



Preserving Values...



ESS DEE ALUMINIUM LTD.

Annual Report 2006-07

Exceeding Expectations

www.reportjunction.com

Board of Directors

Mr. Sudip Dutta	Chairman & Managing Director
Mr. Prasenjit Datta	Whole Time Director
Mr. Shankar Kamble	Director
Mr. Gautam Mukherjee	Director
Mr. Dilip S. Phatarphekar	Director
Mr. Ramdas. L. Baxi	Director

Registered Office

Plot no. 124-133, Panchal Udhog Nagar,
Bhimpore, Daman-396 210

Corporate Office

Vidyasagar, 4th Floor, Western Express Highway,
Malad (E), Mumbai-400 097

Units

1. Plot No. 124-133, Panchal Udyog Nagar,
Bhimpore, Daman - 396 210
2. Plot No. 161, Kundaim Industrial Estate,
Kundaim, Goa - 403 115
3. No.57/5/2 (A), Bhenslor,
Village Dunetha, Nani Daman -396210

Auditors

M.P. Chitale & Co.
Chartered Accountants,
Hamam House, Ambalal Doshi Marg
Fort, Mumbai-400 001

Registrar & Share Transfer Agent

Big share Services Private Limited
E-2, Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (E), Mumbai-400 072

Bankers

State Bank of India
ICICI Bank Limited
Punjab National Bank
Shamrao Vithal Cooperative Bank Ltd.

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The World of Ess Dee Aluminium

Our mission is to be the Single Largest Fully Integrated Packaging Solutions Provider in the world by continuously exceeding stakeholder expectations and creating a distinctive value

Major Milestones in the History of Ess Dee

- 2007
(upto 31st March)
 - ❑ Diversifying into packaging products for FMCG segment with the third plant at Daman.
- 2006
 - ❑ Commencement of the PVDC coating line in Goa
 - ❑ Commencement of the second aluminium foil rolling mill at Daman
 - ❑ Ess Dee Aluminium enters the capital markets with an IPO
 - ❑ Received DMF Type III approval from the US FDA for five of our plants (include units of subsidiary company)
 - ❑ Second successive best customer award from GARMCO
- 2005
 - ❑ All units ISO 9001: 2000 accredited
 - ❑ Commencement of the printing unit in Baddi - Himachal Pradesh and achieving complete proximity to the entire geographical spread of pharmaceutical companies in the country
 - ❑ Upgradation and enhancement of capacity at Daman printing unit
 - ❑ Best customer award from GARMCO
- 2004
 - ❑ Backward integration into aluminium foil manufacturing with the incorporation of Ess Dee Aluminium Pvt Limited, with the setting up of the Daman unit, thus achieving a fully integrated business model
- 2003
 - ❑ Setting up of the PVC calendering unit in Goa marking the company's entry into manufacturing
- 2002
 - ❑ Best customer award from Indal, for the second consecutive year
- 2001
 - ❑ Commencement of printing unit in Goa
 - ❑ Best customer award from Indal
- 2000
 - ❑ Commencement of printing unit in Daman
- 1997
 - ❑ Setting up of the first fully owned printing unit in Vasai - Thane, Maharashtra
- 1994
 - ❑ Creation of the Flex Art Foil brand with the commencement of Flex Art Foil Pvt. Ltd as a leased unit in Goregaon, Mumbai - Maharashtra for aluminum foil printing

Ess Dee Aluminium Limited

Regd. Office: P. No. 124-133, Panchal Udyog Nagar, Bhimpore, Daman-396210

ADDENDUM TO NOTICE TO THE SHAREHOLDERS DATED 14TH May, 2007

NOTICE IS HEREBY GIVEN THAT at the third annual general meeting of Ess Dee Aluminium Limited scheduled to be held on 30th July, 2007 at 3.00 p.m. at Hotel Miramar, Devka Beach, Daman- 396210, the following special business would be transacted in addition to the business specified in earlier notice:

SPECIAL BUSINESS:

1. Increase in Authorised Share Capital and Alteration of capital clause of Memorandum of Association of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 16,94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force), the Authorised Capital of the Company be and is hereby increased from Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- each (Rupees Ten Only) to Rs. 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 3,50,00,000 (Three Crores Fifty Lacs) Equity Shares of Rs. 10/- each (Rupees Ten Only).

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

V. The Authorised Share Capital of the Company is Rs. 35,00,00,000/- (Rupees Thirty Five Crores) divided into 3,50,00,000 (Three Crores Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each with the rights, privileges or conditions as are provided in the articles of association of the Company for the time being. But the Company shall have the power to increase or reduce the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be permissible by law and as may be determined by in accordance with the Articles of Association of the Company for the time being in force.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

2. Increase in borrowing Limits

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

"RESOLVED THAT pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, (including any statutory modification or reenactments thereof for the time being in force) and other applicable provisions, if any of the Companies Act, 1956, and in supersession of all resolutions passed in this regard, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to borrow any sum or sums of money from time to time from any one or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise including external commercial borrowings/ foreign currency convertible bonds and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in-trade (including raw materials, stock in process, finished goods, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed, together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the sum of Rs.1000 Crores (Rupees One Thousand Crores only) exclusive of interest, and the Board is hereby, further authorised to execute such deed of mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Board may think fit."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

