

ESS DEE ALUMINIUM LIMITED
Annual Report 2011-2012

Opportunities Beckon



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Chairman's Note

“Going forward the company intends focusing on overseas export market for its Pharmaceutical, Food and FMCG packaging business.”

Dear Fellow Stakeholders

The financial year 2011-12 was marked by challenges in both the global and the domestic economy. Amidst rising fiscal deficit and inflation, the Indian economy is expected to grow by 6.9% in this financial year 2012-13 as per World Bank. Globally too, a slower than expected recovery process in the US economy and the Euro crises, continued to cast a shadow.

During the year, we continued to focus on integration activities with India Foils and we are extremely confident that having endured short term pain, our business prospects are extremely promising, over the longer term.

During the Fiscal 2012, we recorded sales of ₹ 6591.33 million, a de-growth of 3.17% while the bottom-line declined by 42.3% to ₹ 681.18 million. This is primarily on account of the near term integration efforts that are underway in line with our strategy of emerging as a market leader over a period of time. Additionally, we faced escalating raw material and other costs. As the economic outlook improves, this situation is expected to improve significantly. Notably, our net sales recovered in the last quarter after declining for the last couple of quarters during the year.

In line with our long term growth strategy, we have appointed Bijoy Kumar Pansari, as the Managing Director of the Company who brings to the table more than four decades of relevant experience. Alongside this initiative, the company has invested in new talent by sourcing the right candidates from the relevant Industry so as to set up a second line of back up to support the execution strategies.

Going forward, the company intends focusing on overseas export market for its Pharmaceutical, Food and FMCG packaging business, beginning with Singapore. Apart from its business of providing packaging solutions to the Pharmaceuticals / Food and FMCG segment, the company would also focus on increasing its product basket to fully harness its product capacities within the same industry verticals.

We have registered our products, HSL coated Aluminium foil and LDPE laminated Aluminium foil with the Canadian Health Authority under DMF Type II. This is in line with our policy of maintaining international quality standards. Innovation continues to be our forte as we launched several new products in line with the industry demand and to proactively meet our customers' needs. There is no dearth of demand, be it from the pharmaceutical sector or the Food and FMCG sector as they fall under the non- discretionary spend segments. At the center of our strategy has always been our ability to anticipate what our consumers want, today and tomorrow. With this strategy in place, we believe we will be able to continue to exceed our consumers' expectations for all times to come.

The USD 23 billion Indian packaging industry is expected to get a significant boost with the Ministry of Commerce and Industry giving an in-principle approval to take up the 10 proposals submitted by the Indian Institute of Packaging to enhance industry standards, which when implemented shall see a huge upswing in industry demand.

As we enter fiscal 2013, we are cautiously optimistic about the future pace and sustainability of global economic improvement. We remain focused on continuing to implement targeted growth projects; fully integrating India Foils including achieving identified synergies; and continuing to also keep a tight rein on costs.

Through FY 2011-12, which I believe was a year of consolidation; we had tremendous support from our Executive Leadership Team and guidance from the Board of Directors. The relentless efforts of our employees have seen us through this crucial phase and I wish to extend my gratitude to the entire team and look forward to their continuing support.

Sudip Dutta
Chairman



From the MD's Desk

Bijoy Kumar Pansari is the new Managing Director of the company. With experience spanning over four decades, he has held eminent positions with leading corporate houses where he has been instrumental in formulation and implementation of strategic growth plans, policies, strategies and monitoring operational efficiencies. He is a Chartered Accountant and Law Graduate from Calcutta University.

In an in-house interview, the new Managing Director spoke extensively on the company's performance and also shared his vision for Ess Dee.

Key Excerpts therefrom are reproduced below.

How has Ess Dee shaped up in the last financial year?

The year 2011-12 has been a year of consolidation, which has transformed Ess Dee into a stronger entity that will now widen its horizons in terms of markets it caters to. Having achieved a leadership position in the pharmaceutical packaging market in India, we are set to spread our wings in the South East Asia and Latin America.

Today, Ess Dee has manufacturing facilities across India with manufacturing hubs located at Daman & Kolkata and spokes located at Daman, Kolkata, Vasai, Goa, Baddi, Sikkim and Bengaluru. Thus far, this has ensured that all our facilities are located close to the customer base ensuring tailor made offerings, lower inventory carrying cost and prompt supplies. We have now set base in Singapore and are working towards expanding the contribution of exports to our total revenue pie.

Can you update us on the status of the integration process with India Foils?

The unit at Kamarhati is functional and the capacity utilization has been better than that in the previous year. Further, the backward integration process has commenced as one caster plant has commenced commercial operations at Hoera. The technical team is now in the process of revamping the second caster plant.

Apart from improving our capacity utilization as a company, we are extremely focused on enhancing productivity of our machines year on year. This to my mind is a time consuming process and the results of the same would be discernible only over a period of time. As a policy, the company has given high priority to achieving better productivity, as once that is in place, higher production would not be too difficult to achieve.

Notably, the quality of production from our in-house caster is found to be superior to the imported options available as we follow a better filtration process.

How do you foresee the industry shaping here on? What is your take on Ess Dee's potential?

With the expanding middle class and rising income levels, the patterns of consumption are bound to change substantially and the demand for quality and convenience-based products will increase, especially in South East Asia. Concurrently, the increased interaction with the developed world will considerably influence the aesthetic and quality norms of the consumers in the developing world and lead to better consumption standards. This is expected to stimulate greater consumption of branded products and increase the use of packaging where aluminium plays a great role. Ess Dee has marked its entry into Foil based flexible packaging and we see this as an extremely potent segment in addition to the existing product lines that we have.

Given our improved operational platform and operating leverage, we believe that revenue growth represents the single biggest value creation opportunity for our business and expect this to be a key driver of cash flow and earnings growth in the years ahead.

Why has the company chosen Singapore as its base?

While Ess Dee enjoys leadership positioning in the domestic markets, it has envisaged establishing its presence in the overseas markets beginning with Singapore. This would give us the locational advantage that will enable us to cater to the South East Asian markets.

We have very strong relationships spanning two decades with MNCs who have their facilities in India. These MNCs have facilities in various parts of the world including South East Asia and Latin America to whom we plan to cater now.

We are preparing plans to set up an additional state of the art printing unit at Daman and have already acquired land for this purpose. This greenfield expansion plan is expected to be equipped with latest state of the art and technologically advanced machineries. The company proposes to cater to the Pharmaceutical, Food and FMCG companies. The focus of this unit would be to cater to overseas markets and the set up will be of international standards.

Ess Dee is confident of providing quality foils at a competitive price. Thus, we believe that setting up a base in Singapore is beginning of a new chapter in Ess Dee's history.

Why have the sales dipped and what are the company's plans on the domestic front ?

Ess Dee, as a company, has been through a major consolidation process. Transformation is a process that takes some time to fructify and the results and benefits to become evident. Ess Dee is well into this process and the pay-offs will commence soon.

On the domestic front, our Bengaluru unit, under the banner of Flex Art Foil Limited (formerly Flex Art Foil Private Limited) has started catering to the Southern parts of India, and we find an immense potential there. The Hub and Spokes model is firmly in place and is yielding good results.

What do you believe is Ess Dee's key differentiator ?

Ess Dee has always been known for its Innovation. We continue to encourage all our people to find innovative solutions to meet business challenges, with special emphasis on productivity and quality. This has arisen from our deep domain expertise leading to strong customer relationships. We have been able to continuously innovate to meet and exceed our customers' demands and expectations. Our highly skilled and motivated team partner with our customers to come out with winning solutions.

Our mantra of helping our customers to succeed, will take us from strength to strength. I am confident that this is what will help us shape the future of our industry – today, tomorrow and every day.

Would you have any message for the stakeholders?

We are confident that by executing our plans, we will continue to strengthen our market position and buttress our financial performance even in this challenging economic environment.

The packaging industry is witnessing challenges such as the availability and price volatility of raw materials and changing regulations, I firmly believe that Ess Dee will emerge as a long term player with its focus on expansion, execution and innovation.

I extend my deepest thanks to all our esteemed stakeholders who have continued to shape our history—our customers, our shareholders, our employees, our bankers, our suppliers and our communities. I look forward to a promising future as we continue to earn your trust, your confidence and your pride.



Opening the Doors of Opportunity

Innovation in Packaging

Through product innovation, we can help our customers to create a competitive pricing strategy to differentiate premium from everyday brands. Whether it is FMCG products, Food or Pharmaceutical products, the companies that use Ess Dee's packaging, are able to improve their price points, drive volumes and create new markets, which in turn, help us to grow with them.

Today, we have become increasingly skilled at tapping into emerging trends early and translating them into opportunities for sustainable, increased long-term profit. Our ability of knowing the pulse of our customers and to base our innovation around it to offer business enhancing products has enabled us to tap the right opportunities at the right time. Needless to say technology has played a crucial role here.

While we expect to face new challenges in the near term, we also see new opportunities which we are confident of tapping based on our proven strategies over a longer term horizon.

Certifications

The Company has received the Certification of Child Resistant Laminates from approved testing laboratories in UK. This will help the Company to expand its horizon in the European markets. The Company is also planning to get the BRC IOP [British Retail Consortium (BRC) and the Institute of Packaging (IOP)] certification for its Unit II in Bhenslore, Daman.

Packaging to Keep Pace with Today's Customers

..need for differentiation, protection, convenience



With advances in manufacturing processes and technology innovation and integration, the global pharmaceutical industry is currently registering rapid expansion. This will propel the growth of the pharmaceutical packaging industry globally. This growth is expected to be highest in the emerging economies of India and China, primarily on account of increasing generics and contract manufacturing activities in these countries, according to a study by GBI Research.

The global pharmaceutical packaging market which was valued at USD 47.8 billion in 2010 is forecasted to grow at a compound annual growth rate (CAGR) of 7.3 per cent from 2010–2017, to reach a value of USD 78 billion by 2017. The pharmaceutical packaging industry will continue to grow as drugs worth USD 142 billion will go off-patent in the next five years, expanding the generic market and the entire pharmaceutical packaging industry. All of these factors, along with the growing pharmaceutical industry, will continue to drive the demand for packaging.

In the FMCG and Food segments, increasing awareness amongst the rising urban class, rising modern trade formats and demand for convenience products will drive demand for high quality packaging from the end users. Our Clients in this space are looking at packaging as a value adding, differentiating proposition over and above the conventional need for protection and preservation. Our role here, is to offer them not only what they demand but proactively capture the opportunities that changing dynamics offer in this space.

Ess Dee launched a first of its kind consumer foil under the brand name of Housefoil. What differentiates our product is the branding of the foil with the character Doraemon and Friends. The product has been well accepted in the general and modern trade formats. The company also launched the plain house foil in multiple SKU's. The product has been

marketed and distributed through the Multi retail outlets throughout India. Going ahead, we plan to tap the Hotels, Restaurants and catering segment for this product which we believe have huge potential.

With India Foils under our wings we see good potential for some products which we intend reviving. These include:

PP Cap: Aluminium foil is extensively used for pilferage proof sealing of Vials and are required in Pharmaceutical packaging.

Shoe Eyelet: Eyelets are the smooth circular pieces that are used for the threading of laces. Besides shoes, aluminium eyelets are also used in paper bags, ladies purses, men's belts and various other applications.

Cable Wrap: These are plastic coated aluminium tapes used in telecommunication cables. Aluminium foil is the preferred material here as it provides complete barrier to light, moisture etc and Polymer coated aluminium foil is resistant to corrosion.

Aluminium Fin Stock for Air Conditioning: These find widespread usage in heat exchange applications including air conditioning.

We have also set up an independent team for exploring opportunities in the domestic as well as export market with both the existing and potential customers through partnerships in product development as well as offering contemporary solutions. The team is also aggressively scouting for new innovations in packaging to usher in new ideas and effective solutions to existing problems. Our partners in this effort have been our customers themselves who have provided us the much needed support, to invent, innovate and bring out new and better packaging solutions.

Packaging a win-win proposition for our Stakeholders



Enhancing Productivity and Production

Ess Dee has added new spoke at Bengaluru focusing in every way to enhance production with focus to cater to Southern part of the country.

Setting High Quality Standards

The company continues to raise its quality standards by setting international benchmarks for its products. We constantly endeavour to upgrade our manufacturing facilities, processes as well as final output. We have undertaken several technological upgradations to enhance productivity. Apart from the existing certifications, we have registered our products, HSL coated Aluminium and LDPE laminated Aluminium foil with the Canadian Health Authority under DMF Type II.

Our additional strategic decisions include reducing our cash conversion cycles to improve our profits and reducing our overall delivery time, thereby exceeding customer expectations. To support this endeavour, we are investing aggressively in improving our existing systems and bringing in new procedures that would improve the overall efficiency of our deliveries and our line of customer support. Moreover, we have invested heavily on expanding the scope of our infrastructure to enhance our yield, timeline as well as product portfolio

We are aggressively targeting the customer's production mechanism by increasing our foothold at the factory level as well by conducting regular visits to factories across India to understand their facilities and requirements better.

Expanding Horizons

As the global demand for pharmaceutical and flexible packaging products booms, there lies a huge opportunity for our company to venture into new, untapped territories. Our new office in Singapore serves an ideal base to cater to the growing markets in South-east Asia including key manufacturing base countries like Indonesia, Vietnam, Philippines, Thailand, as well as the entire Australia continent and the Oceania belt. Our strong base of multi-national companies serves as an ideal partner to capture new businesses in these foreign lands. Moreover, our aggressive marketing initiatives through corporate presentations, an interactive website, direct mailers and social media initiatives ensures that global companies are always kept abreast of our profile, plans and activities as well as our commitment to quality and the environment.

One of our major introductions for the domestic market has been the successful inauguration and functioning of our newest Flex Art unit in Bengaluru, South India. This unit, which has a capacity of 120 tons per month, aims to target and serve the booming South Indian pharmaceutical and flexible market. Our regional sales team has strategically positioned the unit's scope for quick delivery timelines, unique product portfolios and zero inventories for customers in that region. The unit also serves as a major gateway to exports into countries positioned in the Indian Ocean like Sri Lanka and Maldives etc. Moreover, as all our major hubs are located near sea ports namely Daman and Kolkata, our access to the burgeoning world market makes us an ideal partner of choice.

AWARDS & RECOGNITION



RASHTRIA UDYOG RATNA AWARD presented to Mr Sudip Dutta by National Education & Human Resource Development Organization for Excellence in his field on 27 September 2011 at Mumbai.

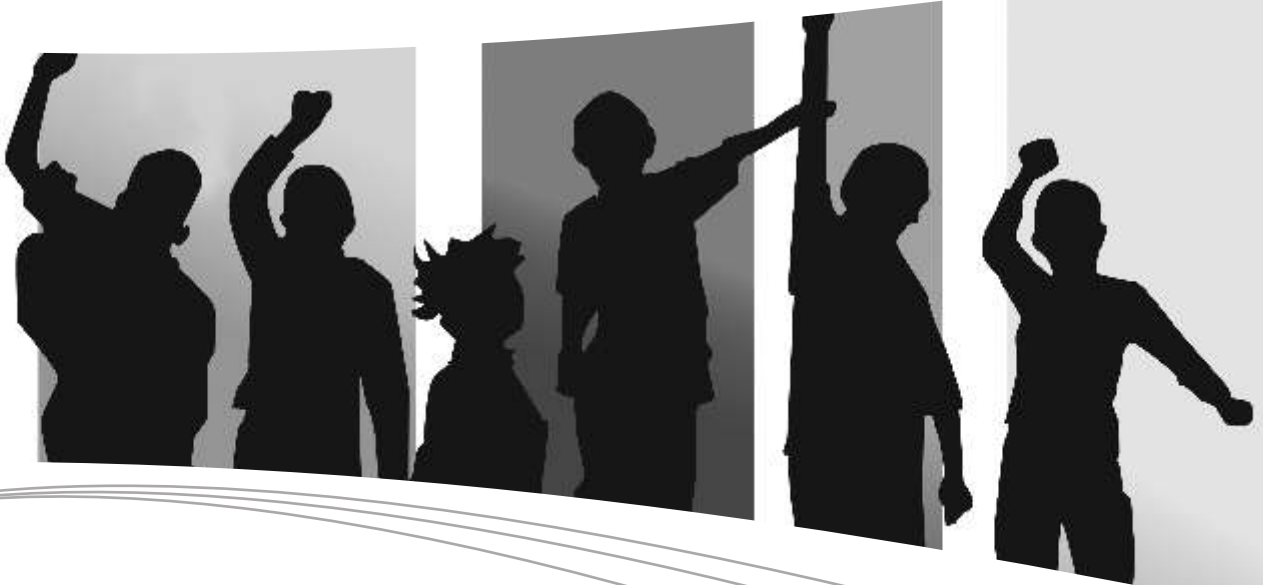
QUALITY BRANDS 2011-12 Awarded to Ess Dee Aluminium Ltd. for Excellence in respective field presented on 27 September 2011 in Mumbai

ALL INDIA ACHIEVERS FOUNDATION – Indian Business Leadership Award for Industrial Development presented to Sudip Dutta, CMD, Ess Dee Aluminium Ltd. Mumbai for outstanding contributions to national development presented on 12 Oct. 2011

ALL INDIA ACHIEVERS FOUNDATION – Indian Business Leadership

Award for Industrial Development presented to Sudip Dutta, for outstanding contributions to national development presented on 12 Oct. 2011 at New Delhi.

Human Resources



Ess Dee has placed a renewed focus on Human Resources Development given the expansion plans and execution strategy being rolled out.

Crucial to the successful implementation of the strategy are a number of supporting measures which will encompass alignment of HR policies with the implementation of the expansion program. Within our result based management framework we plan to implement a more effective monitoring and reporting system. Enhanced staff performance assessment and reporting and the strengthening of the learning culture are the main aim of our reform measures adopted within this framework. The Strategy revolves around better aligning our HR policies with the implementation of the organization's objective of being a process driven one. Our focus is not only on building in-house talent, but also on recruitments and widening our team. We have recruited engineering graduates who are undergoing rigorous training and will be the future leaders. We are also looking at professional recruitments from top business schools to widen our management bandwidth.

