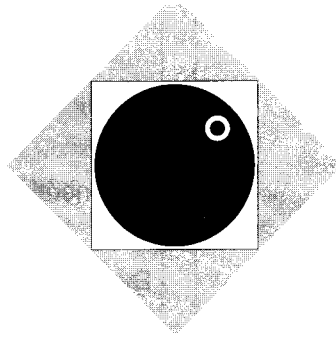


51st Annual Report



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.

BOARD OF DIRECTORS

Reinier Hietink
Chairman

P. B. Anand Rao
Managing Director (1-04-2010 to 30-09-2010)

Mohan Menon
Managing Director (1-10-2010 to 31-03-2011)

S. K. Mukherjee
Director (Resigned w.e.f. 25-06-2011)

K Subramanyan
Director (nominated w.e.f. 25-06-2011)

V. N. Sharma
Director

MANAGEMENT TEAM

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

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

BANKERS

The Hong Kong & Shanghai Banking Corp. Ltd.

Bank of India

Standard Chartered Bank

IndusInd Bank Ltd.



NOTICE TO MEMBERS

Notice is hereby given that the Fifty First Annual General Meeting of the Members of Balmer Lawrie-Van Leer Limited, will be held on Thursday, the August 25, 2011 at the Registered Office of the Company at D-195/2, TTC Industrial Area, MIDC Turbhe, Navi Mumbai – 400 705 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement for the financial year ended on March 31, 2011, and the Reports of the Directors & the Auditors thereon.
2. To appoint Mr. V.N. Sharma as a Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provision of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Price Waterhouse, Chartered Accountants, 252, Veer Savarkar Marg, Shivaji Park, Mumbai 400-028, be and are hereby re-appointed as the Statutory Auditor of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on a remuneration to be fixed by the Board of Directors, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2012.”

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. 3 in the Notice is given below and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company will be closed from August 20, 2011 to August 25, 2011 (both days inclusive).
4. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days up to the date of the AGM.
5. Members holding shares in electronic (dematerialised) form are advised to send the requests for change of address, bank particulars, Bank/ECS mandate, residential status, nomination, power of attorney, transmission of shares etc., to their Depository Participants. The Company or Registrar cannot act on any such requests received directly from the members holding shares in electronic form.
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, Andheri (East), Mumbai – 400 072, Telephone Nos. 6772 0300 / 6772 0400.
7. Pursuant to the provisions of Section 205C of the Companies Act, 1956 as amended, the amount of remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (“the fund”) set up by the Central Government of India and no payments shall be made in respect of any such claims by the fund. In accordance with the said provisions the Unclaimed Dividend for the year 2002-03 has already been transferred by the Company. Members who have either not received or en-cashed their Dividend Warrant(s) for the year ended 31st March, 2004 or any subsequent years are hereby requested to send their claim/ dividend warrant(s) for revalidation immediately either to the Company or to the Registrar and Transfer Agents, M/s. Sharepro Services (India) Private Limited for obtaining the payment in lieu of such warrants.
8. Members/Proxies are requested to bring their attendance slip duly filled-in and signed along with the copy of the Annual Report at the Meeting.

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9. 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.
10. 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.
11. Brief Resume of the Director seeking appointment/ Re-appointment at the 51st Annual General Meeting

Mr. V. N. Sharma is a B.Tech in Chemical Engineering from the Madras University and PGDBM from XLRI Jamshedpur. He joined Balmer Lawrie & Co. Ltd., in 1975 and has held responsibilities at various levels in manufacturing, materials, commercial functions, R & D Project Management and as Profit Centre Head.

Presently he is a Director on the Boards of Balmer Lawrie & Co. Ltd., Transafe Services limited (as Chairman), AVI-Oil India (P) Ltd., Balmer Lawrie (UAE) LLC, UAE and PT Balmer Lawrie Indonesia 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.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 3:

In terms of Section 224 A of the Companies Act, 1956, (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 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.

By Order of the Board of Directors

For **Balmer Lawrie-Van Leer Limited**

Place: Mumbai,
Dated: 25th June, 2011.

Rajesh Juthani
Company Secretary

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

By Order of the Board of Directors

For **Balmer Lawrie-Van Leer Limited**

Place: Mumbai,
Dated: 25th June, 2011.

Rajesh Juthani
Company Secretary

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



DIRECTORS' REPORT

(Including Report on Management Discussion & Analysis)

Your Board of Directors take pleasure in presenting the Fifty First Annual Report on business and operations of the Company along with Audited Statement of Accounts and the report of the Auditors thereon for the financial year ended 31st March, 2011.

