

54th Annual Report 2013 - 2014

Directors	:	Reinier Hietink Mohan Menon Virendra Sinha Anand Dayal Egbert Jan Boertien Kannan Ananthakrishnan	Chairman Managing Director Director Director Director Director
Company Secretary	:	Rajesh Juthani	
Bankers	:	The Hong Kong & Shanghai Banking Corporation Ltd. Bank of India IndusInd Bank Ltd. Royal Bank of Scotland Kotak Mahindra Bank Ltd.	
Statutory Auditors	:	Walker Chandio & Co LLP	
Internal Auditors	:	L.B. Jha & Co.	
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	:	<i>Drum Closure Division:</i> D-195/2, T.T.C. Indl. Area, MIDC Turbhe, Navi Mumbai-400 705. Tel. : 6739 6400 Fax : 6739 6436 <i>Plastic Container Division Mumbai:</i> D-195/2, T.T.C. Indl. Area, MIDC Turbhe, Navi Mumbai-400 705. Tel. : 2763 0035-37 Fax : 2763 0038 <i>Plastic Container Division Chennai:</i> Village : Janakipuram, Taluk : Madurantakam Dist. : Kancheepuram, Chennai, Tel. : 044-2756 7131 / 7132 <i>Plastic Container Division Dehradun:</i> Khasra No. 122, Central Hope Town (Now known as Selakui Industrial Area) Pargana Pachhwa Doon, Dist. Dehradun, Uttarakhand.	
Registrar & Share Transfer Agent	:	Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 Tel. : 022-2851 1872/6772 0300/6772 0400, Fax : 2859 1568	

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NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty Fourth Annual General Meeting of BALMER LAWRIE-VAN LEER LIMITED will be held at the Registered office of the Company at D-195/2, TTC Industrial area, MIDC Turbhe, Navi Mumbai-400 705 on Friday the 5th September, 2014 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Ordinary Shares.
3. To appoint a Director in place of Mr. Anand Dayal (DIN 03368900) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kannan Ananthakrishnan (DIN 05281184) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Walker Chandio & Co LLP, Chartered Accountants be and are hereby re-appointed as the Auditors of the Company to hold the office from the conclusion of ensuing 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 re-imbursement of out of pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2015.”

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:
“RESOLVED THAT in supersession of the Resolution passed at the 49th Annual General Meeting held on 30th July, 2009 and pursuant to the provision of the Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, including any amendment or modification thereof, consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of money for the purpose of the business of the Company, from time to time, notwithstanding that the money or monies to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the Company (reserves not set apart for any specific purposes) provided that the total amount so borrowed shall

not exceed Rs.100 Crore (Rupees One Hundred Crore only).”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy in order to be effective must be received at the Company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of Companies, Societies, Partnership firms etc., must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organizations. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total shares capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is sent herewith.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Member and Share Transfer Books of the Company will remain closed from Saturday, the 30th August, 2014 to Friday, the 5th September, 2014, both days inclusive.
4. Subject to the provisions of section 123, 124, 126 and all other applicable provisions, if any, of the Companies Act, 2013 the Dividend on Equity Shares as recommended by the Board, if declared at the Annual General Meeting, will be paid on or before 5th October, 2014 to those members whose names appear on the register of Members as on Saturday, the 30th August, 2014. The dividend in respect of shares held in the electronic form, will be payable to the beneficial owners of the shares as per list provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, 29th August, 2014.
5. Member holding shares in electronic form and who have furnished bank particulars to the Depository Participants will be paid dividend through National Electronic Clearing Service (NECS) where this facility is available. In other cases the dividend warrant with bank details as furnished by Depository Participants will be posted at the registered address. Any change in address, bank details, nominations, power of attorney etc., is to be intimated to their Depository Participants.
6. Members holding shares in physical form are requested to notify above changes quoting their folio number either to the Company or to the Registrar and Share Transfer Agent M/s. Share Pro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone

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Exchange Lane, off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072. (Telephone nos. 6772 0300/ 6772 0400).

