



ANNUAL REPORT 2007-2008



Packaging - A Success Story

ESS DEE ALUMINIUM LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

K. Narayana Mayya

AUDITORS

M. P. Chitale & Co.
Chartered Accountants,
Hamam House, Ambalal Doshi Marg,
Fort, Mumbai 400001

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (East) Mumbai 400 072

BANKERS

State Bank of India
ICICI Bank Limited
ABN-AMRO Bank N.V.
Kotak Mahindra Bank Limited
Shamrao Vithal Co-operative Bank Limited

REGISTERED OFFICE

Plot No.124-133, Panchal Udyog Nagar,
Bhimpore, Daman-396 210

CORPORATE OFFICE

Ess Dee House, Akurli Road,
Kandivli (East) Mumbai- 400101

PLANTS

Plot No. 124-133, Panchal Udyog Nagar,
Bhimpore, Daman - 396 210

No.57/5/2, Bhenslor,
Village Dunetha, Nani Daman -396210

Plot No. 161, Kundaim Industrial Estate,
Kundaim, Goa - 403 115

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CHAIRMAN'S MESSAGE



SUDIP DUTTA
CHAIRMAN & MANAGING DIRECTOR

"We are responsible for what we are, and whatever we wish ourselves to be, we have the power to make ourselves. If what we are now has been the result of our own past actions, it certainly follows that whatever we wish to be in future can be produced by our present actions; so we have to know how to act."

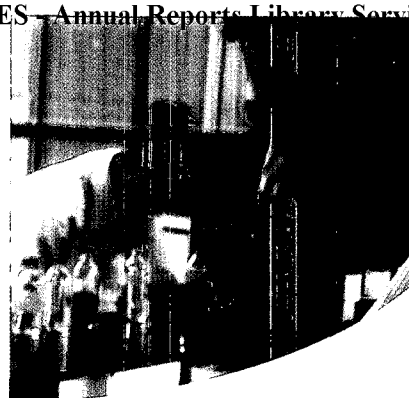
— Swami Vivekananda

Dear Stakeholders,

This inspirational quote, I believe, is what captures the essence of Ess Dee's journey during the year. It has been a landmark year as we used 'innovation' as the key to stay ahead in our business.

Driven to Deliver

This year, we recorded Net Sales of Rs. 31,694 lacs, a 89 per cent growth over the previous year. This was primarily on account of the strengthening of our existing business lines, the foray into the FMCG space and timely capacity expansions. Our Operating Profits at Rs. 9,642 lacs translated into 92 per cent growth, a result of enhanced operating efficiencies for downstream projects. The superior performance at operating level percolated into a healthy Net Profit of Rs. 7,345 lacs, up by 97 per cent.



Perfect Solutions are not Found, they are Created

During the year, our existing pharmaceutical business contributed significantly to our performance as we expanded our horizons by clocking higher volumes on a larger customer base. We launched high-end pharma packaging products like Cold Form Blister and Child-Resistant-blister packaging and with this, we are the first in India to manufacture the same. These products are of superior quality as they offer complete protection and will go a long way in building further credibility with clients and cater to a larger customer base.

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Our focus remains on tapping the demand fulfilled by the imports segment in the laminate markets and the unorganized segment in others. With our high-end technology and competent team, I am confident we can achieve the same.

The year also marked our entry into the Food and FMCG segments. With the enhancement of cold rolling facilities in the Daman plant, we are in a position to cater to these segments. Chewing gum wrap, confectionary, frozen desserts are some of the areas we have commenced supplies to and plan to expand into areas where aluminum is the core substrate. In the prophylactics segment, we have made tremendous progress with major orders from leading companies.

The Shape of Things to come

Our expansion plans continue to be based on the 'Hub and Spoke' business model in both, the domestic markets and internationally. Our Daman plant expansions are in place in both rolling and converting areas.

Ess Dee along with Madras Aluminium Ltd (MALCO), a Vedanta Group Company, will be infusing funds to revive India Foils Limited. We see major synergies therein in terms of manufacturing capacities, access to export markets and finally, raw materials. The benefits of this initiative will start accruing shortly.

It pleases me to inform you that our company continues to interest globally reputed Institutional Investors like Morgan Stanley who have picked up an equity stake in our company, reinforcing confidence in our ability and prospects.

Beyond Profits

As a responsible corporate citizen, Ess Dee is working on developing the process of Carbon Sequestration which entails reducing of GHG emissions. With such thoughtful initiatives, we seek to contribute towards keeping the environment clean, resultantly benefiting society.

We drive our social initiatives under the flag of the Sudip Dutta Foundation, whereby we seek to empower and enrich the lives of those who are needy. In this way, we seek to fulfil our societal responsibilities.