FINANCIAL PERFORMANCE:

Rs. In Lacs		
Particulars	2010-11	2009-10
Net Sales	16996.59	15274.37
Other Income	764.88	452.52
Total Income	17761.47	15726.89
Profit before interest and depreciation	2257.28	1912.70
Less: Interest & Financial charges	546.22	484.50
Profit before depreciation	1711.06	1428.20
Less: Depreciation	706.54	661.29
Profit before Tax	1004.52	766.91
Add: Exceptional Item	—	2427.83
Less: Provision for Current Tax	142.72	577.78
Less: Provision for Deferred Tax	(42.78)	12.54
Profit after Tax	904.58	2604.42
Add: Profit Brought Forward	2615.44	195.44
Amount available for Appropriation	3520.02	2799.86
Earning per Share	5.74	16.52
Dividend in percentage	Nil	10
Appropriations: Proposed Dividend & Dividend Distribution Tax thereon	Nil	184.42
Transferred to General Reserve	Nil	Nil
Profit Balance Carried Forward	3520.76	2615.44
Reserves	4968.52	4063.19

PERFORMANCE HIGHLIGHTS

2010-11 was a year of consolidation for the Company's businesses. The expansion in capacities undertaken at both Steel Drum Closure Division and Plastic Division resulted in improved sales both in physical and value terms.

Sales and other Income increased by 13% to Rs.17761.47 Lac, as against Rs.15726.89 Lac in the previous year. This included an export sales growth of 20% from Rs.2955.38 Lac to Rs.3549.87 Lac.

Profit after Tax excluding exceptional items (i.e. gain from sales of assets) increased to Rs.618.33 Lac as against Rs.176.59 Lac in the previous year.

SEGMENT WISE PERFORMANCE

CLOSURES DIVISION

Domestic and export demand for Steel Drum Closures remained buoyant throughout the year. Production and Sales during the year

were at 22.81 million sets and 21.48 million sets respectively as against 18.67 million sets and 19.31 million sets respectively in the previous year.

Total sale in value term was higher at Rs.6090.09 Lac compared to Rs.5403.85 Lac in the previous year. Inflationary trend in steel, rubber, paper and other consumables had a negative impact on margins.

PLASTIC CONTAINER DIVISION-MUMBAI

Performance of Valerex range of plastic drums and Blow Moulded Drums was better than the previous year. In spite of volatility in polymer price, the Company managed to pass on substantial part of raw material cost increase to the customers. However the performance of conical pails was subdued and restricted to few niche customers. This Unit has achieved sales of Rs.9816.49 Lac as against Rs.9290.79 Lac in the previous year.

Productwise performance is stated below:

VALEREX 20

Sales in physical terms improved by over 9 % where as in value terms the same was higher at Rs.2121.78 Lac as against Rs.1869.63 Lac in the previous year. During the year the Company secured good export orders which are expected to continue in the current year.

VALEREX 200

The buoyancy in demand for V200 drums continued throughout the year. However competition intensified with the emergence of several new entrants and capacity enhancement by existing players. The Company focussed on improving service level and concentrated on meeting the requirements of existing customers. As a result sales in physical and value terms remained more or less at the same level as previous year. However increase in cost of production were largely passed on to the customers and margins were maintained at same level as previous year.

BLOW MOULDING DRUMS

In case of Blow Moulded drums the Company continued its strategy to service few niche customers instead of competing in low margin areas. Sales in physical terms and value terms remained more or less at the same level as previous year.

CONICAL PAILS

Sales of these drums were restricted to certain customers who are key buyer of Company's other products and to certain high value added segments. Sales in physical and value terms remained more or less at the same level as previous year.

PLASTIC CONTAINER DIVISION – CHENNAI

The sales from this unit grew by 11% to Rs.2294.89 Lac as against Rs.2064.09 Lac in the previous year. However the selling price and margins were under constant pressure due to intense competition. The unit focussed on productivity improvement, cost reduction and managing a better product mix. The improvements are expected to yield better results in the current year.

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PLASTIC CONTAINER UNIT- DEHRADUN

During the year the Company commenced production at its new Plastic Container Unit at Dehradun. The Company focussed on stabilizing its operation and getting product approvals from customers. The response is good and it is expected to perform better in the current year.

CLARIFICATION ON AUDIT REPORT

The Company had made a strategic investment by acquiring 11,361,999 Equity shares of Transafe Services Limited (TSL) in 2009 by availing 100% loan from Balmer Lawrie & Co. Limited (BL). Subsequent to this investment, TSL reported losses during the F.Y.2009-10 and 2010-11. Consequent to these losses and substantial erosion of net worth, the value of investment held by the Company has also reduced. As per Statutory Auditors the Company should make provision in Accounts for diminution in value of investments in compliance with the Accounting Standard 13-"Accounting for Investment".