7. Pursuant to Section 72 of the Companies Act, 2013, Shareholders are entitled to nominate any person to whom his securities shall vest in the event of his death. Shareholders holding shares in electronic form are therefore requested to file nomination in prescribed form to their depository and shareholder holding shares in physical form can send this form to Company or Registrar and Share Transfer Agent M/s. Share Pro Services (India) Private Limited at above mentioned address.
8. Members are requested to avail the facility of receiving dividend through National Electronic Clearing Service (NECS) to avoid loss of warrant(s) and undue delay in receipt thereof.
9. Pursuant to Section 125 of the Companies Act, 2013 the amount of dividend 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") and no payments shall be made in respect of any such claims by the Fund.
10. All unpaid/unclaimed dividend up to and including the financial year ended on 31st March, 2006 have been transferred to the Fund. Unclaimed Dividend for the financial year 2006-07 will be due for transfer to Fund by 09.10.2014.
11. Members who have either not received or un-en-cashed dividend warrant(s) for the financial year 2006-07, 2007-08, 2009-10, 2011-12 and 2012-13 are requested to immediately send their warrant(s) for revalidation or send claim to the Company or Registrar and Share Transfer Agent M/s. Share Pro Services (India) Private Limited at above mentioned address.
12. The Ministry of Corporate Affairs as a part of "Green Initiative in Corporate Governance" has allowed paperless compliances

by Companies. The MCA Circular permits Companies to send soft copies of the notice/documents including Annual Report on e-mail to its members. Members are therefore requested to support this Initiative by registering/updating their e-mail address either with their depository or Registrar and Share Transfer Agent M/s. Share Pro Services (India) Private Limited at above mentioned address.

13. Pursuant to the Provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 a member can exercise his right to vote at all general meeting by electronic means. Although E-voting is not applicable to unlisted public companies as per exemption granted by MCA up to 31st December, 2014 the Shareholders are requested to register/update their e-mail address either with their Depository Participant or Registrar and Share Transfer Agent M/s. Share Pro Services (India) Private Limited at above mentioned address to facilitate sending notice, notice of dividend credit through NEFT etc.
14. Particulars of Directors seeking re-appointment at the meeting are annexed.
15. Members desiring any information with respect to Accounts are requested to write to the Company Secretary at least ten days before the date of the meeting.
16. Members are requested to kindly bring their copy of Annual Report.

By Order of the Board of Directors

For **Balmer Lawrie-Van Leer Limited**

Place: Mumbai,
Dated: 25th July, 2014.

Rajesh Juthani
Company Secretary

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



Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 ("the Act")

The shareholders at the 49th Annual General Meeting held on 30th July, 2009 had authorized the Board of Directors of the Company to borrow money up to a limit of Rs.100 Crore.

As per the provisions of Section 180(1)(c) of the Companies Act, 2013 the borrowing (excluding temporary loan obtained by the Company from bankers in ordinary course of business viz. loans repayable on demand or within six months, cash credit facilities, bill discounting facility and other short term loan) in excess of the paid up capital and free reserves (excluding reserves not set apart for any specific purpose) require approval from members.

Members approval is now sought for authorising the Board to borrow upto Rs. 100 Crore in terms of the provision of Section 180(1)(c) of the Companies Act 2013.

None of the Directors of the Company are concerned or interested in the resolution.

By Order of the Board of Directors

For **Balmer Lawrie-Van Leer Limited**

Place : Mumbai,

Dated: 25th July, 2014.

Rajesh Juthani

Company Secretary

Details of Directors seeking re-appointment at the forth coming Annual General Meeting

Name of the Director	Mr. Anand Dayal	Mr. Kannan Ananthakrishnan
Date of Birth	December 13, 1954	May 5, 1965
Date of Appointment	December 01, 2012	June 1, 2012
Education Qualification	Graduate in Economics & Political Science, Diploma in Marketing Management	B.S.C, ACS, CPA
Experience (in no. of Years)	35 Years	24 years
Experience in specific areas	Marketing, Manufacturing and General Management	Strategic Planning, Finance, Accounts and General Management
Details of shares held in Co.	Nil	Nil
List of Companies in which Outside Directorship is held as on March 31, 2014	Balmer Lawrie & Co. Ltd., – Director Balmer Lawrie (UAE) LLC., – Director AVI Oil India (P) Ltd., – Director Proseal Closures Ltd., – Director PT Balmer Lawrie, Indonesia as Commissioner	Outside Directorship: None
Chairman/Member of the Committees of other Cos. on which he is a Director as on March 31, 2014	Audit Committee: None	Audit Committee: None
	Shareholder's & Investor Grievance Committee: None	Shareholder's & Investor Grievance Committee: None

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DIRECTORS' REPORT

(Including Report on Management Discussion & Analysis)

TO THE MEMBERS OF BALMER LAWRIE-VAN LEER LIMITED

Your Directors are pleased to present 54th Annual Report of the Company and Audited Financial Statements for the year ended March 31, 2014.