Our focus is on developing existing talent and retaining our current leadership channels, both at the strategic as well a execution level.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Sudip Dutta	Chairman
Mr. Bijoy Kumar Pansari	CEO and Managing Director
Mr. Gautam Mukherjee	Independent Director
Mr. Dilip Phatarphekar	Independent Director
Mr. Ramdas Baxi	Independent Director
Mr. Madan Mohan Jain	Independent Director

COMPANY SECRETARY

Mr. Haresh Vala

STATUTORY AUDITORS

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

REGISTRAR AND TRANSFER AGENTS

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

SOLICITORS & ADVOCATES

Kanga & Co.
Readymoney Mansion
43, Veera Nariman Road
Mumbai 400 001

BANKERS

State Bank of India	Axis Bank Limited
ICICI Bank Limited	Standard Chartered Bank
Kotak Mahindra Bank Limited	Barclays Bank
IDBI Bank Limited	The Shamrao Vithal Co-operative Bank Limited

REGISTERED OFFICE

1, Sagore Dutta Ghat Road,
Kamarhati, Kolkata 700 058

PLANTS

Plot No. 124-133, Panchal Udyog Nagar Bhimpore, Daman 396 210	P-32, Taratalla Road Kolkata 700 088
No. 57/5/2, Bhenslore Village Dunetha, Nani Daman 396 210	1, Sagore Dutta Ghat Road Kamarhati, Kolkata 700 058
Plot No. 161, Kundaim Industrial Estate Kundaim, Goa 403 115	Village & P. O. Hoera P. S. Mogra, District Hooghly

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of Ess Dee Aluminium Limited will be held at Najrul Mancha, 1, M. M. Feeder Road, Kolkata – 700 056 on Friday, the 28th day of September, 2012, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Sudip Dutta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Madan Mohan Jain, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard, 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 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. M. P. Chitale & Co., Chartered Accountants (ICAI Registration No. 101851W) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be mutually agreed by them with the Board of Directors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Bijoy Kumar Pansari, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 3rd December, 2011 and who holds the office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (**“the Act”**) and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. 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 provisions of Sections 198, 269, 309, 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force (**“the Act”**) and the relevant provisions of Articles of Association of the Company and subject to such other approvals and sanctions as may be necessary, the approval of the members of the Company be and is hereby accorded for the appointment of Mr. Bijoy Kumar Pansari as CEO and Managing Director of the Company for a period of 5 (five) years commencing from 3rd December, 2011;

RESOLVED FURTHER THAT pursuant to the recommendation of the Remuneration Committee, Mr. Bijoy Kumar Pansari be paid remuneration of ₹ 7,00,000/- (Rupees Seven Lacs only) per month;

RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Mr. Bijoy Kumar Pansari by the Company during his tenure in a financial year shall be subject to the ceilings laid down under Sections 198, 309 and Schedule XIII of the Act as may for the time being in force;

RESOLVED FURTHER THAT in the event of no profits or inadequate profits in any financial year during the tenure of Mr. Bijoy Kumar Pansari, the Company shall pay to him the remuneration drawn as minimum remuneration subject to the limits stipulated under Schedule XIII of the Act or such amount as may be prescribed by the Government from time to time as minimum remuneration;

RESOLVED FURTHER THAT Mr. Bijoy Kumar Pansari be vested with such powers as may be entrusted to him from time to time by the Board and he may also exercise all such powers and functions as are prescribed under the applicable provisions of the Act;

RESOLVED FURTHER THAT if in any year, Mr. Bijoy Kumar Pansari, retires by rotation and is re-appointed by the members, such appointment shall not be considered as a break in office and he shall be deemed to continue in office during the tenure of his appointment;

RESOLVED FURTHER THAT the terms and conditions of Mr. Bijoy Kumar Pansari's appointment as the CEO and Managing Director may be varied, altered, modified or widened from time to time by the Board as it may in its discretion deem fit, including the remuneration payable in accordance with the provisions of the Act or any amendment made hereinafter in this regard;

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any questions, difficulties or doubts that may arise in respect of the appointment of Mr. Pansari as CEO and Managing Director and to do all such acts, deeds, matters and things as it may, at its absolute discretion, deem necessary and proper and to execute all documents and writings as may be required to give effect to the aforementioned resolution;

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be required to give effect to the aforementioned resolution."

By Order of the Board of Directors

Haresh Vala
Company Secretary

Place: Mumbai
Date: 14th August, 2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Instrument appointing the Proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the Meeting.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business under Item Nos. 6 and 7 to be transacted at the Meeting is annexed hereto.
4. The Register of Members, Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from Monday, 24th September, 2012 to Friday, 28th September, 2012 (both days inclusive). If the final dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made in accordance with the law.
5. In respect of the information to be provided under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, pertaining to the Directors, who are proposed to be appointed / re-appointed, Members are requested to kindly refer to the Chapter on Corporate Governance in the Annual Report.
6. Shareholding of Directors seeking appointment / re-appointment :
Mr. Sudip Dutta holds 1,87,55,913 Equity Shares of the Company. Mr. Bijoy Kumar Pansari and Mr. Madan Mohan Jain do not hold any shares in the Company.
The Directors of the Company are not inter-se related to each other.
7. Members are requested to:
 - a) complete the attendance slip and deliver the same at the entrance of the meeting hall.
 - b) send their questions to the Company, if any, at least 10 days before the Annual General Meeting for obtaining any information as regards accounts and operations of the Company so that the same could be compiled in time and made available at the meeting.
8. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents, Bigshare Services Private Limited. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and Bigshare Services Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Bigshare Services Private Limited.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Bigshare Services Private Limited, for assistance in this regard.
10. Reserve Bank of India has initiated NECS for credit of dividend directly to the bank account of the members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFSC code), in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with Bigshare Services Private Limited.
11. Members are requested to note that dividends not encashed / claimed within 7 years from the date of declaration of dividend will, as per Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, be transferred to Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
12. Members who have not yet encashed their dividend warrants for the financial year 2006-2007 are requested to make their claims without any delay to Bigshare Services Private Limited. It may be noted that the unclaimed dividend for the financial year 2006-2007 declared on 30th July, 2007 can be claimed by the members by 4th September, 2014.

13. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. Members holding shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip.
14. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the Meeting.
16. The Securities and Exchange Board of India ("**SEBI**") has mandated the submission of Permanent Account Number ("**PAN**") by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to Bigshare Services Private Limited.
17. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to Bigshare Services Private Limited at their address.
18. The Ministry of Corporate Affairs ("**MCA**") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars on 21st April, 2011 and 29th April, 2011 *inter-alia* stating that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been done through electronic mode. In that case, the Company is required to obtain email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every member to register his / her email address and changes therein, if any, from time to time with the Company.

The Company expects whole hearted support from its members towards Green Initiative of the MCA and request all its members to communicate their email ID and changes thereon from time to time to the Depository Participant / Bigshare Services Private Limited to enable the Company to send all its reports, notices and all other communications to its members via email.

Please note that member will be entitled to receive free of cost, all reports, notices and other communication that may be sent to the member by the Company, from time to time, electronically via email, upon receipt of a requisition from the member of the Company.

19. Investor Grievance Redressal :

The Company has designated an exclusive e-mail ID viz. investorservice@essdee.in to enable investors to register their complaints, if any.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT TO SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item Nos. 6 & 7

The Board of Directors of the Company (“**the Board**”) through circular resolution passed on 3rd December, 2011 appointed Mr. Bijoy Kumar Pansari as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 (“**the Act**”) read with the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Bijoy Kumar Pansari would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of ` 500/- proposing the candidature of Mr. Bijoy Kumar Pansari for the office of director of the Company pursuant to the provisions of Section 257 of the Act.

Mr. Bijoy Kumar Pansari is not disqualified from being appointed as director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form DDA from Mr. Bijoy Kumar Pansari in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Mr. Bijoy Kumar Pansari, aged 62 years, is a Chartered Accountant and Law Graduate by qualification. Mr. Pansari has over 40 years of experience at very senior levels in the corporate hierarchy. In his last assignment, Mr. Pansari was the Group Advisor to the Board of GATI Limited. Prior to that, he was the President of Sterlite Industries Limited (flagship Company of Vedanta Group) from the year 1998 to 2007 and was instrumental in formulation & implementation of Vedanta's Growth Plans, Policies, Strategies & Monitoring operational efficiencies across the Sterlite Group. Earlier, he was the Senior Vice President (Finance and Commerce) of Hindalco Industries Limited and held senior positions at Uniworth Group and Birla VXL.

Considering his professional experience and academic credentials and based on the recommendation of the Remuneration Committee, the Board appointed, subject to the approval of the members, Mr. Bijoy Kumar Pansari as CEO and Whole Time Director of the Company for a period of 5 (five) years w.e.f. 3rd December, 2011 at a remuneration of ` 7,00,000/- (Rupees Seven Lacs only) per month.

Subsequently, on 14th December, 2011, Mr. Sudip Dutta, the then Chairman and Managing Director of the Company conveyed his intention to relinquish his post of Managing Director of the Company and to retain the Chairmanship of the Company. Consequent of the same, the Board through circular resolution passed on 14th December, 2011 decided and resolved to promote Mr. Bijoy Kumar Pansari as the CEO and Managing Director of the Company without changing / varying the terms of his appointment.

Mr. Bijoy Kumar Pansari satisfies all the conditions set out in Part I of Schedule XIII of the Act for being eligible for appointment.

The draft of the agreement between the Company and Mr. Bijoy Kumar Pansari is available for inspection by the members of the Company at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. to 1.00 p.m.

Brief particulars of Mr. Bijoy Kumar Pansari, as required under Clause 49 of the Listing Agreement are provided in the Report on Corporate Governance forming a part of the Annual Report.

The above may be treated as an abstract of the terms of appointment of Mr. Bijoy Kumar Pansari under Section 302 of the Act.

Pursuant to the provisions of the Act, the aforesaid appointment and the terms of remuneration are subject to the approval of the members of the Company. The Board, therefore, recommends the resolutions at Item Nos. 6 and 7 of the accompanying Notice for the approval of the members.

Mr. Bijoy Kumar Pansari is interested in the resolutions as they pertain to his appointment and remuneration.

None of the other Directors are concerned or interested in the resolutions except as shareholders of the Company.

By Order of the Board of Directors

Haresh Vala
Company Secretary

Place: Mumbai

Date: 14th August, 2012

DIRECTORS' REPORT

To the Members,
Ess Dee Aluminium Limited

Your Directors are pleased to present the Eighth Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

The financial highlights of the year are:

(` in Lacs)

Particulars	Consolidated		Standalone	
	March 2012	March 2011	March 2012	March 2011
Total Income	68,309.11	70,666.66	65,726.32	67,243.74
Profit before Interest, Depreciation and Tax	17,102.59	19,654.74	15,716.34	17,867.65
Less Interest Expenses	3,575.70	2,207.00	3,382.43	1,854.85
Less Depreciation	3,562.17	2,028.14	3,390.37	1,943.57
Profit before Tax	9,964.72	15,419.60	8,943.54	14,069.23
Less Provision for Taxation	3,160.55	3,618.33	2,920.10	3,313.24
Net Profit after Tax	6,804.17	11,801.27	6,023.44	10,755.99
Add Balance brought forward	13,289.38	3,835.53	8,583.93	175.35
Profit available for Appropriation	20,093.55	15,636.80	14,607.37	10,931.34
Appropriation:				
General Reserve	600.00	900.00	600.00	900.00
Debenture Redemption Reserve	2,200.00	700.00	2,200.00	700.00
Proposed Dividend	640.96	640.96	640.96	640.96
Dividend Distribution Tax	103.98	106.45	103.98	106.45
Balance carried Forward to the next year	16,548.61	13,289.38	11,062.43	8,583.93
Earning Per Share (`) Basic	21.25	37.34	18.80	34.03
Earning Per Share (`) Diluted	21.25	37.34	18.80	34.03

PERFORMANCE REVIEW

The financial year 2011-12 turned out to be a difficult year to some extent as the total income for the year under review tumbled by 2.25% to ` 65,726.32 lacs as compared to last year's total income of ` 67,243.74 lacs. Profit before Tax also dwindled by 36.43% to ` 8,943.54 lacs in the current year compared to ` 14,069.23 lacs in the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of ` 2/- per equity share of ` 10/- each (i.e. 20%) for the financial year ended 31st March, 2012 on the equity share capital of ` 32.05 crores, entailing an outgo of ` 640.96 lacs subject to approval by the members at the ensuing Annual General Meeting. This is exclusive of dividend distribution tax which will involve an outlay of ` 103.98 lacs and will be borne by the Company. The proposed dividend, if declared at the ensuing Annual General Meeting, will be paid to those Equity Shareholders whose names appear in the Register of Members as on the book closure date.

The dividend proposed for the current financial year is indicative of the dividend payout policy of the Company to pay sustainable dividend linked to the consistent performance.

The register of members and share transfer books will remain closed from Monday, 24th September, 2012 to Friday, 28th September, 2012, both days inclusive. The Annual General Meeting of the Company is scheduled to be convened on 28th September, 2012 at Kolkata.

TRANSFER TO RESERVES

The Company proposes to transfer ` 600 lacs (Previous year ` 900 lacs) to the General Reserve out of the amount available for appropriations and an amount of ` 11,062.43 lacs (Previous year ` 8,583.93 lacs) has been proposed to be retained in the Profit and Loss Account. The transfer to General Reserve is in compliance to the Companies (Transfer of Profits to Reserves) Rules, 1975.

NON CONVERTIBLE DEBENTURES

An amount of ` 2,200 lacs has been transferred to Debenture Redemption Reserve (Previous year, the amount transferred was ` 700 lacs).

SHARE CAPITAL

The paid up share capital of the Company as on 31st March, 2012 was ` 32,04,78,110/- comprising of 3,20,47,811 equity shares of ` 10/- each.

Pursuant to the order of Hon'ble Board for Industrial and Financial Reconstruction (“BIFR”) dated 30th September, 2010, erstwhile India Foils Limited (“IFL”) got merged with the Company. In terms of Clause 10.8 of the Scheme of Merger, the Authorised Share Capital of IFL got transferred and merged with the Authorised Share Capital of the Company.

Post merger, the Authorised Share Capital of the Company was ` 3,71,40,00,000/- (Rupees Three Hundred Seventy One Crores Forty Lacs only) divided into 3,50,00,000 (Three Crores Fifty Lacs) Equity Shares of ` 10/- (Rupees Ten only) each aggregating to ` 35,00,00,000/- (Rupees Thirty Five Crores only), 80,00,00,000 (Eighty Crores) Equity Shares of ` 1/- (Rupee One only) each aggregating to ` 80,00,00,000/- (Rupees Eighty Crores only) and 2,56,40,000 (Two Crores Fifty Six Lacs Forty Thousand) Preference Shares of ` 100/- (Rupees One Hundred only) each aggregating to ` 2,56,40,00,000/- (Rupees Two Hundred Fifty Six Crores Forty Lacs only).

The Board of Directors at its meeting held on 29th May, 2012 had decided and resolved to consolidate the Authorised Share Capital of the Company to the tune of ` 80 crores so as to rank the merged equity shares of IFL with face value of ` 1/- pari passu with the equity shares of the Company with face value of ` 10/- in terms of face value and all other respects. The approval of the members was sought through postal ballot for the same and the resolution was passed with requisite majority by the members. The result of the postal ballot was declared on 30th July, 2012.

Post the approval of the members, the present Authorised Share Capital of the Company now is ` 3,71,40,00,000/- (Rupees Three Hundred Seventy One Crores Forty Lacs only) divided into 11,50,00,000 (Eleven Crores Fifty Lacs) Equity Shares of ` 10/- (Rupees Ten only) each aggregating to ` 115,00,00,000/- (Rupees One Hundred and Fifteen Crores only) and 2,56,40,000 (Two Crores Fifty Six Lacs Forty Thousand) Preference Shares of ` 100/- (Rupees One Hundred only) each aggregating to ` 2,56,40,00,000/- (Rupees Two Hundred Fifty Six Crores Forty Lacs only).

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sudip Dutta and Mr. Madan Mohan Jain, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Debdeep Bhattacharya, Whole Time Director of the Company tendered his resignation and the same was accepted by the Board w.e.f. 12th October, 2011. Mr. Soumitra Barari, Whole Time Director of the Company tendered his resignation and the same was accepted by the Board w.e.f. 13th January, 2012.

The Board of Directors at its meeting held on 14th August, 2012 had accepted the resignation of Mr. Rajib Mukhopadhyay as the Director Finance of the Company w.e.f. 21st August, 2012.

The Board places on record its appreciation for the valuable services rendered by Mr. Debdeep Bhattacharya, Mr. Soumitra Barari and Mr. Rajib Mukhopadhyay during their tenure as Directors of the Company.

Mr. Bijoy Kumar Pansari was appointed as the CEO and Whole Time Director of the Company for a period of 5 (five) years w.e.f. 3rd December, 2011. Mr. Sudip Dutta, the then Chairman and Managing Director of the Company relinquished his position as the

Managing Director of the Company. He tendered his relinquishment letter on 14th December, 2011. Consequent of the same, Mr. Bijoy Kumar Pansari was promoted as the CEO and Managing Director of the Company.

The Company has received notice under Section 257 of the Companies Act, 1956 from a member of the Company with requisite deposit signifying her intention to propose Mr. Bijoy Kumar Pansari as Director of the Company.

The above appointment / re-appointment forms part of the notice convening the Annual General Meeting and the resolutions are recommended for your approval.

Brief resume of the Directors proposed to be appointed and re-appointed and other information as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges are part of Corporate Governance Report.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY

As disclosed in the last year's Annual Report, the Company had filed a petition before the Company Law Board ("CLB"), Mumbai Bench for amendment in Clause II of the Memorandum of Association of the Company, for shifting of registered office of the Company from Union Territory of Daman to Kolkata in the State of West Bengal.

CLB had vide its order dated 23rd September, 2011 approved the shifting of registered office of the Company to the State of West Bengal. The Company had intimated the Registrar of Companies, Kolkata, West Bengal about the situation of the new registered office at "1, Sagore Dutta Ghat Road, Kamarhati, Kolkata - 700 058, West Bengal" in the prescribed e-form.

Further, the Board of Directors at its meeting held on 14th February, 2012 had decided and resolved to maintain the Books of Accounts at the Corporate Office of the Company at Mumbai. Accordingly, the same was intimated to and approved by the Registrar of Companies, West Bengal, Kolkata.

PUBLIC DEPOSIT

Your Company has not accepted any fixed deposit from the public under Section 58A of the Companies Act, 1956.

OPERATIONS

Your Company operates in a single segment i.e. Advanced Packaging Solutions.

The Company's installed foil rolling capacity is currently at 37,000 MTPA. The PVC unit at Goa supplements the Company to provide the complete packaging solutions.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

As required 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, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the prescribed format as Annexure 'A' to this report.

PARTICULARS OF EMPLOYEES

As permitted by the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report does not contain the details required under the provisions of Section 217(2A) of the Companies Act, 1956, i.e. details of the names and other particulars of employees drawing remuneration aggregating to more than ` 60,00,000/- (Rupees Sixty Lacs only) per annum and ` 5,00,000/- (Rupees Five Lacs only) per month. Those interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office and the same will be sent by post. The statement is also available for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. till the date of Annual General Meeting.