A Vote of Thanks

I conclude this note by taking the opportunity to thank our employees, vendor partners, customers and shareholders for their unflinching support. I am confident that with this support as our backbone, each one of us at Ess Dee will strive hard to not only meet, but also exceed expectations in the years ahead.



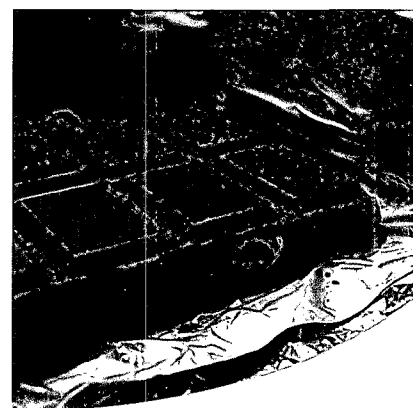
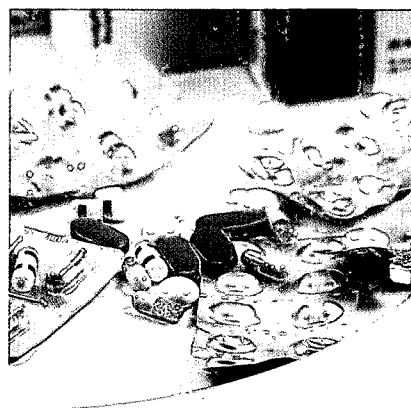
Sudip Dutta

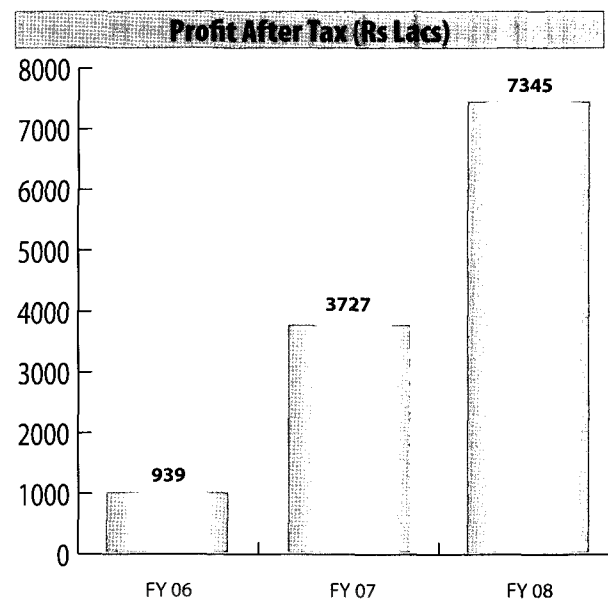
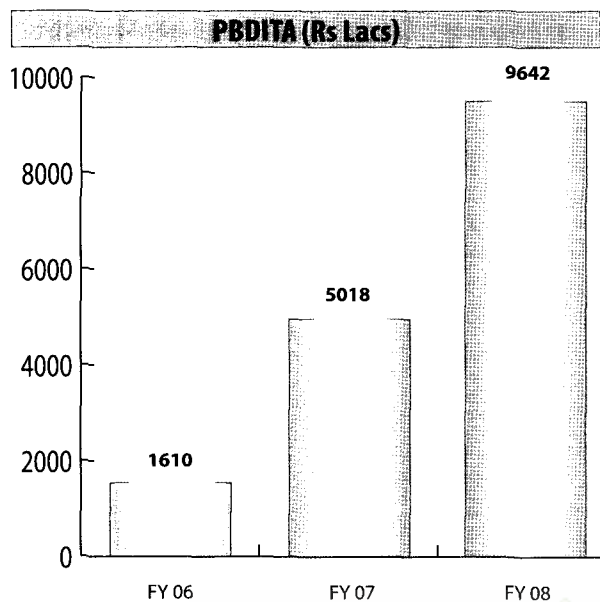
FINANCIAL PERFORMANCE

Consolidated Profit & Loss Account	FY06	FY07	FY08
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Gross Sales (net of inter-company sales)	7167	22685	39863
Less : Inter Company Sales	Nil	4833	5836
Less: Excise Duty	920	1115	2334
Net Sales	6247	16737	31694
Other Income	107	325	799.56
Total Income	6354	17062	32494
Materials Consumed	3704	9917	20060
Manufacturing Expenses	586	790	724
Employee Costs	229	634	981
Selling & Administrative Expenses	224	704	1087
Operating Expenses	4744	12044	22852
PBDITA	1610	5018	9642
Depreciation	65	123	354
Interest	362	645	763
PBT	1183	4250	8526
Tax	244	523	1181
Profit After Tax	939	3727	7345