Rs. In Lacs

Particulars	2013-14	2012-13
Net Sales/income	26404.98	21155.50
Total Expenditure	24903.37	19748.00
Operating Profit	1501.61	1407.50
Add: Other Income	432.85	534.74
Profit before Interest, Depreciation and Taxes	1934.46	1942.24
Less: Interest	449.02	374.94
Less: Depreciation	808.04	734.97
Profit before Tax	677.40	832.33
Less: Provision for Tax		
(a) Current Tax	230.00	257.00
(b) Earlier year – Taxes	—	(10.00)
(c) Deferred Tax	(54.20)	(67.36)
Profit after Tax	501.60	652.69
Add: Balance brought forward from previous year	3561.93	3523.73
Amount available for appropriation	4063.53	4176.42
Appropriations		
Transfer to General Reserve	15.00	65.27
Proposed Dividend	215.42	472.56
Tax on Dividend	16.43	76.66
Balance of Profit carried forward	3816.68	3561.93

FINANCIAL PERFORMANCE:

DIVIDEND

The Board has recommended a dividend of 12% or Rs.1.20 per Equity share of Rs.10/- each for the year ended March 31, 2014. The Board has further proposed a transfer of Rs.15.00 Lac to "General Reserve".

COMPANY PERFORMANCE

Despite continued slowdown and subdued business confidence, your Company's Total Revenue for the year ended March 31, 2014 grew by 25 % from Rs. 21155.50 Lac in previous year to Rs. 26404.98 Lac. However continuing impact of higher inflation, higher interest costs, rising input costs, and sudden depreciation of INR versus USD during the year had an adverse impact on operating margins. Operating Profit was marginally higher at Rs. 1501.61 Lac as against Rs. 1407.50 Lac in previous year. Profit before Tax was lower at Rs. 677.40 Lac as against Rs. 832.33 in previous year. Profit earned in 2012-13 was higher mainly due to onetime write back of provision made towards payment of interest against loan taken for purchase of shares in the joint venture of the Company, M/s. Transafe Services Limited ("TSL") amounting to Rs. 294.50 Lac.

STEEL DRUM CLOSURE DIVISION-Mumbai

The domestic demand continued to be robust. Improvement in exports helped the Company to sustain operations at higher level. Stable steel prices and depreciation of Rupee versus USD helped to post higher sales and improved margins. The Division achieved increased sales of Rs. 7656.48 Lac and Profit before Tax of Rs. 355.00 Lac as against Rs. 6744.82 Lac and Rs. 188.58 Lac respectively in the previous year.

PLASTIC CONTAINER DIVISION-Mumbai

With the commencement of production of Large Blow Moulded drums at Dehradun, some of the north based Customers earlier serviced by Mumbai Plant were shifted to Dehradun. However local demand remained buoyant and capacity vacated due to shifting was fully absorbed. Sales revenue of Plastic Container Division, Mumbai grew from Rs. 11038.52 Lac to Rs. 14057.76 Lac during current year.

Constant increase in polymer prices, unfavorable exchange rates and increase in power cost, had severe negative impact on the margins. The Division suffered an exchange loss of Rs. 278.13 Lac during the year and posted a marginal loss of Rs. 35.99 Lac as against the profit before tax of Rs. 225.10 Lac in the previous year.



PLASTIC CONTAINER DIVISION-Chennai

Power issue continue to affect normal production and consequent use of D.G. set for production to keep the operations going impacted the operational costs. Severe Competition and shrinkage of demand lead to lower value addition. This together with sharp Rupee depreciation against USD had an adverse impact on margins and financial performance of the Division. The Division suffered a loss of Rs. 28.54 Lac on account of exchange. The Company has plans to turnaround the performance of the Division by improving productivity, change in marketing strategy and conversion of more customers to V200 drums.