3. Issue of further shares/convertible bonds/securities through international offerings

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

"RESOLVED THAT in accordance with the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, the Foreign Exchange Management Act, 1999, the Reserve Bank of India Guidelines (including any statutory modification(s) or re-enactment thereof) and relevant provisions of the Memorandum and Articles of Association of the Company and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, and such other statutes, rules and regulations as may be applicable and relevant, and subject to the approval, consent, permission and /or sanction of the Ministry of Finance of the Government of India, Reserve Bank of India and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof referred to below), to offer, issue and allot, in one or more tranches, equity shares and / or Foreign Currency Convertible Bonds ("FCCBs") with or without detachable warrants with a right exercisable by the holders to convert or subscribe to the Equity Shares, in registered or bearer form and/or securities convertible into Equity Shares at the option of the Company and/or holders of the security and/or securities linked to Equity Shares and/or securities representing either Equity Shares or convertible securities (hereinafter collectively referred to as "Securities") or any combination of Securities of an aggregate amount of USD 150 million (United States Dollars One Hundred Fifty Million Only) in the course of international offering(s) in one or more foreign markets, to foreign investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), Foreign Institutional Investors, Financial Institutions, Mutual Funds, Non-Resident Indians or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "Investors"), through public issue(s) of prospectus, private placement(s) or a combination thereof, at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, dividend, redemption, early redemption debt service payments and any other payments whatsoever including terms of such issue, variation of price or period of conversion of any such FCCBs into Equity Shares or issue of Equity Shares during the duration of the FCCBs, terms pertaining to early redemption of FCCBs and / or conversion into Equity Shares as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall

be made to the exclusion of all other categories of Investors at the time of such issue and allotment, considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead Managers, as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the Company may issue depository receipts representing the underlying Equity Shares or FCCBs or other securities issued by the Company in registered form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in the international markets including filing any registrations, statement and any other document and any amendment thereto ("Investors Right Statement") with any relevant authority for securities listing and trading, in the stock/securities exchange that the convertible securities or ADRs and/or GDRs are registered or listed ("Securities Administrator").

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred above or as may be necessary in accordance with the terms of the offerings, all such shares ranking pari passu with the equity shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Equity Shares or securities or instruments or securities representing the same, as described above, the Board or any other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its discretion deem necessary or desirable for such purpose, including without limitation, filing a registration statement and/or Investors Right Statement and other documents with the relevant Securities Administrator, listing the securities on the relevant stock/securities exchanges, and the entering into of underwriting, marketing and depository arrangement in regard to any issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any offer issue and allotment of such FCCBs or Equity Shares to be issued upon conversion thereof, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being requested to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint such consultants, lead managers, guarantors, depositors, custodians, registrars, trustees, bankers, lawyers, underwriters, merchant bankers and any other advisors and professionals as may be required and to pay them such fees, commission and other expenses as they deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any director or any other officer or officers of the Company to give effect to the aforesaid resolution.

4. Increase in limits for FII investment

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

“RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 read with Schedule 2 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals, permission and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Committee of Directors for the time being exercising the powers conferred by the Board of Directors), consent of the Company be and is hereby accorded to the increase of the aggregate limit of shareholding of Foreign Institutional Investors (FIIs) including their sub-accounts to 49% of the paid-up Equity Share Capital of the Company.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

Note:

Pursuant to section 173 of the Companies Act, 1956, an Explanatory Statement in respect to the above businesses, is annexed.

By order of the Board

Place: Mumbai
Date: 4th July, 2007

Sudip Dutta
Chairman & Managing Director

EXPLANATORY STATEMENT**ITEM No.1**

The Company intends to carry out substantial expansion of its business. In order to fulfill the envisaged plan it is proposed to increase the present authorised share capital from Rs.30 crores to Rs.35.00 crores.

Under the provisions of the Companies Act, 1956, any change in the authorised share capital of the Company and amendment in Memorandum and Articles of Association requires approval of the members in their general meeting.

The Board recommends the Ordinary Resolution as set out in the Notice for members' approval.

None of the Directors is concerned or interested in the resolution.

ITEM NO 2

In terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company, cannot except with the consent of the Company in general meeting, borrow money, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves not set apart for any specific purpose.

Keeping in view the Company's business requirement and its growth plans, it is considered desirable to increase the said borrowing limits.

The Board recommends the Ordinary Resolution as set out in the Notice for members' approval.

None of the Directors is concerned or interested in the resolution

ITEM NO. 3

In order to sustain the rapid growth in business of the Company and in order to meet their capital needs and to enter new businesses, the Company needs to infuse additional capital. The Company shall utilize the proceeds from the issuances referred to in item No.3, towards the objectives mentioned hereunder, subject to compliance with all applicable laws, rules, regulations and guidelines and such approvals, as may be required in this regard.

The proposed expansion plan to be undertaken by the Company envisages capital needs to meet the following:

- strengthen the capital base of the Company to fund its expansion of business;