The Company believes that TSL has excellent business potential and a sound business model. With the initiative and pragmatic approach of TSL's present management team, it is expected that TSL will substantially improve its performance in 2011-12 onwards. Hence there is no need to provide for diminution in value of investments as the same is temporary.

Further the Company is of the view that even in the unlikely event of net worth of the value of TSL not getting enhanced, clause 1.3 of the Loan Agreement dated July 31, 2009 executed between Company as "Borrower" and BL as "Lenders" provides for necessary protection in the form of shares of TSL getting swapped with the outstanding loan at the end of five years period.

As a matter of precaution and confirmation, the Company has obtained a legal opinion from a reputed firm of solicitors and Advocates on operation and impact of clause 1.3 of the Loan Agreement. It was opined that the loan availed by the Company from BL is a non recourse loan and in case the Company fails to repay the loan at the end of stipulated tenure of 60 month, the loan liability of the Company ceases on transferring the shares of TSL so acquired with the loan from BL. On transfer of shares neither the Company nor BL shall have any further claims on the other.

DIVIDEND

With a view to conserve cash resources to meet the planned capital expenditure the Directors do not recommend any dividend for the financial year 2010-11.

CREDIT RATING

During the current financial year ICRA Limited upgraded Company's Short term rating from A2 (pronounced as A two) to A2+ (pronounced as A two plus) and long term ratings from LBBB+ (pronounced as L triple B plus) to LA- (pronounced as L A minus).

PUBLIC DEPOSITS

During the year the Company has not accepted any Deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

DIRECTOR

Mr. P. B. Anand Rao retired as Managing Director with effect from 30th September, 2010 and Mr. Mohan Menon was appointed as the Managing Director with effect from 1st October, 2010 for a period

of three years. The Board places on record its sincere appreciation of the valuable contribution made by Mr. P. B. Anand Rao towards the growth of the Company. Under his able leadership and guidance the Company undertook and implemented several major projects.

Mr. S.K. Mukherjee, Director representing Balmer Lawrie & Co. Limited has resigned with effect from 25th June, 2011. The Board places on record its appreciation for the contribution and valuable guidance rendered by Mr. S.K. Mukherjee during his tenure as Director of the Company. Mr. K. Subramanyan has joined as Director on your board as nominee of Balmer Lawrie & Co. Ltd., in his place.

Mr. V. N. Sharma retires by rotation at the forthcoming AGM and being eligible offers himself for re-appointment.

AUDITORS

M/s. Price Waterhouse, Chartered Accountants, the Statutory Auditors of the Company retires at forthcoming Annual General Meeting and offers themselves for re-appointment pursuant to Section 224(1B) of the Companies Act, 1956. The Board recommends their 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, 2011 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.5700.18 Lac as against Rs.4419.69 Lac in previous year and a net profit before tax of Rs.493.76 Lac as against Rs.544.94 in the previous year.

Since the Equity shares of the Company are not listed on any of the stock exchanges in India as on 31st March, 2011 the Accounting Standard-21 of The Institute of Chartered Accountants of India is not applicable and the Consolidated Financial Statements therefore are not attached herewith.

REPORT ON CORPORATE GOVERNANCE

The Equity Shares of your Company were not listed on any stock exchanges in India and therefore Clause 41 of the Listing Agreement regarding Publication of Un-Audited Financial Results and Clause 49 of the Listing Agreement on Corporate Governance is not applicable to your Company. However reflecting your Company's commitment to the highest standard of governance the Company continues to include a report on Corporate Governance which forms an integral part of this Report.

HEALTH SAFETY AND ENVIRONMENT

Your Company gives utmost importance to Health, Safety and Environment and has adopted policies to make the organization a safe work place and to comply with environmental standards and legislations.

All the manufacturing units of the Company continue to be fully compliant with the applicable Environmental Regulations and has obtained all consents relating to emission and effluent discharge and disposal of hazardous waste from the respective authorities.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

As on date of this report the Company has 320 permanent employees on the payroll at different locations.



Employee competency and career development continue to be the thrust area and several new initiatives are envisaged towards this direction. Recruitment and retention of talent continues to be a major challenge for the Company and manufacturing sector as a whole in the Country due to high remuneration and employment attractiveness of the service sector in particular I.T. and Retail.

The Company has a performance based variable pay scheme with weightage on individual, team and Divisional performance.

