection moulding and welding machine and other balancing equipments at distant locations which if successful will enable the company to broad base the production with a smaller investments.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the foreign exchange earning from exports was Rs.2955.38 Lac while the foreign exchange outgo for imports and payments towards other services and expenses was Rs.6372.75 Lac.

ANNEXURE-II TO THE DIRECTORS' REPORT

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March, 2010.

1. Employed through out the Financial Year

Name of the Employee	: Mr. P.B. Anand Rao
Current Designation	: Managing Director
Gross Remuneration	: Rs. 30.20 Lac
Qualification	: B.E. (Mechanical Eng.)
Experience in years	: 40 Years
Date of Commencement of Employment	: 16 th June, 2001
Age of the Employee in years	: 64 years
Last Employment held Before joining the Company	: Balmer Lawrie & Co. Ltd.

Note: (1) Remuneration as shown above includes Salary, House Rent Allowance, Commission, Company's contribution to Provident Fund and Superannuation Fund, Leave Travel Assistance and all other taxable allowances & perquisites, as are applicable as per Contract of service and Company's Rules. In addition the Managing Director is also covered under Company's Group Personal Accident Policy.

(2) Mr. P.B. Anand Rao is not related to any other Director of the Company.

(3) The nature of employment is contractual.

(4) Mr. P.B. Anand Rao does not hold by himself or alongwith his spouse and dependent children, 2% or more of the Equity Shares of the Company.

For and on Behalf of the Board of Directors

Date: July 6, 2010

P.B. Anand Rao
Managing Director