SUBSIDIARY COMPANIES

Particulars of subsidiary Companies are as follows:

Flex Art Foil Limited (FAFL)

Flex Art Foil Limited (formerly Flex Art Foil Private Limited) is the wholly owned Indian Subsidiary of your Company which provides facilities for printing of Aluminium blister and poly to pharmaceutical companies for their packaging solutions at various locations across the country.

The status of FAFL was changed from Private to Public vide the approval of its members at the Extraordinary General Meeting held on 29th May, 2012. The Registrar of Companies, Maharashtra, Mumbai had issued the Fresh Certificate of Incorporation dated 15th June, 2012 confirming the change of status of FAFL to a Public Limited Company.

Brief financials of FAFL for the financial year ended 31st March, 2012 are as follows:

(` in lacs)

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Sales (net of excise duty) & Other Income	11,102.14	10,758.13
Profit before Depreciation & Tax	1,245.42	1,329.73
Less Depreciation	170.37	84.57
Profit after depreciation before tax (PBT)	1,075.05	1,245.16
Provision for Taxation	240.45	305.09
Net Profit available for Appropriation (PAT)	834.60	940.07

Ess Dee Aluminium Pte. Limited

The Company has incorporated Ess Dee Aluminium Pte. Limited a wholly owned subsidiary Company in the Republic of Singapore on 15th December, 2011 (hereinafter referred as "**Foreign Subsidiary**")

Pursuant to the general exemption granted by the Ministry of Corporate Affairs under Section 212 of the Companies Act, 1956, the Company is not required to annex to this Report, the Annual Reports of the subsidiary companies for the financial year ended 31st March, 2012. However, if any member of the Company or the respective subsidiary companies so desires, the Company will be happy to make available the Annual Accounts of the subsidiary company(ies) to them, on request. These will also be available for inspection at the Registered Office of the Company and of its subsidiary companies on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. till the date of Annual General Meeting.

The details of each subsidiary company with respect to capital, reserves, total assets, total liabilities, details of investment (except in case of investment in subsidiary companies), turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend as prescribed by the Ministry of Corporate Affairs is included in the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the attached consolidated financial statements have been prepared in accordance with Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates.

PERSONNEL & INDUSTRIAL RELATIONS

The Industrial relations continue to be peaceful and cordial. Our employees are compassionate and rigorous for the success of the Company. We have set up a scalable recruitment and resource management process which enables us to attract and retain talent. The focus is on increasing the efficiency and effectiveness of the employees and thereby contributing to the organizational triumph in the competitive market.

We strongly believe that trained and motivated people determine the future augmentation of the Company. Your Company endeavors to attract and recruit best possible talent and considers the quality of its human resources to be most important.

EMPLOYEE SAFETY

Employee safety is of paramount importance for the Company. All the executives in the Company have a personal objective of ensuring a safe working environment for its employees. The safety performance is analyzed in all important forums.

The Company and its Management value the dedication of its employees and acknowledge their contribution in attaining short and long term goals of the Company. The Company has been encouraging employees by providing better working environment opportunities and training in various fields.

The Board wishes to place on record its sincere appreciation of the dedicated efforts of all employees in advancing the Company's vision and strategy to deliver a record performance.

CORPORATE GOVERNANCE

As required by the existing Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. The Auditors of the Company have certified the Company's compliance of the requirements of Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is annexed to the Report of the Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("the Act"), with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed;
- ii. The Directors have selected such accounting policies and 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 31st March, 2012 and of the profit of the Company for the year ended on that date;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts of the Company on a "going concern basis".

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the year under review.

MANAGEMENT DISCUSSION & ANALYSIS

Forward-looking statements

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'seen to be', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

INDUSTRY STRUCTURE AND DEVELOPMENT, OUTLOOK

Aluminium Foil Packaging Industry

Ess Dee Aluminium Limited ("EDAL") caters to packaging needs within the pharmaceutical, food and FMCG segments.

Technological advancements have redefined the functionality of packaging from beyond its traditional need of product protection. Rapid replacement of rigid containers with flexible packaging along with the growing applications of converted flexible packaging in end-use sectors, including food & beverages, snacks, baked products, health & beauty and pharmaceuticals are helping polish up the market's prospects.

The USD 23 billion Indian packaging industry is expected to get a significant boost with the Ministry of Commerce and Industry giving an in-principle approval to take up the 10 proposals submitted by the Indian Institute of Packaging to enhance industry standards, which when implemented shall see a huge upswing in the industry demand.

The inertness, non-permeability and non-reactive nature of metals, especially aluminium, has made them an important component in the global packaging market. Aluminium is used for packaging in wide array industries which include food, beverages, healthcare, personal care, paint and industrial chemicals. Besides protecting and preserving, packaging is also an essential tool to differentiate the product in order to attract customers.

Aluminium foil is used extensively by the pharmaceutical industry and the food industry for packaging as aluminium foil is known for its ability to protect the products from exposure to light, oxygen, moisture, odours, flavours and specifically bacteria. Long life

packs for dairy products and drinks use aluminium foil and as it eliminate the need for refrigeration during their storage. Aluminium foil is also used to pack products that are extremely sensitive to oxygen or moisture such as tobacco. With its excellent barrier and sealing properties, aluminium foil creates the highest quality aseptic packaging material for many FMCG Products.

The global packaging industry witnessed the defining influence of technological innovation and development, a key reason for the industry's robust growth over the last few decades.

Pharmaceuticals:

As compared to the previous year the domestic pharmaceutical market grew 21.9 per cent to record sales of ` 5,369 crore (USD 1.01 billion) in March 2012, according to an analysis by the All India Organisation of Chemists and Druggists (AIOCD). Further, India's pharmaceutical sector is gaining its position as a global leader. Further, the pharma market in India is expected to touch USD 74 billion in sales by 2020 from the current USD 11 billion, according to a PricewaterhouseCoopers report. The Ministry of Commerce has proposed an ambitious Strategy Plan to double pharmaceutical exports from USD 10.4 billion in 2009-10 to USD 25 billion by 2013-14. The Government has also planned a 'Pharma India' brand promotion action plan, spanning over a three-year period, to give an impetus to generic exports.

Key factors that affect the pharmaceutical packaging segment include being constantly challenged with evolving trends such as the increased use of disposable medical products, an ageing population, rising cost of raw materials, transportation and energy, cost pressures on suppliers, influence of regulations, outsourcing/ contract packaging, child-resistant/senior-friendly and tamper-evident packaging. Countries continue to invest in healthcare development and a corresponding strong demand is expected for healthcare packaging, allowing for a robust market growth. Furthermore, innovations driven by consumer preferences and environmental concerns will create new and exciting opportunities in the healthcare packaging market. Innovation has become a necessity in the fight against counterfeiting, to encourage patient compliance, to ensure drug integrity and balancing child-resistance and accessibility for the elderly.

Food and FMCG:

The food processing industry in India stands at USD 135 billion and is projected to grow with a compound annual growth rate (CAGR) of 10 per cent to reach USD 200 billion by 2015. In addition to the demand side, there are changes happening on the supply side as well with the growth in organised retail, increasing foreign direct investment in food processing and introduction of new products. Products meant for human consumption e.g. health care and food industries need to be designed with a certain specific criteria for quality, unlike the products for different industrial applications. In the case of food products, packaging materials must fulfil the additional requirements related to the health, safety and compatibility of the products to be packed, over and above the quality parameters pertaining to the physico-mechanical behaviour.

While emerging markets, with their rising average household income and large population size, are showing unprecedented potential for the FMCG packaging market, FMCG packaging manufacturers will have to adapt and target both the lower income segment of the population in emerging market as well as its growing middle class.

OPERATIONS

Your Company operates in the single segment i.e. Advanced Packaging Solutions. The Company's foil rolling capacity is 37,000 MTPA.

Your Company has established presence in Bengaluru to cater to increasing trends towards lower dosages for small batch sizes of the pharmaceutical products. The unit shall also cater to large multinationals setting up base in the Southern part of the country. The Company has restarted operations at its Hoera unit by utilizing higher capacity of its caster plants.

EDAL's COMPETITIVE INDUSTRY POSITIONING:

1. Present in potent industry

As indicated above, EDAL is present in industries with great potential. Given that its end use industries like Pharma, FMCG and Food Processing are poised to grow at a high rate, packaging is bound to grow.

2. Strong Management Team

The company has an experienced team and has laid great emphasis on infusing fresh talent within the company. It has recruited engineers as well as management graduates from top league schools who are undergoing rigorous training. This will provide the company with the bandwidth to execute its strategy.

3. Scale & Backward integration

With India Foils integration well underway and production optimisation at Kamarhati and Hoera plants, we have taken a step towards backward integration as Hoera also has its caster plant with the installed capacity of 11,000 MTPA wherein it converts aluminium INGOTS in aluminium foil sheets, which is the primary raw material for the company. Notably the quality of the raw material from the caster plant at Hoera is significantly high.

4. Operational Track Record

EDAL has had a strong track record of sound financial performance. With the consolidation phase underway the company is expected to emerge as a strong performer. It has already established itself as a leading player in the domestic pharmaceutical packaging market and has laid a strong foundation for its planned international foray given the two decade strong relationships it shares with the MNC clients.

5. Innovation

Innovation continues to be EDAL's forte and along with India Foils it has a huge array of products under its fold to cater to varied needs of its customers. With the planned international foray, the company is set to raise its benchmark to international levels.

STRENGTHS:

- Fully Integrated Rolling mill with in-house Casting facility.
- State of Art manufacturing and R&D facility.
- Strategic plant location facilitating pan India presence.
- Market leader in the organized segment.
- De-risked business with diverse and innovative products catering to different segments.
- Reputed client base.

OPPORTUNITIES

- Organised retail market segment is expected to grow in the next 4-5 years.
- The food and grocery segment is grossly underrepresented and offers strong growth potential in the coming years.
- FMCG segment is aligning its products with special emphasis on packaging to build brand equity and good recall value.
- Strong growth opportunities overseas market.
- India to evolve into fast growing pharmaceutical packaging markets especially in area of generic drugs.
- Potential of innovative packaging solution requirements like Anti counterfeit solutions / Child resistant packaging.

RISKS & CONCERNS:

The major risks and concerns attributed to the performance of the Company are:

1. Increase in input costs

With backward integration in progress, the company expects to mitigate this risk to an extent. The company is also in the process of expanding its operations giving it the scale to reduce costs.

2. Slower Integration and Turnaround Time for India Foils

Any consolidation process is a time consuming one and pain is bound to be there in the near term. EDAL is extremely focussed on ironing out the creases and expects to see the results over the next few quarters.

3. Macroeconomic Slowdown

The macroeconomic headwinds both across the globe and in India have affected performance across segments. EDAL caters primarily to the pharmaceutical, food and FMCG segments which are expected to witness higher growth rates. Given that these products cannot be sold without packaging, EDAL is set to benefit from the rising prospects of these sectors.

4. Regulatory Risks

EDAL is required to meet various regulatory standards as it caters to the Pharma, FMCG and Food segments. Today it has the required certifications in place and has applied for many approvals and certifications to maintain and meet international benchmarks.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has instituted an internal control system for all its units to ensure efficiency of operations, financial reporting, proper recording and safeguarding of assets, compliance with applicable laws and regulations, etc. The Company has also appointed a firm of Chartered Accountants as Internal Auditors, who review the various functions of the Company thoroughly and report to the Audit Committee. The Company uses an Enterprise Resource Planning (ERP) package, which enhances the internal control Mechanism.

The adequacy of the same has been reported by the Statutory Auditors of your Company in their report as required under the Companies (Auditor's Report) Order, 2003.

AUDITORS & AUDITORS' REPORT

M/s. M. P. Chitale & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. They have confirmed their eligibility and willingness to accept the office of Auditors.

The Audit Committee and the Board of Directors therefore recommend the appointment of M/s. M. P. Chitale & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2012-2013 for the approval of the members.

With regard to Auditors' remark on the non-payment of advance tax of ₹ 808.65 lacs, the Board wishes to inform that as per the order of Hon'ble Board for Industrial and Financial Reconstruction ("**BIFR**") sanctioning the merger of erstwhile India Foils Limited with the Company, the BIFR has asked the concerned Department to consider exemption under Section 115JB of the Income Tax Act, 1961 / Sales Tax. The Company is in the process of obtaining the approval from appropriate authorities.

COST AUDITORS

The Company has come under the purview of Cost Audit for the first time in financial year 2011-12.

Based on the recommendations of the Audit Committee, the Board of Directors has approved the appointment of Mr. Prasad Sawant as the Cost Auditors of the Company for the financial year 2011-12, subject to the approval of the Central Government. As required under the provisions of Section 224(1B) read with Section 233B(2) of the Companies Act, 1956, the Company has obtained a written confirmation from Mr. Prasad Sawant to the effect that they are eligible for appointment as Cost Auditors under Section 233B of the Companies Act, 1956. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Auditor shall forward their report to the Central Government, Ministry of Corporate Affairs, New Delhi for the financial year 2011-12, within the prescribed time limit.

INTELLECTUAL PROPERTY

Your Company and its Indian subsidiary are owners of several trademarks namely "**Ess Dee**", "**Flex Art**" and "**IFL**" registered under various classes of trademarks. Your Company has also made applications to the Trade Mark Registry, Mumbai for registration of trademark "**House Foil**".

RECONCILIATION OF SHARE CAPITAL AUDIT

In compliance of circular no. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 further amended by Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010 issued by the Securities and Exchange Board of India ("**SEBI**"), Reconciliation of Share Capital Audit has being carried out at the specified intervals by a Practising Company Secretary and have been submitted to the Stock Exchanges where the Company is listed within due dates.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all investors, clients, vendors, banks, regulatory, Government authorities and Stock Exchanges for their continued support and co-operation. The Directors also wish to place on record their appreciation of the contribution made by business partners / associates at all levels.

Your Directors also take this opportunity to acknowledge the dedicated efforts made by workers, staff and officers at all levels for their contribution to success of the Company.

For and on behalf of Board of Directors

Sudip Dutta
Chairman

Place: Mumbai

Date: 14th August, 2012

Annexure 'A' to 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 Directors' Report.

I. CONSERVATION OF ENERGY:

The Company has been laying emphasis on the conservation of energy and taking several measures like effective control on utilization of energy and regular monitoring of its consumption, etc.

Total energy consumption and energy conservation per unit is as under:

	Current Year 2011-12	Previous Year 2010-11
A Power & Fuel Consumption		
1 Electricity		
a) Purchased		
Units (KWH)	27683961	27497377
Total Amount (₹)	168057950	135755515
Rate/Unit(₹)	6.07	4.93
b) Own Generation (through diesel generator)		
Units (KWH)	--	--
Unit per Ltr. of diesel oil	--	--
Cost/Unit(₹)	--	--
2 Coal		
Quantity (in MT)	--	--
Total Cost (₹)	--	--
Average Rate Per MT (₹)	--	--
3 Furnace Oil / Diesel		
Quantity in Ltrs.	2114080	1619142
Total Cost (₹)	78069982	44968539
Average Rate (₹)	36.93	27.77
4 Rolling Oil		
Quantity in Ltrs.	344056	396207
Total amount (₹)	23966566	25411159
Average Rate (₹)	69.66	64.13
B Consumption per unit of production		
Electricity (unit)	1394.54	1060.20
Coal (MT)	--	--
Furnace Oil (Ltrs.)	106.49	62.43
Rolling Oil (Ltrs.)	17.33	15.28

II TECHNOLOGY ABSORPTION

(A) Research and Development (R & D)

1. Specific areas in which R & D is carried out by the Company:

- (a) The R&D facilities at Daman is used for the prototype testing of various laminates both within pharma as well as food and FMCG sectors.
- (b) Quality improvement of major raw material through structural design of experiments.
- (c) Developed Triplex Laminates (PVC / PVdC).
- (d) New Packaging laminate for chocolate wrapping with embossing is developed and commercialized with mutual trial and co-operation of customer.
- (e) Developed and established new vendors for raw materials like ink, poly film and paper.
- (f) Exploring to revive new products such as PP Cap, Shoe Eyelet, Cable Wrap, Aluminium Foil Stock for Air conditioning, etc with the use of in house technology.

2. Benefits derived as a result of the above R&D:

- (a) Your Company is first Company in India to manufacture high-end pharma packaging products like cold form blister foil, child resistant blister, etc.
- (b) Your Company is the first Aluminium foil based packaging Company in this part of Asia to declare 25 micron pharmaceutical foil as 'pin hole free'. Brands have started commercially downgaging without compromising on stability.
- (c) Your Company is one of the pioneer Indian Companies to successfully develop 'Alu Alu' cold formed laminates for the pharmaceutical sector.
- (d) Foil based toffee wrap business almost 80% with the Company.

3. Future plan of action:

We will continuously work and develop with a thinner and more impervious.

- (a) Reverse Printed Cold Form Blister the only perfect anti counterfeit solution.
- (b) Ultra thin gauge foil being used in laminate for beverage sector.
- (c) Developing with leading FMCG Companies for improvised and end user compliant packaging.
- (d) Developing special Micro texting for anti counterfeit solution for specific brands.

4. Expenditure on R&D :

- (a) Capital ` Nil.
- (b) Recurring: Expenditure incurred on account of R&D are charged under primary heads of accounts and not allocated separately.
- (c) Total Capital R & D expenditure as percentage of total turnover: Nil %.

(B) Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation.

- (a) Development of anti-counterfeit laminations by a combined usage of electronic engraving, printing inks and the rotogravure process.
- (b) The Child Resistant laminate packs sent for testing of the parameters was certified by an approved laboratory in U. K.

2. Benefits derived as a result of the above efforts:

Import substitution, anti-counterfeit products, process & product improvement and backward integration have resulted in optimum stable products for our customer.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports; development of new export markets for products and services and export plans.

Your Company is at present exporting Aluminium foil to APAC and South American countries. The Company is continuously exploring possibilities of exporting more of its products to different markets. In the process, the Company has established a wholly owned subsidiary in Singapore to cater to the exports business.

2. During the year under review:

(a) Foreign exchange earnings by the Company were ` 4,196.06 lacs (Previous Year ` 4,014.98 lacs)

(b) Foreign exchange expenditure (which includes import of raw materials, spares and capital goods, commission on export and travelling expenditure) was ` 12,978.09 lacs (Previous Year ` 18,415.38 lacs).