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

GLOBAL AND INDIAN ECONOMIC SCENERIO

Fiscal year 2011 began on a reasonably optimistic note with steady recovery from recession. However the pace remained modest in the advanced countries. Financial health of some of the Euro Zone countries continued to be fragile with high sovereign risk and risk of possible downgrades. India and China however continued to perform throughout 2010-11 in spite of rising commodity prices, oil supply disruptions and higher food inflation

India was among the few economies which stood tall after the global crisis mainly due to favourable population demographics, Greater domestic consumption and inherent resilience. The Indian economy continued to grow at steady pace and registered a growth rate of 8.5% as against 8% in 2009-10 as per the revised estimate of Central Statistical Organization.

The Indian growth was broad based with good performance of the Industrial sector, the rebounding output from agriculture sector due to better than expected monsoon and resilience in service sector. However growth conditions have shown some moderation at the end of financial year 2010-11 and as per Reserve Bank of India's preliminary estimates, Indian economy is likely to grow in the range of 8-8.75% during 2011-12 subject to normal monsoon. However higher food inflation requiring further monetary tightening by the central bank, depressed monsoon, rise in global crude price and rising Commodity prices can adversely impact the growth. A lacklustre growth in USA and persistence of sovereign debt crisis in the Euro Zone can pose further risk to growth of the Indian economy.

OPPORTUNITIES AND THREATS

Under this optimistic economic scenario the Company expects to perform better during the year 2011-12 in both Steel Drum Closure and Plastic Drum business.

"Trisure" make Steel drum Closures is a brand recognised world over for adherence to stringent quality standards and through the Company's promoter Greif International Holdings BV, has significant growth potential in the international market. Tri-Sure Steel Drum Closures continue to have dominant share in Indian market.

The company's "Valerex" brand drums with the best possible weight to strength ratio and possibility of number of colour combinations is still a preferred premium packaging in various segments like Lubricants and other speciality chemicals.

However improved general business condition and buoyancy in demand for plastic drums has attracted several new entrants resulting in intensified competition.

Rising interest costs leading to slow down in Auto sector and reduced demand for oils/lubricants along with volatile commodity prices are cause of concern.

RISKS AND CONCERNS

While the growth outlook and demand for Company's products remains strong, in the near term, there are risks, challenges and concerns associated with the business of the Company which can be enumerated as

- High rate of Inflation resulting in reduction of purchasing power and affecting demand in general.
- Rising interest cost leading to slow down in Auto sector and reduced demand for oils/lubricants.
- High Commodity prices adversely affecting industry and product margins.
- Exchange fluctuation. Company hedges this risk by taking forward cover from time to time. However there can be some time gap between transactions and the company may be exposed to some risk.
- Statutory permissions and environment clearances.
- Even though the Company has taken various steps for attracting, retaining and developing competent people, availability and retention of trained and skilled manpower remains a challenge.
- Persistence of sovereign debt crisis in Euro Zone and possible down grades may affect the export prospects of steel drum closures in those countries.
- With sizeable addition of capacities in Blow Moulded Plastic Drum segment by existing players and addition of new entrants can lead to erosion of market share, more intense price competition and pressure on margins. The Company is however geared to face challenges with its focus on quality, customer service and continuous improvement.
- In-spite of strong commitments and support from the joint promoters as largest customers of Steel Drum Closures, the business risk attached to their businesses can affect the performance of your company.
- Even though the Company has taken steps to broad base its manufacturing facilities by having a 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.

To mitigate these risks, the Risk management strategies adopted by the Company are periodically reviewed by the Board

FUTURE EXPANSION & OUTLOOK

The Company has almost completed work on capacity expansion of Steel drum Closures at Turbhe Plant and is looking forward to improve the operational efficiency and further scaling up of production through optimum utilization of resources.

The Company has completed construction of additional shed and installations of plants & equipments required for commercial production of Valerex 200 drums at Chennai. Trials were carried out and the product is likely to be launched by August, 2011. The additional facility will add to the product range being offered to Customers in southern India.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has in place an adequate and appropriate system of internal control commensurate with the size and nature of its business. The systems ensure protection and safeguard of Company's assets/resources against loss from unauthorised use or disposition and to ensure efficacy of operations and compliance

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with policies, procedures and applicable legislations.

The Company has a budgetary control system and the Board *regularly reviews actual performance*. The Company has a well *defined organisation structure with clear authority levels and detailed internal guidelines* for conducting business transactions. To ensure adequacy of the control systems and adherence to management guidelines and compliance, internal audits of all units of the Company are periodically carried out by M/s. L.B. Jha & Co. Chartered Accountants, an independent external auditors.