While Sales during the current year increased from Rs.2235.86 Lac to Rs. 2618.76 Lac, the Division suffered a loss of Rs. 163.93 Lac as against loss of Rs. 159.89 Lac incurred in the previous year.

PLASTIC CONTAINER DIVISION-Dehradun

This Division performed better both in terms of productivity and sales. During the year 2013-14 the Division commenced commercial production of Large Blow Moulded drums and has received a good response from the market. Sales Income of this Division grew from Rs. 1136.30 Lac to Rs. 2071.98 Lac and the Division made a profit before tax of Rs. 90.95 Lac as against Rs. 53.69 Lac earned in the previous year.

CLARIFICATION ON QUALIFICATION IN AUDIT REPORT

The statutory auditors M/s. Walker Chandiok & Co. LLP has qualified their report on Company's Accounts for non-provisioning of interest expenses amounting to Rs. 163.61 Lac on a loan from M/s. Balmer Lawrie & Co. Limited (BL) in accordance with terms of such loan agreement. According to Statutory auditors there is overstatement of profit to the extent of Rs. 163.61 Lac.

The statutory auditors M/s. Walker Chandiok & Co. LLP has further qualified their report on Company's Accounts for non-provisioning for diminution in value of investment amounting to Rs. 1817.92 Lac in Equity shares of Transafe Service Limited (TSL) despite complete erosion of net worth of Transafe Services Limited as per their audited accounts as at 31st March, 2013 and 31st March, 2014.

The Company had made a strategic investment by acquiring 11,361,999 Equity Shares of TSL in 2009 by availing 100% loan from BL. Subsequent to this investment, TSL has continuously reported losses. Consequent to losses and erosion of net worth, the value of the investment held by the Company has also reduced.

However the Company is of the view that the Company's financial interests are protected even in the unlikely event of net worth of TSL being not restored as clause 1.3 of the Loan Agreement dated July 31, 2009 executed between Company as "Borrower" and BL as "Lenders" confirms that erosion in value of investment will have

no financial impact on the Company.

A legal opinion was sought and the Company was advised that as per the clause 1.3 of the Loan Agreement the loan availed by the Company from BL is a non recourse loan and therefore there will be no loan repayment liability on the Company after the expiry of period of 60 months as per the terms of loan agreement.

The Company had made a provision for interest amounting to Rs. 294.50 Lac on the said loan for the period from 1st April, 2010 to 31st March, 2012.

During 2012-13 the Company after written communication to BL wrote back Rs. 294.50 Lac being interest accrued and due but not paid pertaining to period 2010-11 and 2011-12 and has also stopped accruing any further interest on this loan. BL as lender has not raised any claim for interest so far.

Since the loan is a non recourse, the Company is neither liable for re-payment of loan/interest nor provide for diminution in value of investment. Both Investment in shares and Loan liability should get offset at the end of loan period.

SUBSIDIARY COMPANY

During the current year the Company acquired the remaining 1078 Equity shares of Rs. 1000/- each in Proseal Closures Limited from original promoters for a total consideration of Rs. 2200.00 Lac based on business valuation by an independent valuation agency. The entire investment was financed through share application money received from promoters pursuant to preferential allotment of shares. After this acquisition Proseal Closures Limited has become 100% subsidiary of your Company with effect from 23rd January, 2014. The Audited Annual Accounts for the year ended on 31st March, 2014 together with Auditors' and Directors' Reports of the Company's subsidiary, M/s. Proseal Closures Ltd., are attached herewith. The subsidiary company has reported Total Income of Rs. 8139.28 Lac as against Rs. 6436.53 Lac in previous year and a Profit before tax of Rs. 1220.75 Lac as against Rs. 705.28 Lac 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, 2014 the Accounting Standard-21 of the Institute of Chartered Accountants of India is not applicable and the Consolidated Financial Statements are not attached herewith.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company operates in two main segments viz., Steel Drum Closures and Plastic Containers.

Steel Drum Closures:

Market for Steel Drum Closures is primarily dependent on demand and growth rate of Steel Drum Manufacturer which is steadily

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growing in alignment with growth in the economy. Despite overall economic slow-down inflationary pressures, and subdued exports, the performance of Steel drum segment has remained robust.