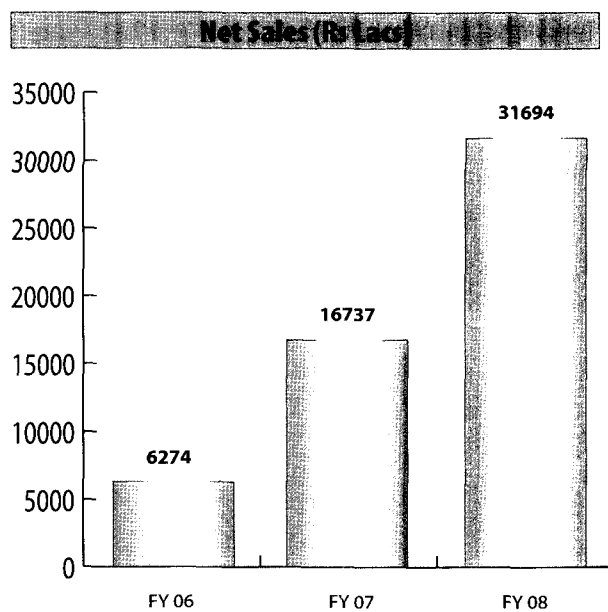
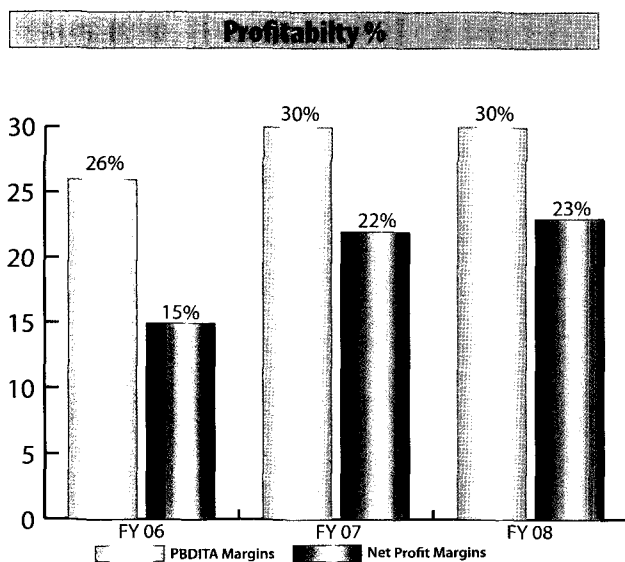
Consolidated Balance Sheet	FY06	FY07	FY08
Fixed Assets	2025	3439	9406
Networth (net of revaluation reserves)	2470	22267	37192
Secured Loans	4110	5055	9988
Unsecured Loans	199	9	9

Margins & Ratios	FY06	FY07	FY08
PBDITA / Net Sales	26%	30%	30%
PAT / Total Income	15%	22%	23%