For and on behalf of Board of Directors

**Sudip Dutta
Chairman**

Place: Mumbai

Date: 14th August, 2012

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary Company

1. Name of the Subsidiary Company	Flex Art Foil Limited	Ess Dee Aluminium Pte. Limited
2. Holding Company's Interest	2,00,00,000 Equity Shares of ₹ 10 each, fully paid up	22,01,000 Equity Shares of Singapore Dollar 1 each
3. Extent of Holding	100%	100%
4. Subsidiary's Financial year ended on	31 st March, 2012	31 st March, 2012
5. Net aggregate amount of subsidiary's profit not dealt within the holding company's account:	₹ in Lacs	₹ in Lacs
i) for the financial year of the subsidiary	834.60	(54.71)
ii) for the previous financial year of the subsidiary since it became the holding company's subsidiary	940.07	--
6. Net aggregate amount of subsidiary's profit dealt within the holding company's account:		
i) for the financial year of the subsidiary	Nil	Nil
ii) for the previous financial year of the subsidiary since it became the holding company's subsidiary	Nil	Nil

For and on behalf of Board of Directors

**Sudip Dutta
Chairman**

Place: Mumbai

Date: 14th August, 2012

CORPORATE GOVERNANCE REPORT

1) Company's Philosophy on Corporate Governance

Ess Dee Aluminium Limited (**EDAL**)'s philosophy of Corporate Governance is to achieve business excellence by enhancing the long term welfare of all its stakeholders. Corporate Governance is not destination, but a journey for EDAL. EDAL believes that Corporate Governance is about creating a performing Organisations i.e. Organisations that consistently succeed in the market places against competition and thereby to enhance the value for all its stakeholders i.e. exceeding expectations which is one of the goals of EDAL. Its Corporate Governance framework is based on the following main principles to maintain transparency, accountability and ethics:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- A sound system of risk management and internal control.
- Transparency and accountability.
- Compliance with applicable rules and regulations.
- Fair and equitable treatment of all its stakeholders.

This would ensure efficient conduct of the affairs of the Company and help to achieve its goal of maximizing value for all its stakeholders. The Company has focused its resources, strengths and strategies to achieve its vision of becoming the world's most valued Company to customers, colleagues, investors, business partners and the community it works and operates in.

This chapter, along with the chapter on Management Discussion and Analysis report EDAL's compliances with the revised guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

2) BOARD OF DIRECTORS

- a) Presently, the Company has 6 (six) Directors. The Chairman is the Promoter of the Company and a Non-Executive Director. Among the 6 Directors, the Company has 1 Managing Director holding the capacity of an Executive Director and all others are Non-Executive Directors. Of the 5 Non-Executive Directors, 4 Directors are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

All the Directors are appointed or re-appointed with the approval of the shareholders. All the Directors are liable to retire by rotation unless otherwise specifically approved by the shareholders. The Independent Directors on the Board are highly experienced and competent persons from their respective fields. The Independent Directors take active part at the Board Meetings and Committee Meetings which add value in the decision making process of the Board of Directors. All Directors have intimated periodically about their Directorship and Membership in various Board and Committee positions of other Companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance Code.

- b) Four Board Meetings were held during the year and the gap between two meetings did not exceeded four months. The dates of Board Meetings were generally decided in advance with adequate notice to all Board Members. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. Senior Management Personnel are invited to provide additional inputs for the items being discussed by the Board as and when necessary. The Minutes of the Meetings of the Board are individually given to all the Directors and confirmed at the subsequent Board Meeting. The finalised copies of the minutes of various Committee meetings of the Board are also individually given to the Directors and thereafter tabled at the subsequent Board Meeting for the Board's views thereon. The dates on which the Board Meetings were held during the year are as follows: 27th May, 2011, 11th August, 2011, 14th November, 2011 and 14th February, 2012. The necessary quorum was present for all the meetings.
- c) As mandated by Clause 49, none of the Directors is a member of more than ten Board level Committees or Chairman of five such Committees across all Companies in which he is a Director. Necessary disclosures regarding Committee positions in other public Company as on 31st March, 2012 have been made by all the Directors. The following table gives details of Directors attendance, Directorships held in other Public Company and subsidiary of Public Company and the position of Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee in such other Public Company and subsidiary of Public Company.

Name of the Director	Category	No. of Board Meetings attended out of 4 Meetings held		No. of Directorship(s)/Committee(s) positions held in other public Company and subsidiary of Public Company as on 31 st March, 2012		
		Board	Last AGM	Directorship	Committee Chairmanship	Committee Membership
Mr. Sudip Dutta [°]	Promoter & Non - Executive	4	Yes	2	1	-
Mr. Bijoy Kumar Pansari [*]	CEO & Managing Director	1	N.A.	1	-	-
Mr. Gautam Mukherjee	Independent Non - Executive	4	Yes	1	-	1
Mr. Dilip Phatarpekar	Independent Non - Executive	4	No	1	1	-
Mr. Ramdas L. Baxi	Independent Non - Executive	4	Yes	1	-	1
Mr. Madan Mohan Jain	Independent Non - Executive	4	Yes	1	-	1
Mr. Debdeep Bhattacharya [#]	Executive	2	Yes	N.A.	N.A.	N.A.
Mr. Soumitra Barari [§]	Executive	3	Yes	N.A.	N.A.	N.A.
Mr. Rajib Mukhopadhyay [®]	Executive	4	Yes	-	-	-

[°] Mr. Sudip Dutta relinquished his position of Managing Director of the Company w.e.f. 14th December, 2011 and continues as Chairman and Non Executive Director of the Company.

^{*} Mr. Bijoy Kumar Pansari was appointed as CEO and Whole Time Director w.e.f. 3rd December, 2011 and consequent on 14th December, 2011, when Mr. Sudip Dutta relinquished his position of Managing Director, Mr. Pansari was promoted as CEO and Managing Director of the Company.

[#] Mr. Debdeep Bhattacharya resigned as Whole Time Director of the Company w.e.f. 12th October, 2011.

[§] Mr. Soumitra Barari resigned as Whole Time Director of the Company w.e.f. 13th January, 2012.

[®] Mr. Rajib Mukhopadhyay resigned as Director Finance of the Company w.e.f. 21st August, 2012.

No Director is related to any other Director on the Board in terms of the definition of relative given under the Companies Act, 1956.

- d) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board of Directors for their consideration.
- e) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

3) BOARD COMMITTEES

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to committees of the Board set up for the purpose. These committees prepare the groundwork for decision-making and report the same to the Board at the subsequent meetings. Currently, the Board has five Committees viz. Audit Committee, Finance Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee and Management Committee

I. AUDIT COMMITTEE

The Company has an Independent Audit Committee comprising of 3 (three) Independent Directors. Mr. Gautam Mukherjee is the Chairman of the Committee and Mr. Dilip Phatarpekar and Mr. Ramdas L. Baxi are members, all learned and experts

having adequate knowledge in the field of finance. The Audit Committee is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

Four meetings of the Audit Committee were held during the financial year under review i.e. on 27th May, 2011, 11th August, 2011, 14th November, 2011 and 14th February, 2012. The gap between two consecutive meetings did not exceed four months. The necessary quorum was present for all the meetings.

The Director Finance, Chief Financial Officer, Internal Auditors and the Statutory Auditors are invitees to the meeting. The Company Secretary acts as the Secretary to the Committee and attended all the meetings of the Audit Committee. Minutes of each Audit Committee are placed and discussed in the next meeting of the Board.

The Statutory Auditors and Internal Auditors have attended most of the Audit Committee meetings held during the year. The Chairman of the Audit Committee was present at the previous Annual General Meeting held on 28th September, 2011.

The role of the Audit Committee includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 217(2AA) of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussion with internal auditors on any significant findings and follow up thereon;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors;
12. To review the functioning of Whistle Blower mechanism, in case the same is existing.
- 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief Internal Auditor shall be subject to review by the Audit Committee.

II. FINANCE COMMITTEE

The Finance Committee of Directors was re-constituted on 14th August, 2012 and the present constitution of the Finance Committee is as under:

Mr. Sudip Dutta as Chairman, Mr. Bijoy Kumar Pansari and Mr. Dilip Phatarphekar, Directors of the Company are the members.

No meeting of the Finance Committee was held during the financial year.

Following powers, duties and responsibilities have been delegated to the Finance Committee:

1. Borrowings from banks / financial institutions upto an aggregate limit of ` 500.00 crores.
2. Granting Loans to companies / firms / individual, whether subsidiaries / associates or otherwise, upto a limit of ` 10.00 crores per Company or firm and ` 1.00 crore per individual, for the purpose of business, subject however that the aggregate of loans granted and outstanding to all such companies / firms / individuals, subsidiaries or associates at any time shall not exceed the applicable ceiling prescribed under Section 370 or other applicable provisions of the Companies Act, 1956.
3. Opening / closing of bank accounts, opening letters of credit, issue / renew / cancel bank guarantees and other banking matters.
4. Approval of authorized signatories and delegation of powers to sign cheques, etc. for operating the bank accounts of the Company.
5. Miscellaneous financial matters.

III. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee comprises of Mr. Ramdas Baxi, Independent Director as Chairman, Mr. Dilip Phatarphekar and Mr. Gautam Mukherjee as members, to specifically look into the redressal of complaints and queries of shareholders / investors. The Company Secretary is the Compliance Officer and the Secretary to the Committee.

Two meetings of the Committee were held during the financial year 2011-2012 on 11th August, 2011 and 14th February, 2012. Minutes of each Shareholders' / Investors' Grievance Committee meetings are placed and discussed in the next meeting of the Board.

At the beginning of the financial year, there was no investor complaint that was unresolved. The Company had received 37 complaints during the financial year ended 31st March, 2012 which were replied to the satisfaction of the shareholders. There were no outstanding complaints as on 31st March, 2012.

IV. REMUNERATION COMMITTEE

Although, the Remuneration Committee is a non-mandatory Committee but as recommended under Clause 49 of the Listing Agreement, the Company has constituted the Remuneration Committee comprising of Independent Directors, namely Mr. Dilip Phatarphekar as Chairman, Mr. Ramdas Baxi and Mr. Gautam Mukherjee as Members. The minutes of the Remuneration Committee meetings are reviewed and noted by the Board from time to time.

The Remuneration Policy of the Company for managerial personnel is primarily based on the performance of the Company and track record, potential and performance of individual managerial personnel.

The Remuneration Committee recommends to the Board the compensation package of the Executive Directors of the Company. The remuneration of the Executive Directors is within the ceilings laid down under Schedule XIII of the Companies Act, 1956. The Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors and Committees within the ceilings prescribed by the Central Government.

Since the appointment of the Executive Directors is by virtue of their employment with the Company, their service contract, notice period and severance fees, if any, is governed by the remuneration policy of the Company.

The Company does not have any Employee Stock Option Scheme.

During the financial year under review, two Meetings of Remuneration Committee were held on 27th May, 2011 and 3rd December, 2011.

Details of Remuneration paid to Directors:

Details of remuneration for the financial year ended 31st March, 2012:

a) Executive Directors

(` in lacs)

Name	Designation	No. of Shares Held	Salary	Allowances & Perquisites	Total	Relationship with any Other Director
Mr. Sudip Dutta [%]	Chairman	1,87,55,913	271.13	7.52	278.65	None
Mr. Bijoy Kumar Pansari [*]	CEO and Managing Director	Nil	27.54	0	27.54	None
Mr. Debdeep Bhattacharya [#]	Whole Time Director	Nil	15.71	0	15.71	None
Mr. Soumitra Barari ^{\$}	Whole Time Director	Nil	15.48	0	15.48	None
Mr. Rajib Mukhopadhyay [@]	Director- Finance	1,500	29.00	0	29.00	None

[%] Mr. Sudip Dutta relinquished his position of Managing Director of the Company w.e.f. 14th December, 2011 and continues as Chairman and Non Executive Director of the Company.

^{*} Mr. Bijoy Kumar Pansari was appointed as CEO and Whole Time Director w.e.f. 3rd December, 2011 and consequent on 14th December, 2011, when Mr. Sudip Dutta relinquished his position of Managing Director, Mr. Pansari was promoted as CEO and Managing Director of the Company.

[#] Mr. Debdeep Bhattacharya resigned as Whole Time Director w.e.f. 12th October, 2011.

^{\$} Mr. Soumitra Barari resigned as Whole Time Director w.e.f. 13th January, 2012.

[@] Mr. Rajib Mukhopadhyay resigned as Director Finance w.e.f. 21st August, 2012.

b) Non-Executive Directors

The Non-Executive Directors are paid sitting fees for attending the Board meetings and Committee meetings, the details of which are as under:

Name	Sitting Fees (`)	Number of shares held as on 31 st March, 2012
Mr. Gautam Mukherjee	75,000	Nil
Mr. Dilip Phatarphekar	80,000	Nil
Mr. Ramdas Baxi	80,000	Nil
Mr. Madan Mohan Jain	40,000	Nil

No stock options have been issued to any Director of the Company. All the Directors have disclosed their shareholding in the Company.

The attendance of each of the members at the meetings of the respective Committees is as under:

Name of the Director	Category	Audit Committee	Remuneration Committee	Shareholders'/ Investors' Grievance Committee
Mr. Gautam Mukherjee	Independent & Non-Executive Director	4	1	2
Mr. Dilip Phatarphekar		4	2	2
Mr. Ramdas Baxi		4	2	2

V. MANAGEMENT COMMITTEE

The Management Committee was duly constituted on 30th October, 2010 pursuant to Clause 20 (ii) of the order of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) dated 30th September, 2010. The Management Committee was reconstituted on 13th January, 2012 with Mr. Sudip Dutta, as the Chairman, representative of Kotak Mahindra Bank Limited, Monitoring Agency and Mr. Bijoy Kumar Pansari, CEO & Managing Director of the Company being the Members of the Committee. Mr. Rajaram Shanbhag, Chief Financial Officer of the Company is an Invitee to the Committee meetings.

The Committee reviews on quarterly basis the operations of the Company in all aspects and monitors the implementation of the revival scheme of BIFR.

Four meetings of the Committee were held during the financial year 2011-2012 on the following dates: 22nd April, 2011, 15th June, 2011, 27th September, 2011, 3rd December, 2011 and 15th March, 2012.

4. GENERAL BODY MEETINGS

a) Annual General Meeting :

Location and time of Annual General Meeting (AGM) held in last 3 years:

Date	AGM	Venue	Time	Whether Special Resolutions passed
14.12.2009	5 th AGM	Hotel Miramar, Devka Beach, Daman 396 210	12.30 p.m.	Yes
14.12.2010	6 th AGM	Hotel Miramar, Devka Beach, Daman 396 210	12.30 p.m.	Yes
28.09.2011	7 th AGM	Hotel Sea Rock Inn, Devka Beach, Daman 396 210	1.00 p.m.	Yes

Details of the Special Resolutions passed at Annual General Meetings during the last three years

At the 5th AGM held on 14th December, 2009, two special resolutions were passed for increasing the managerial remuneration of Managing Director and Whole Time Director.

At the 6th AGM held on 14th December, 2010, three special resolutions were passed for appointment of Mr. Rajib Mukhopadhyay, Mr. Debdeep Bhattacharya and Mr. Soumitra Barari as the Whole Time Directors of the Company.

At the 7th AGM held on 28th September, 2011, two special resolutions were passed for re-appointment of Mr. Sudip Dutta as Chairman and Managing Director of the Company for further period of five years commencing from 15th June, 2011 and for making further issue of Shares by way of ADR, GDR, QIP considering the requirement of additional funds, if any.

b) Extra Ordinary General Meetings :

In addition to Annual General Meeting, the Company holds General Meetings of the members of the Company as and when situation arises. During the year under review, the Company had not held any Extra Ordinary General Meeting.

c) Postal Ballot:

The Company received the approval of the members for the following Resolutions :

- ❖ Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for creation of charges on the movable and immovable properties of the Company;
- ❖ Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 for increasing the borrowing limits of the Company from ` 1,000 Crores to ` 1,500 Crores;
- ❖ Ordinary Resolution for consolidation of un-issued shares in the Authorised Share Capital of the Company to the tune of ` 80 Crores;
- ❖ Special Resolution for alteration of Articles of Association of the Company.

The notice of the postal ballot was mailed to all the members of the Company alongwith postage prepaid envelopes.

Mr. Jigarkumar Gandhi, Practising Company Secretary, was appointed as the Scrutinizer for conducting the postal ballot

process in a fair and transparent manner and the Scrutinizer submitted his report to the CEO & Managing Director, Mr. Bijoy Kumar Pansari on 30th July, 2012.

The details of the voting pattern were as under :

Description of the Resolution	No. of valid postal ballot forms received	Votes in favour of the resolution	Votes against the resolution	% of votes in favour
Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for creation of charges on the movable and immovable properties of the Company	220	1,93,60,819	19,132	99.90%
Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 for increasing the borrowing limits of the Company from ` 1,000 Crores to ` 1,500 Crores	219	1,93,60,653	19,248	99.90%
Ordinary Resolution for consolidation of un-issued Shares in the Authorised Share Capital of the Company to the tune of ` 80 Crores	220	1,93,78,447	1,455	99.99%
Special Resolution for alteration of Articles of Association of the Company	216	1,93,78,063	1,472	99.99%

Accordingly, the above Resolutions were approved by the members with requisite and overwhelming majority.

5. SUBSIDIARY COMPANIES

The Company has one Indian wholly owned subsidiary Flex Art Foil Limited (formerly known as Flex Art Foil Private Limited) and one foreign wholly owned subsidiary Ess Dee Aluminium Pte. Limited incorporated in the Republic of Singapore on 15th December, 2011.

The status of Flex Art Foil Limited was changed from Private to Public vide the Fresh Certificate of Incorporation dated 15th June, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai.

The Company monitors the performance of its subsidiary companies, inter alia, by following means:

- The financial statements, in particular, the investments, if any, made by the Indian subsidiary Company, are reviewed by the Audit Committee of the Company.
- The minutes of the Board meetings of the Indian subsidiary Company are placed at the subsequent Board meetings of the Company.
- Details of significant transactions and arrangements entered into by the Indian subsidiary Company are placed before the Board of the Company as and when applicable.
- Mr. Gautam Mukherjee, Independent Director of the Company is on the Board of Flex Art Foil Limited, the materially unlisted subsidiary Company.

6. CODE OF CONDUCT

The Company has adopted a modified Code of Conduct for all Board Members and Senior Management Personnel of the Company in accordance with the requirement under Clause 49(1)(D) of the Listing Agreement. The said Code has been communicated to the Directors and Senior Management Personnel and they have confirmed compliance with the said Code of conduct for the financial year ended 31st March, 2012. The code of conduct is available on the website of the Company: www.essdee.in

The requisite Declaration of the CEO and Managing Director is given below:

To
The Shareholders of Ess Dee Aluminium Limited

Sub: Compliance with Code of Conduct

I hereby confirm that the Company has obtained from all the Members of Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct as adopted by the Board of Directors in respect of financial year ended 31st March, 2012.