The FOB value of exports was Rs. 4388.68 Lac as against Rs. 4222.94 Lac.

Plastic Containers/Drums:

Indian packaging industry and Plastic Container industry in particular has displayed a reasonable growth rate over the last few years. Plastic Containers as an alternative to Steel Drums by virtue of cost differential continue to enjoy preference and have wider application base both for consumer and industrial applications.

Your Company's products are well accepted in the market and Company continue to be preferred supplier to most of the large corporate engaged in Lube & Oil, Organic and Inorganic Chemicals, Printing Inks, Construction Chemicals, Leather Chemicals, Spice Oil and Food and Beverages. During the year the Company achieved highest ever production and sales of large sized drums at Mumbai.

Your Company has also initiated an action to get its manufacturing facility at all locations compliant with Global GFSI Standard to meet the specific requirement of Food and Beverage segment.

OUTLOOK, OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

The phase of uncertainty in economy, lack of business confidence, high inflation, increase in government spending and borrowings, high fiscal deficits and rising fuel prices is showing the sign of cooling down. In recent time developed economy like US and some countries of Europe have started showing sign of positive growth.

Indian economy during last two year suffered due to rise in fiscal deficit, widening of gap in balance of trade causing sharp depreciation of rupee vs. USD and high commodity prices. This impacted domestic industries earnings badly. However Export oriented industries could post impressive performance due to wild fluctuations in exchange rate.

OPPORTUNITIES

"Trisure" make Steel Drum Closures is a brand recognised world over. Many of the large users of steel drums in India categorically specify the use of "Trisure" Closures as pre-condition for all drums procured by them. The Company expects to retain the dominant position in the domestic market and continue to reap benefits of organic and expansionary growth of these sectors and Customers.

The Company's "Valerex" brand drums with its aesthetic appearance and the best possible strength to weight ratio continue to be preferred as premium packaging in various segments like Lubricants, Food, Construction and other Speciality Chemicals.

BUSINESS THREAT

Reduction in exports can pose a serious challenge to sustainability of Steel Drum Closures business due to under utilization of capacities.

With rising polymer prices the cost differential between steel drums and plastic drums has narrowed and some of the customers may shift to steel drums if the trend continues.

The proliferate growth in the number of competitors especially in large sized Blow moulded drums is a threat to value addition which can only be compensated by higher volumes, improved efficiency and better customer service.

RISKS & CONCERNS

Your Company recognizes that risk is inevitable and is an integral part of any business. In today's dynamic market conditions the business complexity has been multifold. It is therefore imminent to identify, review and take corrective remedial action on time. The Impact can be minimized if at least not eliminated. Company has identified and classified the business risks as Business cyclical risks, Customer or Vendor Concentration risks, Competition risk, Credit risk, Exchange risk, Regulatory and Compliance Risk. Some of the major risks and concerns are enumerated below:

Steel Drum Closure business is primarily dependent on exports and any deterioration in economic conditions, escalation of geo-political tension or political instability of importing country can impact the Company's business.

Non availability of adequate and continuous power in state where Company's units are located can impact the business and margins of the Company.

Continuation of high inflation and commodity prices can adversely affect the industry demand and product margins.

High interest cost leading to slump in sales of automobile industry can impact the oil & Lube sector and reduced demand for packaging.

Company's high dependence on one supplier for HMHDPE, principle raw material and limited negotiation power can impact the business continuity and margins.

Company's high dependence on the Joint Venture partners for sale of steel drum closures and on few big customers in oil and lube sector for Plastic Containers, the business risks attached to their business can affect the performance of your Company.

Sizeable capacity additions by both existing players and new entrants can lead to increase in completion amongst each other and can lead to erosion of market share and margin.

With increase in capacities the Company has been selling on credit



to domestic market. Any failure to collect the money for any reason or dispute can impact the financial position of the Company.

Any change in statutory compliance, permissions and environment clearance may affect the operations.

The Company has taken steps to address some of the risks through optimization of operations, widening of Customer base, development of vendors, product innovations to reduce cost of operation and improve profitability. Company has started hedging transactions involving foreign exchange by booking forwards or utilizing inward remittances for import payments. Foreign Currency exposure is reviewed at each Board meeting.