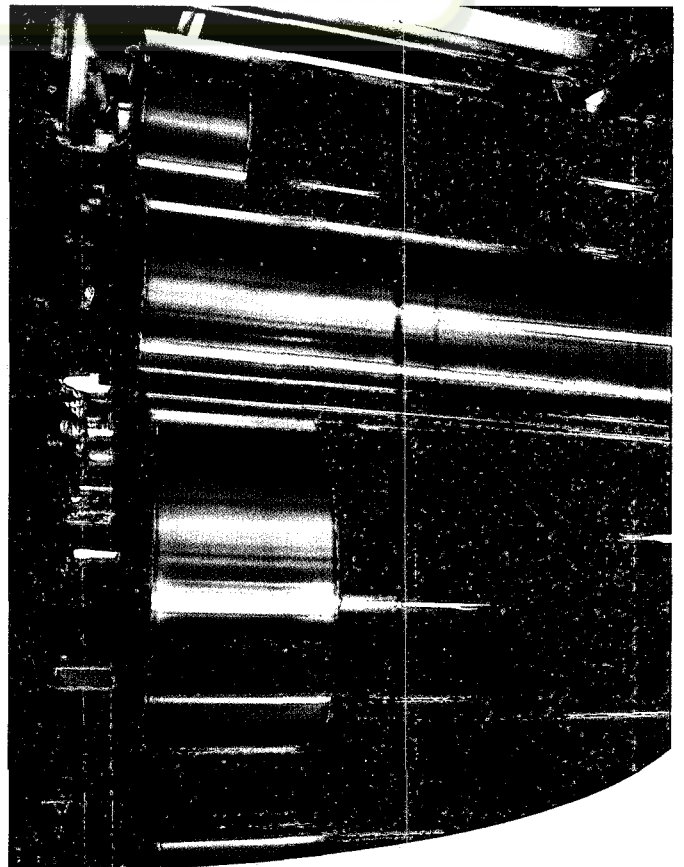
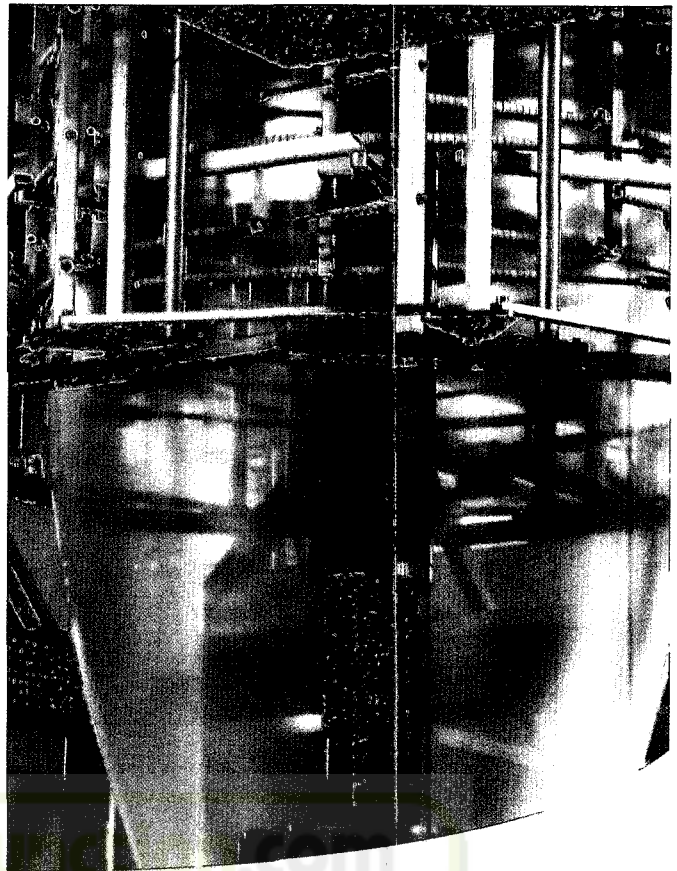




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A SUCCESSFUL YEAR ... PROMISES KEPT



Operational Excellence

A Progress Card

Strengthening the existing line of business – Pharmaceutical Packaging

Ess Dee has established itself as a leading supplier of primary packaging materials and as a specialist in providing tailor made aluminium foil based flexible packaging laminates besides PVC and PVdC coated PVC based thermoforming solutions. Resultantly, the company can boast of being the first in India to manufacture dedicated high-end pharma packaging products like Cold Form Blister and Child-Resistant-blister packaging.

The pharmaceutical industry invests billions of dollars for research on new drugs with ingredients. This calls for superior packaging products which will protect the new and the sensitive active pharmaceutical ingredients (API) in the medicines. The type of pharma packaging, over time, can interfere with the effectiveness of the medication stored inside and resultantly packaging for the pharmaceutical sector is comparatively more advanced and requires a higher degree of specialization and sophistication.





Foray into New Pharmaceutical Applications

To meet the ever growing need for sophisticated and technologically advanced products the company has launched new products like Cold Form and Child-Resistant-Blister packaging. This marks the beginning of a new era in the packaging industry. These new pharmaceutical applications include Cold Form Blister packs, Oral Rehydration Salts, PVDC-coated PVC, Child Resistant Packs, Cough Lozenges, and Anti-TB combo packs. Resultantly, the company's product portfolio has been significantly enhanced enabling it to cater to the entire product requirement range of its clients.

Cold Form Blister essentially comes with a high barrier and perfect prevention with aluminum foil for long-term safekeeping. Used for pharmaceutical packaging and especially for pharmaceutical products in tropical areas, these products increase the shelf life of the products and provide protection against counterfeit which is a significant advantage to shift products prone to counterfeiting to Cold Form laminates. Further, they are tamper-proof and minimize the chance of pilferage during transportation.

In India, close to 100% of Cold Form blister packaging requirement was imported from South Korea and Europe till Ess Dee's early entry into this segment. This entry gives it the first mover advantage in establishing significant brand equity and in enhancement of its product mix.

Ess Dee's products are also preferred as there is an increasing trend towards lower dosages and this requires the pharmaceutical industry to deploy small batch sizes for their products. It is easier for the client to source the same from Ess Dee on account of its close proximity. Pharmaceutical companies are now increasingly looking at Ess Dee for this product as they have easy access to indigenously manufactured products.