29th May, 2012

Bijoy Kumar Pansari
CEO and Managing Director

TRADING IN THE COMPANY'S SHARES BY DIRECTORS AND DESIGNATED EMPLOYEES

As per SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company is required to have a Compliance Officer who is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, pre-clearance of trade, monitoring of trades and implementation of code of conduct for trading in Company's securities under overall supervision of the Board. The Company Secretary is the Compliance Officer of the Company. All the Directors on the Board, employees at Senior Management levels at all locations and other designated employees who could be privy to unpublished price sensitive information of the Company are governed by this code. All the Directors, Employees at Senior Management levels and other designated employees of the Company are restricted from entering into opposite transactions i.e. buy or sell any number of shares during the next 6 months following the prior transactions.

7. DISCLOSURES

a. Related party transactions

Details of significant related party transactions, i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their subsidiary companies or relatives, etc. as per Accounting Standard 18 "Related Party Disclosures" are presented under Note 29.07 of the Balance Sheet. No material transaction has been entered by the Company with the Promoters, Directors or the Management, subsidiaries or relatives that may have potential conflict with the interest of the Company except as presented under Note 29.07 of the Balance Sheet. All such transaction has been done on arms' length basis.

The Audit Committee has reviewed the related party transactions as mandatorily required under Clause 49 of the Listing Agreement.

b. Compliance

- i. The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and adoption of non mandatory requirement under Clause 49 of the Listing Agreement are being reviewed periodically.
- ii. Although it is not mandatory, the Board of Directors of the Company have constituted a Remuneration Committee and a Finance Committee, the details of which have been provided under Sections 'Remuneration Committee' and 'Finance Committee'.
- iii. No penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or other statutory authorities on any matter related to the capital market from the date of listing.
- iv. The Company currently has not adopted a Whistle Blower policy.
- v. Risk management is an ongoing process and the Audit Committee periodically reviews risk mitigation measures.

c. Auditor's Certificate on Corporate Governance

The Company has obtained a certificate from the Statutory Auditors testifying to the compliance with the provisions relating to Corporate Governance laid out in Clause 49 of the Listing Agreement with the Stock Exchanges. The Certificate is annexed to this Report and the same will be sent to the Stock Exchanges along with the Annual Report.

8. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company were sent to the Stock Exchanges immediately after these were approved by the Board. The quarterly results were published in 'Economic Times- all editions' and 'Daman Ganga Times' circulating in Daman and 'Ek Din' circulating in Kolkata. The financial results were also displayed on the website of the Company www.essdee.in soon after its submission to the Stock Exchanges.

There was no presentation made to major institutional investors or to the analysts during the year.

9. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting:

Date: 28th September, 2012

Time: 10 a.m.

Day: Friday

Venue: Najrul Mancha, 1, M. M. Feeder Road, Kolkata - 700 056.

(ii) Last date for receipt of Proxy:

26th September, 2012 before 10 a.m. at the Registered Office of the Company.

(iii) Financial Year:

The Company observes the period starting from 1st April to 31st March as its financial year.

Results for the quarter ending:

30 th June, 2012	14 th August, 2012
30 th September, 2012	By 2 nd week of November, 2012
31 st December, 2012	By 2 nd week of February, 2013
31 st March, 2013	By 4 th week of May, 2013

(iv) Date of book closure

Monday, 24th September, 2012 to Friday, 28th September, 2012 (both days inclusive)

(v) Dividend payment date

Within 30 days from the date of Annual General Meeting.

(vi) Listing on Stock Exchanges

The Company's shares are listed on:-
Bombay Stock Exchange Limited (BSE) and
National Stock Exchange of India Limited (NSE)

The Company debt securities are listed on the Wholesale Debt Market (WDM) of BSE.

The Company has paid the annual Listing Fees for the financial year 2012-2013 to BSE and NSE.

The Custodial Fees for the year 2012-2013 have been paid to the National Securities Depository Limited and the Central Depository Services (India) Limited.

(vii) Stock code

Equity Shares

Bombay Stock Exchange Limited	- 532787
National Stock Exchange of India Limited	- ESSDEE- EQ
ISIN for Dematerialisation	- INE825H01017

Debt Securities

The Wholesale Debt Market (WDM) of BSE - 947007 and 947009

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate, Mumbai 400023

(viii) Market price data

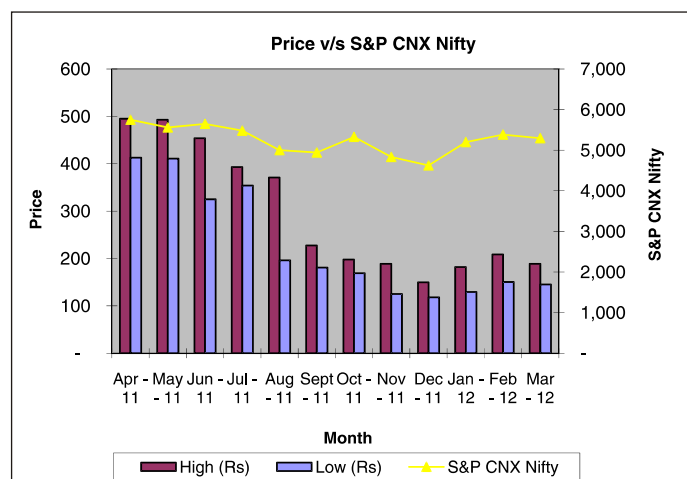
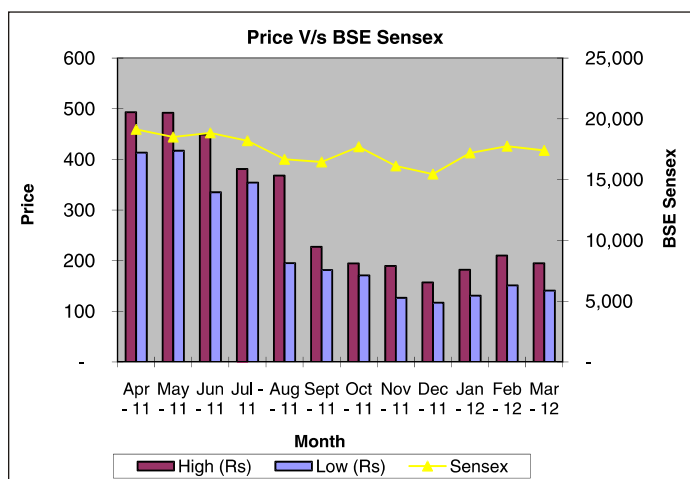
The monthly high and low prices of the Company's share at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2012 are given as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Sensex (Closing)	High (₹)	Low (₹)	S & P CNX Nifty (Closing)
April, 2011	493.10	413.50	19,135.96	495.00	413.00	5,749.50
May, 2011	492.00	417.00	18,503.28	492.70	410.80	5,560.15
June, 2011	449.00	335.00	18,845.87	453.90	325.00	5,647.40
July, 2011	381.00	354.10	18,197.20	393.00	354.05	5,482.00
August, 2011	368.00	195.05	16,676.75	370.95	196.15	5,001.00
September, 2011	227.50	181.50	16,453.76	227.50	180.90	4,943.25
October, 2011	194.55	171.00	17,705.01	197.80	169.00	5,326.60
November, 2011	189.70	126.60	16,123.46	188.90	125.20	4,832.05
December, 2011	157.00	117.00	15,454.92	149.70	118.00	4,624.30
January, 2012	182.00	131.05	17,193.55	182.00	129.50	5,199.25
February, 2012	210.00	151.25	17,752.68	208.50	150.50	5,385.20
March, 2012	194.90	141.00	17,404.20	188.90	145.20	5,295.55

Sources : BSE, NSE, Sensex and S & P CNX Nifty Websites

Stock Performance v/s. BSE Sensex and S & P CNX Nifty

The performance of Ess Dee Aluminium Limited's Equity Shares relative to the BSE Sensex and S & P CNX Nifty is given in the charts below:



(ix) Registrar and Transfer Agents

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (East), Mumbai 400 072
Tel: 91 22 40430200, 28470652

(x) Share Transfer System

The authority relating to transfer of shares and allied work relating to servicing of investors has been delegated by the Board to the Shareholders' / Investors' Grievance Committee which consists of Mr. Ramdas Baxi as Chairman, Mr. Dilip Phatarphekar and Mr. Gautam Mukherjee as Members.

The minutes of the meetings of the Shareholders' / Investors' Grievance Committee are regularly placed before the Board. The Company's Registrar and Transfer Agents, Bigshare Services Private Limited has adequate infrastructure to process the share transfers. The share transfers received are processed within 15 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. Demat requests are processed within 10-15 days from the date of receipt to give credit of the shares through the Depositories. In compliance with the listing guidelines, every three months, a practicing Company Secretary audits the system of transfer and a certificate to that effect is issued. The Company's scrips form part of the SEBI's compulsory demat segment bearing ISIN No. INE825H01017.

(xi) Distribution of shareholding as on 31st March, 2012

Holding	No. of Shareholders	No. of shares held	Share holding %
1-500	11,506	6,84,613	2.13
501- 1000	246	1,94,662	0.61
1001- 2000	125	1,89,114	0.59
2001- 3000	44	1,13,061	0.35
3001- 4000	25	91,855	0.29
4001- 5000	18	85,712	0.27
5001-10000	45	3,24,996	1.01
10001 & above	76	3,03,63,798	94.75
Total	12,085	3,20,47,811	100.00

Distribution of shareholding by ownership as on 31st March, 2012

Category	No. of Shares held	Share holding %
Promoters	1,90,68,867	59.50
FII's	65,32,558	20.38
Venture Capital Funds	0	0
Insurance Companies	11,63,029	3.63
Mutual Funds/UTI/Banks	11,74,371	0.81
Bodies Corporate	10,90,789	3.40
Individuals/others	30,18,197	12.28
Total	3,20,47,811	100.00

(xii) Dematerialisation of shareholding

The Company has established connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar and Transfer Agents, Bigshare Services Private Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. Almost the entire shareholding is held in dematerialized form with NSDL 3,06,43,197 Shares (95.62%) and CDSL 14,04,346 Shares (4.38%) as on 31st March, 2012. The entire shareholdings of the Promoters of the Company are in demat form.

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board of India.

(xiii) Details of Unclaimed Shares

The Company came out with an Initial Public Offer (IPO) in December, 2006. The Equity shares issued pursuant to the said IPO which remained unclaimed are lying in the Escrow Account with Bigshare Services Private Limited. The Company has sent 4 reminders to the shareholders asking for correct demat account details. As per Clause 5A(1) of the Listing Agreement, the Company reports the following details in respect of the unclaimed shares:

Particulars	No. of shareholders	No. of Shares
Aggregate No. of shareholders & Shares pending as on 1 st April, 2011	5	194
No. of shareholders who approached for transfer of shares from suspense account during the year	Nil	Nil
No. of shareholders & Share transferred from suspense account during the year	Nil	Nil
No. of shareholders & Shares Outstanding at the end of the year*	5	194
* Invalid Demat Account		

The voting rights on the shares outstanding in the suspense account as on 31st March, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

Other Information: Shareholders who have not yet encashed their dividend warrant for the earlier years may approach the Company / Registrar and Transfer Agents for revalidation/ issues of duplicate dividend warrant quoting the Ledger Folio Nos. / DP and Client Id.

(xiv) Outstanding Global Depository Receipts or Warrants or any Convertible Instrument, conversion Dates and likely impact on Equity

The Company has not issued any GDRs / ADRs or Warrants or any Convertible Instruments during the financial year.

The Company came out with a public issue in December, 2006 and has fully utilised the issue proceeds.

(xv) Plant locations

- Plot No. 124-133, Panchal Udyog Nagar, Bhimpore, Daman 396 210
- P- 32, Taratalla Road, Kolkata 700 088
- Plot No. 161, Kundaim Industrial Estate, Kundaim, Goa 403 115
- 1, Sagore Dutta Ghat Road, Kamarhati, Kolkata 700 058
- No. 57/5/2, Bhenslore, Village Dunetha, Nani Daman 396 210
- Village & P.O. Hoera P.S. Mogra District Hooghly

(xvi) Registered Office

1, Sagore Dutta Ghat Road,
Kamarhati, Kolkata 700 058
Tel: 91 33 2582 2289
Fax: 91 33 2583 1578
Website: www.essdee.in

The Registered office of the Company was shifted from the Union Territory of Daman to the State of West Bengal vide the order of Hon'ble Company Law Board, Mumbai Bench dated 23rd September, 2011.

(xvii) Investors correspondence may be addressed to:

Company Secretary & Compliance Officer
Ess Dee House, Akurli Road
Kandivali (East), Mumbai 400 101
Tel: 91 22 66908200 Fax: 91 22 66908396
Email ID: investorservice@essdee.in

Registrar and Transfer Agents
Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri East, Mumbai 400 072

(xviii) Bank details for dividend payment

Shareholders desirous of receiving their dividend directly into their bank account through Electronic Clearing System (ECS) are requested to inform their ECS mandate to the Registrar and Transfer Agents of the Company. Beneficiaries holding the scrip of the Company in the dematerialized form may intimate the change, if any, in their bank details to their Depository Participant (DP) furnishing their details with the correct 9 digit MICR code of their bank.

**AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of **Ess Dee Aluminium Limited**

We have examined the compliance of conditions of corporate governance by Ess Dee Aluminium Limited (the Company) for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the further viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.P. Chitale & Co.
Chartered Accountants
ICAI FR No. 101851W

Ashutosh Pednekar
Partner
ICAI M. No. 41037

Place : Mumbai
Date : May 29, 2012

DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE EIGHTH ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Item Nos. 3, 4, 6 of the Notice convening Annual General Meeting

Brief notes on the background and the functional expertise of the Directors proposed for appointment and re-appointment are furnished below, with details of Companies in which they are Directors and the Board Committees of which they are members:

Name of the Director	Mr. Sudip Dutta	Mr. Madan Mohan Jain	Mr. Bijoy Kumar Pansari
Date of Birth	04.05.1972	01.03.1944	06.01.1949
Date of Appointment	10.02.2004	14.01.2010	03.12.2011
Expertise in specific functional area	Management of all Business division, growth and diversification initiatives and providing vision and strategy.	Mr. Madan Mohan Jain have an expertise in Human Resource Management and Estimation of Budget. He is well experienced in all other fields also	Mr. Bijoy Kumar Pansari is a Chartered Accountant and Law Graduate by qualification. Mr. Pansari has over 40 years of experience at very senior levels in the Corporate hierarchy.
Qualifications	H. S. C.	BSC	C.A., LLB
Directorships held in other Indian public limited companies as on 31.03.2012	Flex Art Foil Limited (formerly Flex Art Foil Private Limited)	Panama Petrochem Limited	Flex Art Foil Limited (formerly Flex Art Foil Private Limited)
Chairman / Member of the Committee of Board of Directors of the Company as on 31.03.2012	Chairman - Finance Committee, Management Committee	Nil	Member - Management Committee
Chairman / Member of Committees of Board of Directors of other Indian public limited Companies as on 31.03.2012	Chairman - Audit Committee, Flex Art Foil Limited	Member- Audit Committee, Panama Petrochem Limited	Nil
No. of Shares held in the Company as on 31.03.2012	1,87,55,913	Nil	Nil

Auditors' Report

To
The Members of
Ess Dee Aluminium Limited

1. We have audited the attached Balance Sheet of Ess Dee Aluminium Limited as at March 31, 2012 and also the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date all of which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report as follows:-
 - i. As required by the Companies (Auditor's Report) Order 2003 and as amended by Companies (Auditors' Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - ii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - iii. In our opinion, proper books of account as required by the law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - iv. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with in this report are in agreement with the books of account.
 - v. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement read with notes thereon comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - vi. On the basis of the written representations received from the Directors as on March 31, 2012, which have been taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2012 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - vii. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with accounting principles generally accepted in India.
 - in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012,
 - in the case of the Statement of Profit and Loss of the profit for the year ended on that date.
 - in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn No. 101851W

Ashutosh Pednekar
Partner
ICAI M. No. 041037
Mumbai
May 29, 2012

Annexure to Auditors' Report

Annexure referred to in paragraph 3.i of the Auditors' Report to the members of Ess Dee Aluminium Limited.

- i. (a) The Company has maintained unit wise fixed assets registers and / or compiled item wise list showing particulars of all its fixed assets. The aggregate value shown by these records agrees with the gross value of fixed assets as per the books of account of the Company.
(b) Based on the information and explanations furnished to us, the Company has physically verified fixed assets during the year as per the cycle of verification and no material discrepancies were noticed.
(c) During the year, Company has not disposed of any substantial /major part of fixed assets.
- ii (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
- iii (a) According to the information and explanations given to us, the Company has neither granted any loans nor taken from parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c), (d), (e), (f) & (g) of clause (iii) of Para 4 of the Order are not applicable.
- iv In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of goods. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control procedures.
- v (a) In our opinion, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
(b) In our opinion, and to the best of our knowledge and belief and according to the information and explanations given to us, the contracts and arrangements were entered into at mutually agreed prices for which suitable alternatives do not exist to compare with the prevailing market prices.
- vi During the year Company has not accepted any deposits from the public. Accordingly paragraph 4 (vi) of the order is not applicable.
- vii The Company has an internal audit system commensurate with the size and nature of its business.
- viii We have broadly reviewed the cost records maintained by the Company relating to the manufacturing activities. We have not made an examination of the cost records required to be maintained under Companies (Cost Accounting Records) Rule 2011 in respect of their accuracy and completeness as the Company is in the process of obtaining the compliance report of the Cost Accountant.
- ix (a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service tax, Customs Duty, Excise Duty and cess with the appropriate authorities, *though there have been delays in few cases*. There are no undisputed statutory dues outstanding as of March 31, 2012 for a period of more than six months *except payment of advance tax of ₹ 808.65 Lacs for the year. However, the following are not paid:-*

Other dues of Deferred Sales Tax, aggregating ` 1,443.56 lacs, as set out below, which is outstanding as at the end of the year:-

Period to which the amount relates	Due Date	Amt ` Lacs
Quarter ended 30.09.96	31.10.05	12.98
Quarter ended 31.12.96	31.01.06	25.62
Quarter ended 31.03.97	30.04.06	31.45
Quarter ended 30.06.97	31.07.06	29.76
Quarter ended 30.09.97	31.10.06	42.45
Quarter ended 31.12.97	31.01.07	51.39
Quarter ended 31.03.98	30.04.07	51.58
Quarter ended 30.06.98	31.07.07	33.74
Quarter ended 30.09.98	31.10.07	48.82
Quarter ended 31.12.98	31.01.08	41.61
Quarter ended 31.03.99	30.04.08	53.02
Quarter ended 30.06.99	31.07.08	65.44
Quarter ended 30.09.99	31.10.08	79.66
Quarter ended 31.12.99	31.01.09	89.31
Quarter ended 31.03.00	30.04.09	84.82
Quarter ended 30.06.00	31.07.09	68.94
Quarter ended 30.09.00	31.10.09	67.52
Quarter ended 31.12.00	31.01.10	71.84
Quarter ended 31.03.01	30.04.10	71.55
Quarter ended 30.06.01	31.07.10	76.21
Quarter ended 30.09.01	31.10.10	68.58
Quarter ended 31.12.01	31.01.11	56.70
Quarter ended 31.03.02	30.04.11	53.37
Quarter ended 30.06.02	31.07.11	59.68
Quarter ended 30.09.02	31.10.11	61.58
Quarter ended 31.12.02	31.01.12	45.93

Note: Interest due on above ` 511.43 lacs

(b) As at the year-end according to the records of the Company and information and explanations given to us, there are no disputed dues on account of income tax, sales tax, customs duty, excise duty, cess, wealth tax, service tax which have not been deposited with respective authorities except as under.