Adherences to statutory compliance under various statutes and acts are verified by the Internal Auditors every quarter and non compliance, if any, is brought to the notice of Board. Board reviews the report and advice suitable action. Board review the performance, business related risks from time to time and suggest remedial actions.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company understands the importance of a motivated and skilled human resource as source for of its competitiveness. Your Company strives to create a challenging, maintain a favorable work environment and follows a policy that enhances employee engagement, encourages entrepreneurial behavior, innovation and drive employees towards business excellence. The company organizes in house training as also encourages the employees for participation in external training held by industry experts, plant visits and attending seminar and conferences.

Industrial relations continued to be cordial at all locations during the year. A negotiation for Long Term Settlement with permanent workmen at Plastic Division, Mumbai is in progress.

The Company has performance based variable pay scheme with weight-age on individual KRA's, team, Divisional and Company performance. Company's compensation policy includes payment of annual performance bonus based on evaluation of performance of each individual employee by a committee from senior management. Senior management's performance is reviewed and remuneration/ annual increment is finalized under guidance of Remuneration Committee.

The Company had 348 permanent employees (including permanent workmen and trainees) on its pay roll as on 31st March, 2014.

SAFETY HEALTH AND ENVIRONMENT

Safety, Health and environment protection continues to be key focus areas and one of the prime drivers of the Company's operating efficiency. The Company is committed to ensuring zero

injuries to its employees, contract workforce and the communities in which it operates. The Company is focusing on training, new initiatives and regular communications for improving safety at the work place across the organization.

Besides periodical in-house reviews and surveillance audits of ISO 9001 by an external agency, the Board reviews the performance against set standard and guides on deficiencies in safety, health and hygiene conditions at workplace.

All the manufacturing units continue to be fully compliant with applicable local environmental regulations and have necessary consent for emission of effluents and disposal of hazardous wastes.

INDEPENDENT DIRECTORS & CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Your Company has initiated an action for induction of Independent Directors on the Board and re-constitution of existing Audit Committee, Shareholders Grievance Committee and Remuneration Committee to comply with the requirements under Companies Act, 2013.

Your Company is in the process of forming a CSR Committee immediately after induction of Independent Directors and frame a Corporate Social Responsibility Policy in alignment and compliance of Rules under Companies (Corporate Social Responsibility Policy) Rules 2014 and for the activities specified in Schedule VII of the Companies Act, 2013.

Company acknowledges its' responsibility to community at large and has in past participated in social programs by way of contribution for treatment of cancer patients, education of poor student and vocational training for women to enable them to earn livelihood. Company is committed to working in this direction.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has in place adequate internal Control systems through established processes and procedures set up by the management. Internal control system provides for:

- Reliability and integrity of financial and operational information
- Adherence to applicable Accounting standards
- Compliance with applicable laws, statutes as well as internal procedures and practices
- Safe guard of assets and their proper usage

The Audit Committee of the Board review, inter alia, the adequacy and effectiveness of the internal control systems and environment. The Audit Committee at their meeting review the performance (both financial and operating) internal audit and compliance reports and

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monitors action initiated on internal audit recommendations including those relating to strengthening the Company's risk management policies and systems.

The Board reviews quarterly and annual performance reports in comparison with the budget and discuss with management the reasons for variation and analysis. Board approves the capital expenditure Budget for all operating plants.

Company has also engaged an external audit firm M/s. L. B. Jha & Co., Chartered Accountants, to carryout periodical audits at all plants and of all functions and to report on deviations from laid down procedures. Report also brings out degree of risks associated and their recommendations to strengthen the business processes. The respective HODs and plant/functional heads review the observations arising out of the audit in the first instance. Audit Committee consisting of Board members reviews the highlight of this Report with comments from HODs and Unit heads on compliance and/or corrective action planned along with 'Action Taken Report'.

SHARE CAPITAL

During the year the Company made a preferential allotment of 2,200,000 Equity shares of Rs.10 each at Rs. 100 per share (including a premium of Rs.90 per share) to the Promoter Companies viz. Greif International Holding B.V and Balmer Lawrie & Co. Ltd., Pursuant to allotment, the paid up share capital of the Company has increased from Rs.1576.34 Lac to Rs.1796.34 Lac. The entire proceeds from issue of shares were utilized for acquiring remaining 49% shareholding of Proseal Closures Limited.