The Internal Audit Reports along with implementation status, recommendations with reference to significant risk areas control system and management response are reviewed by the Audit Committee of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated 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 subject to comments in Auditors report and Management response thereon given above;
- (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

None of the employees of the Company were in receipt of either monthly or annual remuneration in excess of the amounts prescribed by Section 217(2A) of the Companies Act, 1956 and read with the Companies (Particulars of Employees) Rules, 1975 as amended.

CAUTIONARY STATEMENT

Forward looking statements are based on certain assumptions and expectation of future events. The Company or its Management cannot guarantee that these assumptions and expectations are fully accurate or will be realized. Actual results could differ materially from those either expressed or implied in statements depending on the prevailing circumstances then. The Company and Management assume no responsibility to publicly amend, modify or revise forward looking statements on the basis of subsequent developments, information or events. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

GREEN INITIATIVE BY THE COMPANY

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Member who hold shares in physical form are requested to register their e-mail id with Share Pro Services India Private Limited (R&T Agents of the Company) at their e-mail address intimated to individual members vide Company notice dated June 22, 2011.

ACKNOWLEDGEMENT

Your Directors would like to acknowledge the contribution and place on record their sincere appreciation of the co-operation and continued support received from all stakeholders including shareholders, customers, vendors, bankers and all others connected with the business of the Company.

The Director recognises and appreciates the dedicated efforts and hard work of all the employees of the Company towards the success of your Company.

On behalf of the Board of Directors,

Place: Mumbai
Dated: 25th June, 2011.

MOHAN MENON
Managing Director

**ANNEXURE 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, 2011.

1. ENERGY CONSERVATION**Measures taken and its impact**

The Company has installed Electronic panels with a bank of capacitors and inductors both at Steel Drum Closure Division and Plastic Drum Division at Mumbai, to filter harmonics created by welding machine and other electrical equipments. With the installation of the capacitors and panels the improvement in power factor from about below 95% to about 99 % has been achieved.

This has resulted in savings in energy cost.

2. RESEARCH & DEVELOPMENT

No major R& D activities were undertaken during the year could not be undertaken.

3. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company continually updates the technology in all businesses utilizing its own creativity and innovation and also with the help of technical inputs from the promoters.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the foreign exchange earning from exports was Rs.3549.87 Lac while the foreign exchange outgo for imports and payments towards other services and expenses was Rs.6819.45 Lac.

For and on Behalf of the Board of Directors

Place : Mumbai
Dated: 25th June, 2011.

MOHAN MENON
Managing Director

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REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy of Corporate Governance

The Company aims to achieve good governance by conscious efforts to ensure the truth, transparency & accountability, by observing the highest level of ethics in all its dealings, and conduct its business efficiently to maximize value for its stakeholders in a balanced and accountable manner.

2. Board of Directors

(a) Composition

The Board of your Company as on 31st March, 2011 comprises of four 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.,] and one managing director.

(b) The table below gives composition of the Board, and inter-alia nature of directorship, the directorship held by each of the directors in other Companies as member on the Board/Committee of the Board as Chairman/member etc., no of shares held by each of the Directors in the Company.

Name of the Director	Category	No. of Directorship/Committee Chairmanship/ Membership in other Companies			No. of shares held in Co. as on 31st March, 2011
		Directorship*	Chairmanship	Membership**	
Mr. Reinier Hietink @	Chairman	–	–	–	Nil
Mr. P. B. Anand Rao (Retired on 30.09.2010)	Managing Director	2	–	1	Nil
Mr. Mohan Menon (Appointed from 01.10.2010)	Managing Director	3	–	–	–
Mr. S. K. Mukherjee #	Non Executive Director	5	–	2	50
Mr. V. N. Sharma	Non Executive Director	4	1	–	5

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

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

@ Nominated by M/s. Greif International Holding B.V. (Foreign Promoter) as Chairman with effect from 9th January, 2008.

Resigned consequent to withdrawal of nomination by M/s. Balmer Lawrie & Co. Ltd. and Mr. K. Subramanyan nominated as Director in his place w.e.f. 25-06-2011.

(c) Board Meetings and Attendance records of each Director.

During the Financial Year Five Board meetings were held on 27th May, 2010, 6th July, 2010, 30th September, 2010, 24th November, 2010 and 17th March, 2011.

Directors	No. of Board Meeting Attended	Attendance at the AGM
Mr Reinier Hietink	5	Yes
Mr. P.B. Anand Rao	3	Yes
Mr. Mohan Menon	2	No
Mr. S.K. Mukherjee	5	Yes
Mr. V.N. Sharma	4	Yes