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where the disputes are pending
West Bengal Sales Tax Act/ West Bengal Value Added Tax Act/ Central Sales Tax Act	Sales Tax	1710.40	1982-1984, 1986-1988, 1993-94 to 1999-2001 & 2003-04	Revision Board (Tribunal)
		451.39	2001-02 to 2002-03	WB Taxation Tribunal
		(364.34)	2004-05 to 2008-09	Deputy Commissioner (Appeals)
	Total	1,797.16		
Central Excise Act	Excise Duty	1256.81	1986 to 2011	Commissioner of Central Excise

- x The Company has neither accumulated losses at the end of the financial year nor incurred cash losses during the year and in the immediately preceding financial year.
- xi The Company has not defaulted in repayment of dues to banks.
- xii According to the information and explanations, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii According to the information and explanations, the Company is not a chit fund / nidhi / mutual benefit fund / society. Hence, the provisions of any special statute as specified under clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- xiv According to the information and explanations, the Company is not a dealer or trader in securities.
- xv According to the information and explanations given to us, the Company has given guarantee for bank loans taken by its subsidiary Flex Art Foil Private Limited on such terms and conditions which are prima facie not prejudicial to the interest of the Company.
- xvi To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company for the purposes for which the loans were obtained.
- xvii On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, as at the close of the year, short-term loans aggregating ₹ 8,187.41 lacs stand utilised for long-term investment.
- xviii The Company has not made any preferential allotment of shares to parties/companies covered in the register maintained u/s 301 of the Companies Act 1956.
- xix The Company has created securities and registered the charge in respect of non convertible debenture issued.
- xx The Company has not raised any money by public issues during the year.
- xxi Based on information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the year.

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
ICAI M. No. 041037
Mumbai
May 29, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	Note No.	31 ST March 12 in Lacs	31 ST March 11 in Lacs
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	1	3,204.78	3,204.78
b. Reserves and Surplus	2	65,422.13	60,143.62
2. Non Current Liabilities			
a. Long-term borrowings	3	8,103.59	8,075.94
b. Other Long Term liabilities	4	2,102.62	2,102.62
c. Long term provisions	5	13,283.90	9,737.57
3. Current Liabilities			
a. Short Term borrowings	6	24,379.77	10,834.34
b. Trade payables	7	11,752.17	13,478.72
c. Other current liabilities	8	2,104.19	2,075.87
d. Short-term provisions	9	2,871.13	3,923.48
TOTAL		1,33,224.27	1,13,576.94
II. ASSETS			
1. Non Current Assets			
a. Fixed Assets	10		
(i) Tangible assets		46,411.63	24,582.35
(ii) Intangible assets		15.27	16.95
(iii) Capital Work in Progress		8,887.51	24,607.86
b. Non Current Investment	11	1,305.71	401.54
c. Deferred Tax Assets (Net)	12	6,097.89	7,108.57
d. Long Term loans and advances	13	2,044.81	1,152.59
2 Current Assets			
a. Current Investments	14	7,428.81	5,860.74
b. Inventories	15	5,488.23	3,487.69
c. Trade receivables	16	43,439.97	36,123.47
d. Cash and Bank Balances	17	2,547.22	1,877.50
e. Short term loans and advances	18	3,123.16	3,085.65
f. Other-current assets	19	6,434.06	5,272.03
TOTAL		1,33,224.27	1,13,576.94
Significant accounting policies and notes on accounts	29		

As per report attached

For M.P. Chitale & Co.
Chartered AccountantsAshutosh Pednekar
Partner
Place : Mumbai
Date : 29th May 2012

FOR AND ON BEHALF OF THE BOARD

Sudip Dutta
ChairmanBijoy Kumar Pansari
Managing DirectorHaresh Vala
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Note No.	31 st March 12 in Lacs	31 st March 11 in Lacs
REVENUE			
Revenue from operations	20	63,373.60	64,655.80
Other Income	21	2,352.72	1,555.68
Reversal of Impairment		-	1,032.26
Total Revenue		65,726.32	67,243.74
EXPENSES			
Cost of materials consumed	22	40,581.84	42,052.97
Changes in inventories of finished goods & work in progress	23	(306.86)	(105.62)
Manufacturing Expenses	24	3,277.54	2,661.64
Employee benefit expenses	25	2,658.58	2,283.42
Finance Costs	26	3,382.43	1,854.85
Depreciation and amortization expenses	10	3,390.37	1,943.57
Other Expenses	27	3,798.88	2,483.68
Total Expenses		56,782.78	53,174.51
Profit Before Tax (PBT)		8,943.54	14,069.23
Tax Expenses	28		
Current Tax		1,909.42	2,917.90
Deferred Tax		1,010.68	395.34
Profit After Tax (PAT)		6,023.44	10,755.99
Earnings per equity share			
Basic (`)		18.80	34.03
Diluted (`)		18.80	34.03
Significant accounting policies and notes on accounts	29		

As per report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
Place : Mumbai
Date : 29th May 2012

FOR AND ON BEHALF OF THE BOARD

Sudip Dutta
Chairman

Bijoy Kumar Pansari
Managing Director

Haresh Vala
Company Secretary

STATEMENT OF CASH FLOW as on 31/03/2012

PARTICULARS	As at 31 st March 12 in Lacs	As at 31 st March 11 in Lacs
A Cash Flow From Operating Activities		
Profit before tax	8,943.56	14,069.23
Add:		
Depreciation	3,390.37	1,943.57
Reversal of Impairment of Assets	-	(1,032.25)
Interest Paid	3,382.43	1,854.85
	<u>6,772.80</u>	<u>2,766.17</u>
Operating Profit before working Capital Changes	15,716.36	16,835.40
Working Capital Changes		
(Increase)/Decrease in Inventories	(2,000.56)	9.51
(Increase)/Decrease in Trade Receivables	(7,316.50)	(4,304.93)
(Increase)/Decrease in Other Current Assets	(2,091.75)	4,283.94
Increase/(Decrease) in Trade Payables & Other Liabilities	795.74	(2,812.07)
(Increase)/Decrease in Working Capital	(10,613.06)	(2,823.55)
Cash Generated from Operating Activities	5,103.30	14,011.85
Tax Paid	(1,909.42)	(2,917.90)
	<u>(1,909.42)</u>	<u>(2,917.90)</u>
Cash Used (-)/(+) generated for operating activities (A)	3,193.88	11,093.95
B Cash Flow From Investing Activities		
Purchase of Fixed Assets including CWIP (Net)	(9,497.64)	(19,561.20)
Purchase of Investments including investments in Subsidiaries	(2,472.24)	(5,860.74)
Effect of Depreciation Merger / Reversal of Fixed Assets	-	5,517.86
Net Cash Used in Investing Activities (B)	(11,969.88)	(19,904.08)
C Cash Flow From Financing Activities		
(Reduction)/ Proceeds from Share Capital - Merger effect	-	8,084.71
Interest & Finance Charges Paid	(3,382.43)	(1,854.85)
Dividend & Dividend Taxes paid	(744.94)	(747.41)
Proceeds from borrowings	13,573.09	3,714.12
Net Cash Used in Financing Activities (C)	9,445.72	9,196.57
D Net Increase (+)/ Decrease (-) in cash and cash equivalent (A+B+C)	669.72	386.44
Cash and Cash Equivalent Opening Balance	1,877.50	1,491.06
Cash and Cash Equivalent Closing Balance	2,547.22	1,877.50

As per report attached

For M.P. Chitale & Co.
Chartered AccountantsAshutosh Pednekar
Partner
Place : Mumbai
Date : 29th May 2012

FOR AND ON BEHALF OF THE BOARD

Sudip Dutta
ChairmanBijoy Kumar Pansari
Managing DirectorHaresh Vala
Company Secretary

Notes to accounts.

1. Share Capital

a) Authorised, Issued, Subscribed and paid-up capital and par value per share.

Authorised Share Capital

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Equity Shares of ` 10 each (CY 3,50,00,000 shares of ` 10 each) (PY 3,50,00,000 shares of ` 10 each)	3,500.00	3,500.00
Equity Shares of ` 1 each (CY 80,00,00,000 shares of ` 1 each) (PY 80,00,00,000 shares of ` 1 each)	8,000.00	8,000.00
Preference Shares of ` 100 each (CY 2,56,40,000 shares of ` 100 each) (PY 2,56,40,000 shares of ` 100 each)	25,640.00	25,640.00
Total	37,140.00	37,140.00

Issued, Subscribed and paid up Capital

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Equity Shares of ` 10 each (CY 3,20,47,811 shares of ` 10 each) (PY 3,20,47,811 shares of ` 10 each)	3,204.78	3,204.78
Total	3,204.78	3,204.78

b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year.

Particulars	31 st March 12 No. of Shares	31 st March 11 No. of Shares
Shares outstanding as at the beginning of the year	3,20,47,811	2,78,24,765
Add		
Shares allotted during the year as fully paid up pursuant to a contract without payment being received in cash	-	25,59,046
Shares allotted for cash pursuant to qualified institutional placement	-	16,64,000
Shares outstanding as at the end of the year	3,20,47,811	3,20,47,811

c) Shares in the Company held by each shareholder holding more than 5% shares.

Sr. Name of the Share Holder	31 st March 2012		31 st March 2011	
	Number of Shares held in the Company	Percentage of Shares held	Number of Shares held in the Company	Percentage of Shares held
1 Mr. Sudip B Dutta	1,87,55,913	58.52%	1,87,55,913	58.52%
2 M/s Ironwood Investment Holding	21,70,105	6.77%	-	-

D) Aggregate number of Equity Shares.

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Allotment of shares as fully paid up pursuant to contracts without payments being received in cash	25,59,046	-	-	-	-
Allotment of fully paid up bonus shares	-	-	-	-	95,58,182

2. Reserves and Surplus

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Capital Reserve		
Balance in Capital Reserve	1,175.29	1,175.29
Securities Premium Reserve		
Balance in Securities Premium Reserve	45,336.81	45,336.81
Debenture Redemption Reserve		
Opening Balance	700.00	-
Add : Transferred from surplus	2,200.00	700.00
Closing Balance	2,900.00	700.00
Revaluation Reserve		
Balance in Revaluation Reserve	897.59	897.59
General Reserve		
Opening Balance	3,450.00	2,550.00
Add : Transferred from surplus	600.00	900.00
Closing Balance	4,050.00	3,450.00
Surplus		
Opening Balance	8,583.93	175.35
Add : Net Profit for the current period	6,023.44	10,755.99
Amount available for appropriation	14,607.37	10,931.34
Proposed Dividend	640.96	640.96
Corporate Dividend Distribution Tax thereon	103.98	106.45
Transfer to General Reserve	600.00	900.00
Transfer to Debenture Redemption Reserve	2,200.00	700.00
Closing Balance	11,062.43	8,583.93
Total	65,422.13	60,143.62

3. Long Term Borrowings

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Secured From Others		
- CY 400 (PY 400) 9.30% Redeemable Non Convertible Debentures of ` 10.00 Lacs each	4,000.00	4,000.00
- CY 400 (PY 400) 9.65% Redeemable Non Convertible Debentures of ` 10.00 Lacs each	4,000.00	4,000.00
- Vehicles	103.59	75.94
Total	8,103.59	8,075.94

Terms of Repayment

Sr	Particulars	Nature of Loan	EMI Amt in Lacs	Mode of Repayment	Type of Int	Nature of Security
1	9.30% Redeemable Non convertible debentures.	Normal Capital Expenditure and General Corporate Purposes.	4,000.00	Bullet on 29/07/2013	Fixed	First Charge on Land at Mehsana and Fixed Assets Situated at Bhimpore Daman to the extent of ` 10,000 Lacs
2	9.65% Redeemable Non convertible debentures.	Normal Capital Expenditure and General Corporate Purposes.	1,000.00	4 Annual Installments From 29/07/2014	Fixed	First Charge on Land at Mehsana and Fixed Assets Situated at Bhimpore Daman to the extent of ` 10,000 Lacs
3	Kotak Mahindra Prime	Vehicle Loan	9.31	36 EMI	Fixed	Respective Vehicle under Loan
4	Kotak Mahindra Prime	Vehicle Loan	19.29	36 EMI	Fixed	Respective Vehicle under Loan
5	Kotak Mahindra Prime	Vehicle Loan	13.04	36 EMI	Fixed	Respective Vehicle under Loan
6	Kotak Mahindra Prime	Vehicle Loan	7.08	36 EMI	Fixed	Respective Vehicle under Loan
7	Kotak Mahindra Prime	Vehicle Loan	9.56	36 EMI	Fixed	Respective Vehicle under Loan
8	Kotak Mahindra Prime	Vehicle Loan	94.23	11 EMI	Fixed	Respective Vehicle under Loan
9	Kotak Mahindra Prime	Vehicle Loan	10.01	36 EMI	Fixed	Respective Vehicle under Loan
10	Kotak Mahindra Prime	Vehicle Loan	5.11	35 EMI	Fixed	Respective Vehicle under Loan
11	Kotak Mahindra Prime	Vehicle Loan	112.71	35 EMI	Fixed	Respective Vehicle under Loan
12	HDFC Bank Limited	Vehicle Loan	5.34	36 EMI	Fixed	Respective Vehicle under Loan

4. Other Long term liabilities.

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Deferred Sales Tax Liability	2,102.62	2,102.62
Total	2,102.62	2,102.62

5. Long Term Provisions

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Provision for Taxes (Net)	6,759.44	3,213.11
Provision for Indirect Taxes	6,524.46	6,524.46
Total	13,283.90	9,737.57

CURRENT LIABILITIES**6. Short Term Borrowings.**

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Secured Loan from Banks - repayable on demand *	24,379.77	10,834.34
Total	24,379.77	10,834.34

* Note : Cash Credit and Other facilities from the companies bankers are secured by pari pasu first charges on the entire fixed assets other than NCD's and current assets comprising of stock of raw material consumables stores and spares in the factory godown or in transit and book debts / receivables of the Company.

7. Trade Payables

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Trade Payable		
- Micro Small and Medium Enterprises	40.79	21.15
- Others	11,711.38	13,457.57
Total	11,752.17	13,478.72

8. Other Current Liabilities

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Capital Creditors	57.21	92.23
Investor Education and Protection Fund		
- Unclaimed Dividends	0.13	0.13
- Unpaid matured deposits	-	1.53
Other Liabilities (Includes Statutory Dues and Other accruals)	2,046.85	1,981.98
Total	2,104.19	2,075.87

9. Short Term Provisions.

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Provision for Leave Encashment	326.88	307.45
Provision for Income Tax	1,796.89	2,866.72
Provision for Wealth Tax	2.42	1.90
Proposed Dividend	640.96	640.96
Dividend Distribution tax	103.98	106.45
Total	2,871.13	3,923.48

10. Schedule of Fixed Assets & Depreciation

in Lacs

Description	Gross Block				Accumulated Depreciation				Net Block	
	As At April 2011	Additions	Sales / Adjustment	As At March 2012	As At April 2011	Change for the period	Sales / Adjustment	As At March 2012	As At March 2012	As At March 2011
Tangible										
Factory Freehold Land	696.62	-	-	696.62	2.03	0.30	-	2.33	694.29	694.59
Factory Land	5.01	-	-	5.01	-	-	-	-	5.01	5.01
Factory Building	5,493.66	246.82	-	5,740.48	1,820.75	186.10	-	2,006.85	3,733.63	3,672.91
Plant & Machinery	35,251.93	24,755.27	-	60,007.20	15,824.21	3,073.02	-	18,897.25	41,109.95	19,427.72
Computers/IT Equipment	359.41	30.03	-	389.44	309.30	30.42	-	339.72	49.72	50.11
Furniture & Fixtures	548.81	34.30	-	583.11	150.49	35.14	-	185.63	397.48	398.32
Vehicle	468.33	156.96	12.14	613.15	134.64	58.02	1.06	191.60	421.55	333.69
TOTAL	42,823.77	25,223.38	12.14	68,035.01	18,241.42	3,383.00	1.06	21,623.38	46,411.63	24,582.35
Intangible										
Computer Software	36.16	5.69	-	41.85	19.21	7.37	-	26.58	15.27	16.95
	36.16	5.69	-	41.85	19.21	7.37	-	26.58	15.27	16.95
TOTAL	42,859.93	25,229.07	12.14	68,076.86	18,260.63	3,390.37	1.06	21,649.96	46,426.90	24,599.30
Previous Year	38,370.70	315.83	4,217.32	42,859.93	13,175.92	1,943.57	3,185.07	18,260.63	24,599.30	25,194.78

Schedule forming part of Capital Work In Progress as on 31/03/2012

in Lacs

Particulars	GROSS BLOCK				NET BLOCK	
	Opening As at 01/04/2011	Addition	Transfer	Gross Block as on 31/03/2012	As at 31/03/2012	As at 31/03/2011
Capital Work In Progress	24,607.86	8,887.51	24,607.86	8,887.51	8,887.51	24,607.86
Total	24,607.86	8,887.51	24,607.86	8,887.51	8,887.51	24,607.86
Previous Year	10,880.38	13,727.48	-	24,607.86	24,607.86	10,880.38