PUBLIC DEPOSITS

The Company has not accepted/renewed any fixed deposits from public during the year. There are no unclaimed deposits.

LOANS, ADVANCES & GUARANTEES

Your company has not granted any loans (secured or unsecured), advances or issued guarantees to companies, firms or other parties covered under Section 189 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

The commercial transaction with promoter Companies, subsidiary and associate companies of promoter companies for purchase and sale of goods and/or services or use of facility(s) are in ordinary course of business and are disclosed in annexed financial statements at Note 41. These transactions are carried out at arm's length prices after detailed negotiation.

CREDIT RATING

ICRA Limited a Rating agency has maintained Company's Short term rating to A2+ (pronounced as ICRA A two plus) and long term ratings to LA- (pronounced as ICRA A minus)

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anand Dayal (DIN 03368900) and Mr. Kannan Ananthakrishnan (DIN 05281184) retire by rotation and are eligible for re-appointment.

STATUTORY AUDITORS

M/s. Walker Chandio & Co. LLP Chartered Accountants, retire as auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment. The company has obtained necessary consent and confirmation as required under the Companies Act, 2013 from auditors.

COST AUDITORS

M/s. Musib & Associates, Cost Accountant has been appointed as the Cost Auditors for conducting audit of the cost records maintained by the Company for the year ended 31st March, 2014.

PARTICULARS OF EMPLOYEES

None of the Employees of the Company are drawing remuneration in excess of Rs. 60 Lac per annum or Rs. 5 Lac per month if employed for a part of the financial year as on 31st March, 2014.

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

CONSERVATION OF ENERGY

Replaced old Acrylic sheets fitted on factory roof at Plastic Container Division, Mumbai with new Acrylic sheets which improved day light and helped to keep factory lighting switched off during day time. This resulted in saving of approx. 54,750 units per annum.

Replaced standard motor based convention hydraulic pump with Servo Motor and Servo Pump in V20 Injection Moulding Machine IM-1 at Plastic Container Division, Mumbai which resulted in saving in power during idle time and reduction in consumption. This resulted in saving of approx. 61,320 units per annum.

At Steel Drum Closure Division Mumbai traditional copper-iron type rectifiers replaced by IGBT based energy saving rectifiers, installed energy monitoring devices and sealed air leakages to save on power cost.

TECHNOLOGY UPGRADATION AND ABSORPTION

During the year the Steel Drum Closure Division changed plating process from Hexavalent Passivation (CR-6) to Trivalent Passivation (CR-3) to give the product silver colour instead of golden colour. CR-6 process was toxic, polluting and required extensive effluent treatment where as new CR-3 process is non-polluting and environment friendly. The change was made as a part of implementation of green technology in the process.



Foreign Exchange earnings and outgo

	2013-14 In Rs. Lac	2012-13 in Rs. Lac
Revenue from Exports	4388.68	4222.94
Expenditure/Imports	11697.35	8607.22

CORPORATE GOVERNANCE

Equity Shares of your Company are not listed on any stock exchanges in India and the company is not required to comply with the clause 49 of the listing agreement. However Your Company believes and gives immense importance to the good Corporate Governance and best industry practices. A detailed report on Corporate Governance is annexed which forms the part of Board's report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the Board of Directors confirms that:

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed other than reported by auditors in their report and that there are no material departures;
- II. They have, in selection of accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and profits of

the Company for that period;

- III. They have taken proper and sufficient care to the best of their knowledge and ability, 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 detecting fraud and other irregularities;
- IV. They have prepared the annual accounts on a going concern basis;
- V. They have devised a proper system to ensure compliance with the provisions of all applicable laws and are of the opinion that such systems are adequate and is running efficiently.

ACKNOWLEDGEMENT

Your Directors wish to thank Customers, Suppliers, Service Providers, Bankers and Shareholders for their continued assistance, co-operation and support extended to the Company. You Directors also wish to thank Promoter Companies for their assistance, technical and financial support

Your Directors also wish to place on record their appreciation of continued co-operation and commitment by all cadres of employees.

For and on Behalf of the Board of Directors

Place : Mumbai
Dated: 16th May, 2014.

MOHAN MENON
Managing Director
(DIN 02838483)