11. Non Current Investments

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Unquoted		
Shares of Shamrao Vithal Co.op Bank Limited 6,175 (PY 6,175) ordinary shares of ` 25 each fully paid up	1.54	1.54
Shares of Flex Art Foil Private Limited 2,00,00,000 (PY 2,00,00,000) ordinary shares of ` 10 each fully paid up of which 1,60,00,000 (PY 1,60,00,000) each are received by way of bonus shares	400.00	400.00
Shares of Ess Dee Aluminium PTE Limited 2,201,000 (PY Nil) ordinary shares of SGD 1 Each fully paid up.	904.17	-
Total	1,305.71	401.54

12. Deferred Tax Assets (Net)

Deferred Tax Assets	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Deferred Tax Assets (Net)	6,097.89	7,108.57
Total	6,097.89	7,108.57

13. Long Term Loans & Advances

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Loan to Subsidiary	979.48	-
Others	1,065.33	1,152.59
Total	2,044.81	1,152.59

CURRENT ASSETS

14. Current Investments

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Unquoted Investment in Mutual Funds		
Taurus MF Short Term Fund - Bond Fund 7,03,022.738 units with NAV of ` 1,001.8759 each (PY 3,30,419.402 Units with NAV of ` 1,001.7390 each)	7,043.41	3,309.94
L& T Freedom Income STP Inst 14,49,708.633 (PY 2,15,12,893.140 unit with NAV of ` 10.1552 each)	147.23	2,184.67
JM Financial MF Short Term Fund. CY Nil (PY 34,97,257.826 unit with NAV of ` 10.451 each)	-	365.49
SBI Magnum Insta Cash Fund 41,219.2528 units with NAV of ` 1,675.03 each	238.17	-
Total	7,428.81	5,860.74

15. Inventories

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
(At lower of cost and net realizable value)		
Raw Material	1,745.27	1,523.12
Work in Progress	1,548.51	319.47
Finished Goods	718.92	412.06
Stores and Spares	1,409.90	1,233.03
Stock in Transit	65.63	-
Total	5,488.23	3,487.68

16. Trade Receivables

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Debtors outstanding for a period exceeding six months		
Unsecured considered Good	1,558.38	1,215.72
Total	1,558.38	1,215.72
Other Debts		
Unsecured considered Good	41,881.59	34,907.75
Total	41,881.59	34,907.75
Total	43,439.97	36,123.47

17. Cash and Bank Balances

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Cash & Cash Equivalents		
Cash on hand	11.49	11.53
Balances with Banks		
On current accounts	1,610.12	853.99
In exchange earners foreign currency account	106.87	3.45
Other bank Balances		
In deposits with original maturity for more than 12 months	818.61	1,008.40
In unclaimed dividend account	0.13	0.13
Total	2,547.22	1,877.50

- Balance with scheduled banks include ` 818.61 Lacs (PY ` 860.19 Lacs) representing margin money for letter of credit and bank guarantees issued.
- Section 205 of the companies Act 1956 mandates that companies transfer dividend that has been unclaimed for period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF), Accordingly if dividend is unclaimed for a period of seven years, it will be transferred to IEPF.

18. Short term loans and advances.

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Advance to material supplier / contractors	-	2.57
Loans and Advance to employee	17.62	46.42
Inter Corporate deposits	3,105.54	3,036.66
Total	3,123.16	3,085.65

19. Other Current Assets.

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Interest Accrued but not due	20.54	24.70
Prepaid Expenses	312.52	29.28
Deposits with government, public bodies and others	3,427.30	2,884.50
Others	2,673.70	2,333.55
Total	6,434.06	5,272.03

20. Revenue from Operations

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Gross Sales	67,745.60	68,989.59
Less : Excise Duty	4,372.00	4,333.79
Total	63,373.60	64,655.80

21. Other Income

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Dividend Received	122.15	229.25
Foreign Exchange Earnings	90.07	244.01
Interest on Fixed Deposits	64.48	78.80
Others	2,076.02	1,003.62
Total	2,352.72	1,555.68

22. Cost of Material Consumed

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Opening Stock	3,075.61	3,190.73
Add : Purchases	42,209.91	41,937.85
Total	45,285.52	45,128.58
Less : Closing Stock	4,703.68	3,075.61
Total	40,581.84	42,052.97

23. Changes in inventories of finished goods

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Opening Stock of Finished Goods	412.06	306.44
Closing stock of Finished Goods	718.92	412.06
(Accretion) / Decretion in Stock	(306.86)	(105.62)

24. Manufacturing Expenses

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Freight Carriage	232.17	205.30
Power and Fuel	2,221.75	1,760.32
Labour Charges	291.13	244.32
Factory Expenses	382.72	293.67
Repairs to Machinery	149.77	158.03
Total	3,277.54	2,661.64

25. Employee Benefit Expenses

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Salary, Wages and Allowances	2,368.94	2,029.55
Staff Welfare and other benefits	88.66	85.08
Contribution to Provident & other Fund	200.98	168.79
Total	2,658.58	2,283.42

26. Finance Cost

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Bank Interest	3,061.62	1,456.17
Bank Commission and other Charges	320.81	398.68
Total	3,382.43	1,854.85

27. Other Expenses

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Audit Fees	22.00	18.00
Advertisement Expenses	134.28	19.89
Bad Debts	158.69	-
Carriage Outward	482.38	618.41
Commission on Sales	129.23	120.26
Foreign Exchange Loss on trade purchases	441.18	10.08
Legal & Professional Charges	261.11	406.22
Rates and Taxes	535.50	376.91
Rent	220.14	206.32
Insurance Charges	40.29	57.72
Interest on Deferred Sales Tax	164.06	135.23
Postage and Telephone	45.80	38.58
Conveyance and Travelling	177.55	158.98
Other Expenses	986.67	317.08
Total	3,798.88	2,483.68

28. Tax Expenses

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Current Tax Expenses		
Current tax	1,907.00	2,916.00
Wealth tax	2.42	1.90
Deferred tax (credit)/expenses	1,010.68	395.34
Total	2,920.10	3,313.24

Note : 29 Other Disclosures.**29.01 : Significant accounting policies****1. System of Accounting:**

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis. Financial Statements are prepared under historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply in all material aspects, with mandatory accounting standards as notified by the Companies (Accounting Standard) Rules 2006, relevant provisions of the Companies Act 1956 and statements issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are set out below. Management has made certain estimates and assumptions in conformity with the GAAP in the preparation of these financial statements, which are reflected in the preparation of these financial statements.

2. Revenue Recognition:

- a. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b. Domestic sales are accounted on despatch of products to customers and export sales are accounted on the basis of dates of bill of lading. Sales are disclosed net of sales tax, discounts and returns, as applicable.
- c. Export incentives / interest income and income on investments are accounted on accrual basis.

3. Fixed Assets, Capital Work-in-Progress and Depreciation:**a. Fixed Assets:**

Fixed assets are stated at cost of acquisition or construction less depreciation. Cost comprises the purchase price and other attributable costs, including interest and finance costs incurred till the asset is commissioned.

b. Capital Work-in-Progress:

Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use and is stated upto the amount expended till the date of balance sheet.

c. Depreciation:

Depreciation is provided on the straight line method at the rates and in manner laid down in Schedule XIV to the Companies Act, 1956. Leasehold Land is amortized over the period of lease. Software is amortised over five years on straight line basis

4. Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First In First Out method.

5. Taxation

Income tax comprises current tax and deferred tax charge or release. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

6. Foreign Exchange Transactions:

Transactions in foreign currency are recorded at exchange rates prevailing on the dates of respective transactions. The difference in translation and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.

7. Employee Benefits:

Short-term employee benefits (i.e. benefits payable within one year) are recognized in the period in which the employee service is rendered.

Year's accrued liability on account of Leave encashment benefit (only for employees of erstwhile India Foils Ltd (IFL) payable to employees under defined benefit plan is ascertained on the basis of actuarial valuation made on the Balance Sheet date and provided in the accounts. Gratuity is considered accrued and accounted for as per actuarial valuation done by SBI Life Insurance Company Ltd. under the Group Gratuity scheme and leave encashment is accounted for as per actuarial valuation done by an actuary.

Contributions towards provident funds are recognized as expense.

Contribution to Provident Fund in respect of certain employees of erstwhile IFL is made to the Trusts administered by the Company, and in respect of other employees is made to the office of the Employees' Provident Fund Commissioner, under Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The interest rate payable to the members of the Trusts administered by the Company is not lower than the rate of interest declared annually by the Central Government under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Company.

Year's accrued liability on account of Pension Scheme for certain employees of erstwhile IFL under defined benefit plan upto 31st December, 2000 is ascertained and provided for on the basis of actuarial valuation made on the Balance Sheet date. The said Pension Scheme was amended from defined benefit plan to defined contribution plan effective 1st January 2001 and the benefits under the defined benefit plan were frozen as on 31st December 2000. Year's accrued liability in respect of the aforesaid defined contribution plan is ascertained as per the Company's policy and charged as expense for the year.

8. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of a qualifying assets are capitalized as part of cost of such assets till such time as the assets is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

9. Financial Derivatives Hedging Transactions.

In respect of derivatives contracts, premium paid and gains / losses on settlement are recognized in the Profit and Loss account.

10. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal \ external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. A previously recognized impairment loss if further provided or reversed depending on changes in circumstances.

12. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

13. Leases

Operating lease payments are recognized as expenses on a straight line basis over the term of lease.

29.02 Contingent Liabilities

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Contingent Liability		
a) Claims against the Company not acknowledged as debt	-	-
b) Guarantees given for bank loans taken by its subsidiary Flex Art Foil Private Limited.	2,640.00	2,640.00
c) Other money for which the Company is contingent liable	456.49	430.23
Total	3,096.49	3,070.23

29.03 Suppliers/service providers covered under Micro, Small and Medium Enterprises (MSME) Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company. The Disclosure relating to Micro and Small Enterprises as at 31st March 2012 are as under.

	Description	31 st March 12 in Lacs	31 st March 11 in Lacs
1	The Principal amount remaining unpaid to supplier as at the end of accounting year	40.64	21.15
2	The Interest due thereon remaining unpaid to supplier as at the end of the year	Nil	Nil
3.	The amount of interest paid in terms of Sec 16 along with the amount of payment made to the supplier beyond the appointment day during the year	Nil	Nil
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	Nil	Nil
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	Nil	Nil

29.04 The amount of dividend proposed to be distributed to equity shareholders :

Proposed Dividend	No of Equity Shares	Period	Dividend Per Share
6,40,95,622/-	3,20,47,811	2011-12	2/-

29.05 Employee Benefits plans

For Daman and Goa Unit

Particulars	Gratuity Funded		Leave Encashment Unfunded	
	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011
The major categories of plan assets as a percentage of total plan				
Qualifying Insurance Policy	100%	100%	-	-
Changes in the present value of the obligation				
1. Present Value of obligation 01/04/2011	53.06	55.56	9.69	11.77
2. Interest Cost	3.77	3.98	0.77	1.00
3. Current Service Cost	20.63	14.05	2.93	3.92
4. Past Service Cost	-	-	-	-
5. Benefits Paid	(11.66)	(11.68)	(2.36)	(1.65)
6. Actuarial (gain) / loss on Obligation	0.55	(8.83)	(1.90)	(5.35)
7. Present Value of obligation 31/03/2012	66.36	53.07	9.14	9.69
Changes in the Fair Value of Assets				
1. Fair value of plan Assets 01/04/2011	72.23	64.31	-	-
2. Expected Return on Plan assets	6.38	5.25	-	-
3. Contributions	26.42	14.22	-	-
4. Benefits Paid	11.66	(11.68)	-	-
5. Actuarial gain / (loss) on Plan Assets	(0.70)	0.13	-	-
6. Fair value of plan Assets 31/03/2012	92.67	72.23	-	-
Profit & Loss Expenses				
1. Current Service Cost	20.63	14.05	2.93	3.92
2. Interest Cost	3.77	3.98	0.77	1.00
3. Expected Return on Plan assets	(6.38)	(5.25)	-	-
4. Net Actuarial gain / (loss) recognized in the year	1.25	(8.96)	(1.90)	(5.35)
5. Past Service Cost	-	-	-	-
6. Expenses Recognized in the statement of P&L	19.28	3.82	9.14	9.69
Actuarial Assumptions				
1. Discount Rate	8.00%	8.00%	7.75%	7.75%
2. Expected Rate of Return on Plan Assets	8.00%	8.00%	-	-
3. Expected Rate of Salary Increase	9.00%	9.00%	6.50%	6.50%
4. Attrition Rate	12.00%	12.00%	-	-
5. Mortality Post-retirement	Ultimate	Ultimate	Ultimate	Ultimate

Units in West Bengal

Particulars	Gratuity		Pension Frozen as on 31 st December 2000		Leave Encashment	
	Funded		Funded		Unfunded	
	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011
The major categories of plan assets as a percentage of total plan						
Qualifying Insurance Policy						
Changes in the present value of the obligation						
1. Present Value of obligation 01/04/2011	322.24	282.92	18.99	19.10	75.83	72.08
2. Interest Cost	27.20	22.62	1.61	1.50	6.33	5.76
3. Current Service Cost	16.76	20.85	-	-	10.46	10.51
4. Past Service Cost	-	2.81	-	-	-	-
5. Benefits Paid	4.38	0.36	-	0.71	2.60	0.17
6. Actuarial (gain) / loss on Obligation	(139.62)	(6.59)	(0.70)	0.89	(30.19)	(12.35)
7. Present Value of obligation 31/03/2012	222.20	322.25	19.90	18.99	(59.82)	75.83
Changes in the Fair Value of Assets						
1. Fair value of plan Assets 01/04/2011	159.44	147.44	4.23	4.63	-	-
2. Expected Return on Plan assets	13.55	11.80	0.35	0.37	-	-
3. Contributions	4.38	-	-	-	-	-
4. Benefits Paid	4.38	0.36	-	0.71	-	-
5. Actuarial gain / (loss) on Plan Assets	(0.47)	0.21	(0.02)	(0.07)	-	-
6. Fair value of plan Assets 31/03/2012	172.52	159.44	4.56	4.23	-	-
Reconciliation of the present value of the defined benefit obligation and the fair market value of plan assets						
1. Present value of the obligation at the end of the year	222.20	322.25	19.90	18.99	(59.82)	75.83
2. Fair value of plan Assets at the end of the year	172.52	159.44	4.56	4.23	59.82	(75.83)
3. Assets/(Liabilities) recognized in the Balance sheet.	(4.96)	(162.80)	(15.34)	(14.77)	-	-
Profit & Loss Expenses						
1. Current Service Cost	16.76	20.85	-	-	10.46	10.51
2. Interest Cost	27.20	22.62	1.61	1.50	6.33	5.76
3. Expected Return on Plan assets	13.55	(11.80)	0.35	0.37	-	-
4. Net Actuarial gain / (loss) recognized in the year	(139.15)	(6.80)	(0.68)	(0.84)	(30.19)	(12.35)
5. Past Service Cost	-	2.81	-	-	-	-
6. Expenses Recognized in the statement of P&L	(108.73)	27.70	0.57	0.29	(13.38)	3.92
Actuarial Assumptions						
1. Discount Rate	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
2. Expected Rate of Salary Increase	5.00%	5.00%	NA	NA	5.00%	5.00%
3. Expected Rate of Return on Plan Assets	8.50%	8.00%	8.50%	8.00%	-	-
4. Method Used	Project Unit Credit Method	Project Unit Credit Method	Project Unit Credit Method	Project Unit Credit Method	Project Unit Credit Method	Project Unit Credit Method
5. Remaining working life of employees(in years)	18	18	10	10	18	19

Amounts for the current and previous four periods

Gratuity Daman & Goa Units	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Defined Benefit Obligation	66.36	53.06	55.55	-	-
Plan Asset	92.67	72.23	64.31	-	-
Surplus / Deficits	26.30	19.16	8.75	-	-
Experience Adjustments on Plan Liabilities	0.55	(8.83)	-	-	-
Experience Adjustments on Plan Assets	0.70	(0.12)	-	-	-

29.06 Segment Information (Accounting Standard 17)

The Company's entire activity is of advanced packaging solutions. As such there is only one segment viz; advanced packaging solutions, accordingly, no disclosure is required to be made under AS 17, segment reporting.

29.07 Related Party Disclosures (Accounting Standard 18)

List of Related Parties and Relationship with whom transactions during the year 2011-12

Sr.	Particulars	Particulars
A	Subsidiaries	Flex Art Foil Private Limited Ess Dee Aluminium PTE Limited
B	Key Management Personnel	Mr. Sudip Dutta - Chairman Mr. Bijoy K Pansari appointed w.e.f. 03/12/2011 Mr. Rajib Mukhopadhyay Mr. Prasenjit Datta resigned w.e.f. 31/07/2010 Mr. Debdeep Bhattacharya resigned w.e.f. 12/10/2011 Mr. Soumitra Barari resigned w.e.f. 13/01/2012
C	Relative of Key Management Personnel	Mrs. Aarti Dutta
D	Enterprises over which key management Personnel and their relatives are able to exercise significant influence	NIL

The following transactions were carried out with the related parties in the ordinary course of business.

in Lacs

Nature of Transaction	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel
Sale of Material / Finished Goods Flex Art Foil Private Limited	9,163.55 (PY 8,267.89)	- -	- -
Total	9,163.55 (PY 8,267.89)	- -	- -
Purchase of Material / Finished Goods Flex Art Foil Private Limited	673.31 (PY 618.12)	- -	- -
Total	673.31 (PY 618.12)	- -	- -
Rent Paid Mr. Sudip Dutta	- -	140.88 (PY 138.94)	- -

Nature of Transaction	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel
Mrs. Aarti Dutta	-	-	24.00 (PY 24.00)
Total	-	140.88 (PY 138.94)	24.00 (PY 24.00)
Salary			
Mr. Sudip Dutta	-	278.66 (PY 311.11)	-
Mr. Prasenjit Datta	-	-	-
Mr. Rajib Mukhopadhyay	-	(PY 5.31)	-
Mr. Bijoy Kumar Pansari	-	29.00 (PY 29.00)	-
Mr. Soumitra Barari	-	27.55	-
Mr. Debdeep Bhattacharya	-	-	-
Mr. Soumitra Barari	-	15.48 (PY 18.49)	-
Mr. Debdeep Bhattacharya	-	15.72 (PY 22.25)	-
Total	-	366.41 (PY 386.18)	-
Investments as on 31.03.2012			
Flex Art Foil Private Limited	400.00 (PY 400.00)	-	-
Ess Dee Aluminium PTE Ltd	904.17	-	-
Total	1,304.17 (PY 400.00)	-	-
Debit Balances as on as on 31.03.2012			
Flex Art Foil Private Limited	3,179.93 (PY 2,098.02)	-	-
Ess Dee Aluminium PTE Ltd	979.48	900.00 (PY 900.00)	-
Mr. Sudip Dutta	-	-	-
Total	4,159.41 (PY 2,098.02)	900.00 (PY 900.00)	-
Credit Balances as on 31.03.2012			
Flex Art Foil Private Limited	0.14 (PY 618.71)	-	-
Mr. Soumitra Barari	-	-	-
Mr. Sudip Dutta	-	(PY 1.66)	-
Mr. Rajib Mukhopadhyay	-	23.77 (PY 122.93)	-
Mr. Debdeep Bhattacharya	-	1.85 (PY 1.90)	-
Mr. Bijoy Kumar Pansari	-	-	-
Mr. Debdeep Bhattacharya	-	(PY 1.08)	-
Mr. Bijoy Kumar Pansari	-	5.24	-
Total	0.14 (PY 618.71)	30.26 (PY 177.57)	-

29.08 Leases (Accounting Standard 19)

Operating Lease

The Company has leased facilities under non cancelable operating leases. The future lease payments in respect of these leases as at 31st March 2012 and 31st March 2011 are Minimum Lease payments

	Particulars	31st March 12 ` in Lacs	31st March 11 ` in Lacs
A	Not later than one year	0.30	0.30
B	Later than one year but not later than five years	2.11	1.81
C	Later than five years	3.43	3.73

29.09 Earnings per Share (EPS) : (Accounting Standard - 20)

Particulars	31st March 12 Basic and Diluted	31st March 11 Basic and Diluted
Earnings Net profit / (Loss) for the period (` in Lacs)	6,023.44	10,755.99
Shares Number of shares at the beginning of the period Add : Shares issued during the period	3,20,47,811 -	3,20,47,811 -
Total number of equity shares outstanding at the end of the period	3,20,47,811	3,20,47,811
Weighted average number of equity shares outstanding during the period - Basic and Diluted	3,20,47,811	3,20,47,811
Earnings per share of par value ` 10 Basic and diluted (`)	18.80	34.03

29.10 Deferred Tax Assets and Liabilities (Accounting Standard - 22)

Deferred Tax Liability / (Asset) at the year end comprise timing differences on account of :

Deferred Tax Liability / (Assets)	31st March 12 ` in Lacs	31st March 11 ` in Lacs
Depreciation on Fixed Assets	6,097.89	7,108.57
Net Deferred Tax Assets	6,097.89	7,108.57

Out flow in respect of above provisions, both timing and certainty would depend on Developments / outcome of these events.

29.11 Foreign Currency earnings and outgoings.

in Lacs

		31 st March 12	31 st March 11
A	Value of Imports calculated on CIF Basis		
	Raw Materials	12,867.50	18,235.70
	Capital Goods	-	-
B	Earnings in Foreign Exchange:		
	FOB Value of Exports	4,196.06	4,014.98
C	Expenditure in Foreign Currency:		
	Travelling	22.23	122.94
	Export Commission	66.93	56.74
	Royalty	8.45	-
	Stores & Manufacturing	12.98	-

29.12 Hedging and Derivatives :

The following are the outstanding forward exchange contracts entered into by the Company as at 31st March 2012

Category	Currency	Cross Currency	Amount	Buy / Sell	Purpose
Forward Contract	USD	INR	1,000,000	Sell	Hedging

Un hedged Foreign currency exposure

The Company has the following un-hedged exposure in foreign currency at the year end.

Particulars	31 st March 2012					
	USD	EURO	GBP	JPY	CHF	in Lacs
Sundry Debtors	1266656.85	-	-	-	-	639.67
Sundry Creditors	15369525.93	-	-	488.76	3969.94	7,561.94
Advance received from Customers	11865.23	1079.77	-	-	-	6.04
Advance paid to Creditors	113475.00	1709.74	7.01	-	-	59.22

The Company has the following un-hedged exposure in foreign currency at the year end.

Particulars	31 st March 2011					
	USD	EURO	GBP	JPY	CHF	in Lacs
Sundry Debtors	1909836.83	-	-	-	-	850.64
Sundry Creditors	17698918.03	1844.00	-	469.71	-	8,410.90
Advance received from Customers	17325.53	1079.77	-	-	-	8.49
Advance paid to Creditors	-	-	-	-	4949.54	2.89

29.13 Information on Manufacturing Sales, Work in Progress Raw Material Consumed, Opening Stock of Finished Goods and Closing Stock of Finished Goods

in Lacs

Particulars	Raw Material Consumed	Work In Progress	Opening Stock Of Finished Goods	Closing Stock Of Finished Goods	Net Sales
Aluminium Foils Stock	31,423.27 (29,388.69)	1,511.38 (319.47)	388.67 (281.79)	691.44 (388.67)	58,006.27 (61,214.92)
PVC Resin	1,809.62 (1,454.69)	37.13 -	23.39 (24.65)	26.98 (23.39)	5,367.33 (3,440.88)
Others	7,348.95 (11,209.59)	- -	- -	- -	- -
Total	40,581.84 (42,052.97)	1,548.51 (319.47)	412.06 (306.44)	718.92 (412.06)	63,373.60 (64,655.80)

29.14 As per the requirements of Revised Schedule VI, the Company has re-classified its assets and liabilities into current and non-current based on the normal operating cycle, determined by the management. Previous year figures have been accordingly re-grouped and reclassified.

As per report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
Place : Mumbai
Date : 29th May 2012

FOR AND ON BEHALF OF THE BOARD

Sudip Dutta
Chairman

Bijoy Kumar Pansari
Managing Director

Haresh Vala
Company Secretary

AUDITORS' REPORT

To the Members of Ess Dee Aluminium Limited AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

1. We have examined the attached financial statements of Ess Dee Aluminium Limited and its subsidiary (the "Ess Dee Group") as at March 31, 2012 comprising the consolidated Balance Sheet, the consolidated Statement of Profit and Loss and consolidated Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on them based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all respects, in accordance with the prescribed financial reporting framework and are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one subsidiary, Ess Dee Aluminium Pte. Limited included in the financial statements, whose financial statements reflect total assets of ` 1,910.45 lacs as at March 31, 2012 as well as total revenue of ` 11.50 lacs. These financial statements and other financial information certified by the management are, as informed, in the process of being audited by other auditors and have been consolidated on unaudited basis. Our opinion on the financial results to the extent they have been derived from such financial statements is based solely on unaudited management certified financial statements.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited and unaudited financial statements of Flex Art Foil Private Limited and Ess Dee Aluminium Pte. Limited respectively included in the consolidated financial statements.
5. We report that these Consolidated Financial statements, give a true and fair view
 - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Ess Dee Group as at March 31, 2012;
 - b. in the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Ess Dee Group for the year then ended and
 - c. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Ess Dee Group for the year then ended.

For M. P. Chitale & Co.
Chartered Accountants
Firms Regn. No. 101851W

Ashutosh Pednekar
Partner
ICAI M. No. 041037
Mumbai
May 29, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	Note No.	31 st March 12 in Lacs	31 st March 11 in Lacs
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	1	3,204.78	3,204.78
b. Reserves and Surplus	2	72,654.35	66,604.98
2. Non Current Liabilities			
a. Long-term borrowings	3	8,551.28	8,094.63
b. Other Long Term liabilities	4	2,102.62	2,102.62
c. Long term provisions	5	13,283.90	9,737.56
3. Current Liabilities			
a. Short Term borrowings	6	26,569.50	13,193.20
b. Trade payables	7	7,024.78	10,695.46
c. Other current liabilities	8	2,444.70	2,289.93
d. Short-term provisions	9	2,914.61	4,119.12
TOTAL		1,38,750.52	1,20,042.28
II. ASSETS			
1. Non Current Assets			
a. Fixed Assets	10		
(i) Tangible assets		50,920.44	27,997.00
(ii) Intangible assets		15.30	18.36
(iii) Capital Work in Progress		9,285.77	24,607.86
b. Non Current Investment	11	2.07	2.07
c. Deferred Tax Assets (Net)	12	5,951.52	6,984.89
d. Long Term loans and advances	13	1,189.35	1,261.83
e. Other non-current assets	14	68.50	68.34
2. Current Assets			
a. Current Investments	15	7,428.82	5,860.74
b. Inventories	16	8,190.94	5,857.58
c. Trade receivables	17	41,261.51	36,602.68
d. Cash and Cash Equivalents	18	2,987.19	1,896.78
e. Short term loans and advances	19	3,345.14	3,452.46
f. Other-current assets	20	8,103.97	5,431.69
TOTAL		1,38,750.52	1,20,042.28
Significant accounting policies and notes on accounts	30		

As per report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
Place : Mumbai
Date : 29th May 2012

FOR AND ON BEHALF OF THE BOARD

Sudip Dutta
Chairman

Bijoy Kumar Pansari
Managing Director

Haresh Vala
Company Secretary

CONOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Note No.	31 st March 12 in Lacs	31 st March 11 in Lacs
REVENUE			
I Revenue from operations	21	65,913.32	68,067.88
II Other Income	22	2,395.79	1,566.52
Reversal of Impairment		-	1,032.26
Total Revenue		68,309.11	70,666.66
EXPENSES			
III Cost of materials consumed	23	40,657.41	42,879.78
IV Changes in inventories of finished goods & work in progress	24	(305.62)	(207.11)
V Manufacturing Expenses	25	3,519.72	2,834.08
VI Employee benefit expenses	26	3,198.87	2,700.20
VII Finance Costs	27	3,575.70	2,207.00
VIII Depreciation and amortization expenses	10	3,562.17	2,028.14
IX Other Expenses	28	4,136.14	2,804.97
Total Expenses		58,344.39	55,247.06
Profit Before Tax (PBT)		9,964.72	15,419.60
Tax Expenses	29		
Current Tax		2,127.18	3,182.23
Deferred Tax		1,033.37	436.10
Profit After Tax (PAT)		6,804.17	11,801.27
Earnings per equity share			
Basic (₹)		21.25	37.34
Diluted (₹)		21.25	37.34
Significant accounting policies and notes on accounts	30		

As per report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
Place : Mumbai
Date : 29th May 2012

FOR AND ON BEHALF OF THE BOARD

Sudip Dutta
Chairman

Bijoy Kumar Pansari
Managing Director

Haresh Vala
Company Secretary

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31/03/2012

PARTICULARS	31 st March 12 in Lacs	31 st March 11 in Lacs
A Cash Flow From Operating Activities		
Profit before tax	9,964.74	15,419.61
Add:		
Depreciation	3,562.17	2,028.14
Reversal of Impairment of Assets	-	(1,032.26)
Interest Paid	3,575.70	2,207.00
	<u>7,137.86</u>	<u>3,202.88</u>
Operating Profit before working Capital Changes	17,102.60	18,622.49
Working Capital Changes		
(Increase)/Decrease in Inventories	(2,333.36)	(392.38)
(Increase)/Decrease in Trade Receivables	(4,658.83)	(1,591.78)
(Increase)/Decrease in Other Current Assets	(2,492.66)	(3,738.91)
Increase/(Decrease) in Trade Payables & Other Liabilities	(1,174.07)	3,574.19
(Increase)/Decrease in Working Capital	<u>(10,658.92)</u>	<u>(2,148.87)</u>
Cash Generated from Operating Activities	6,443.68	16,473.62
Tax Paid	(2,127.18)	(3,182.23)
Cash Used (-)/(+) generated for operating activities (A)	(2,127.18) 4,316.50	(3,182.23) 13,291.39
B Cash Flow From Investing Activities		
Purchase of Fixed Assets including CWIP (Net)	(11,160.47)	(15,778.60)
Purchase of Investments	(1,577.93)	(5,860.74)
Net Cash Used in Investing Activities (B)	(12,738.40)	(21,639.34)
C Cash Flow From Financing Activities		
(Reduction)/ Proceeds from Share Capital - Merger effect	-	8,084.71
Interest & Finance Charges Paid	(3,575.70)	(2,207.00)
Dividend & Dividend Taxes paid	(744.94)	(747.41)
Proceeds from borrowings	13,832.95	3,530.59
Net Cash Used in Financing Activities (C)	9,512.32	8,660.89
D Net Increase (+)/ Decrease (-) in cash and cash equivalent (A+B+C)	1,090.41	312.94
Cash and Cash Equivalent Opening Balance	1,896.78	1,583.84
Cash and Cash Equivalent Closing Balance	2,987.19	1,896.78

As per report attached

For M.P. Chitale & Co.
Chartered AccountantsAshutosh Pednekar
Partner
Place : Mumbai
Date : 29th May 2012

FOR AND ON BEHALF OF THE BOARD

Sudip Dutta
ChairmanBijoy Kumar Pansari
Managing DirectorHaresh Vala
Company Secretary

Notes to accounts.

1. Share Capital

a) Authorised, Issued, Subscribed and paid-up capital and par value per share.

Authorised Share Capital

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Equity Shares of ` 10 each (CY 3,50,00,000 shares of ` 10 each) (PY 3,50,00,000 shares of ` 10 each)	3,500.00	3,500.00
Equity Shares of ` 1 each (CY 80,00,00,000 shares of ` 1 each) (PY 80,00,00,000 shares of ` 1 each)	8,000.00	8,000.00
Preference Shares of ` 100 each (CY 2,56,40,000 shares of ` 100 each) (PY 2,56,40,000 shares of ` 100 each)	25,640.00	25,640.00
Total	37,140.00	37,140.00

Issued, Subscribed and paid up Capital

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Equity Shares of ` 10 each (CY 3,20,47,811 shares of ` 10 each) (PY 3,20,47,811 shares of ` 10 each)	3,204.78	3,204.78
Total	3,204.78	3,204.78

b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year.

Particulars	31 st March 12 No. of Shares	31 st March 11 No. of Shares
Shares outstanding as at the beginning of the year	3,20,47,811	2,78,24,765
Add		
- Shares allotted during the year as fully paid up pursuant to a contract without payment being received in cash	-	25,59,046
- Shares allotted for cash pursuant to qualified institutional placement	-	16,64,000
Total	3,20,47,811	3,20,47,811
Shares outstanding as at the end of the year	3,20,47,811	3,20,47,811

c) Shares in the company held by each shareholder holding more than 5% shares

Sr.	Name of the Shareholder	31 st March 2012		31 st March 2011	
		Number of Shares held in the Company	Percentage of Shares held	Number of Shares held in the company	Percentage of Shares held
1	Mr. Sudip Dutta	1,87,55,913	58.52%	1,87,55,913	58.52%
2	M/s Ironwood Investment Holding	21,70,105	6.77%	-	-

d) Aggregate number of Equity Shares

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Allotment of shares as fully paid up pursuant to contracts without payments being received in cash	25,59,046	-	-	-	-
Allotment of fully paid up bonus shares	-	-	-	-	95,58,182

2. Reserves and Surplus

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Capital Reserve		
Opening Balance	1,331.19	155.90
Add Capital Reserve on Merger	-	1,175.29
Total	1,331.19	1,331.19
Capital Reserve on Consolidation	1,591.06	1,600.00
Foreign Currency Translation Reserve	(0.91)	-
Securities Premium Reserve		
Opening Balance	45,336.81	23,718.90
Add Received During the Year	-	21,617.91
Total	45,336.81	45,336.81
Debenture Redemption Reserve		
Opening Balance	700.00	-
Add : Transferred from surplus.	2,200.00	700.00
Total	2,900.00	700.00
Revaluation Reserve		
Balance in Revaluation Reserve	897.59	897.59
General Reserve		
Opening Balance	3,450.00	2,550.00
Add : Transferred from surplus	600.00	900.00
Total	4,050.00	3,450.00
Surplus		
Opening Balance	13,289.38	3,835.53
Add : Net Profit for the current period	6,804.17	11,801.27
Amount available for appropriation	20,093.55	15,636.80
Proposed Dividend	640.96	640.96
Corporate Dividend Distribution Tax thereon	103.98	106.45
Transfer to General Reserve	600.00	900.00
Transfer to Debenture Redemption Reserve	2,200.00	700.00
Total	16,548.61	13,289.39
Total	72,654.35	66,604.98

3. Long Term Borrowings

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Secured		
From Banks		
- The Shamrao Vithal Co.operative Bank Limited	382.68	10.16
From Others		
- CY 400 (PY 400) 9.30% Redeemable Non Convertible Debentures of ` 10.00 Lacs each	4,000.00	4,000.00
- CY 400 (PY 400) 9.65% Redeemable Non Convertible Debentures of ` 10.00 Lacs each	4,000.00	4,000.00
- Vehicles	168.60	84.47
Total	8,551.28	8,094.63

Terms of Repayment

Sr	Particulars	Nature of Loan	EMI Amount in Lacs	Mode of Repayment	Type of Int	Nature of Security
1	9.30% Redeemable Non convertible debentures.	Normal Capital Expenditure and General Corporate purposes.	4,000.00	Bullet on 29/07/2013	Fixed	First Charge on Land at Mehsana and Fixed Assets situated at Bhimpore Daman to the extent of ` 10,000 Lacs
2	9.65% Redeemable Non convertible debentures.	Normal Capital Expenditure and General Corporate purposes.	1,000.00	4 Annual Installments from 29/07/2014	Fixed	First Charge on Land at Mehsana and Fixed Assets Situated at Bhimpore Daman to the extent of ` 10,000 Lacs
3	The Shamrao Vithal Co.op Bank Limited	Term Loan for Bengaluru factory	6.57	60 EMI	Fixed	First Charge on Land at Bengaluru and Fixed Assets situated at Bengaluru
4	The Shamrao Vithal Co.op Bank Limited	Term Loan for Baddi factory	4.78	60 EMI	Fixed	First Charge on Land at Baddi and Fixed Assets Situated at Baddi
5	The Shamrao Vithal Co.op Bank Limited	Term Loan for Baddi factory	3.78	60 EMI	Fixed	First Charge on Land at Baddi and Fixed Assets Situated at Baddi
6	Kotak Mahindra Prime	Vehicle Loan	9.31	36 EMI	Fixed	Respective Vehicle under Loan
7	Kotak Mahindra Prime	Vehicle Loan	19.29	36 EMI	Fixed	Respective Vehicle under Loan
8	Kotak Mahindra Prime	Vehicle Loan	13.04	36 EMI	Fixed	Respective Vehicle under Loan
9	Kotak Mahindra Prime	Vehicle Loan	7.08	36 EMI	Fixed	Respective Vehicle under Loan
10	Kotak Mahindra Prime	Vehicle Loan	9.56	36 EMI	Fixed	Respective Vehicle under Loan
11	Kotak Mahindra Prime	Vehicle Loan	94.23	11 EMI	Fixed	Respective Vehicle under Loan
12	Kotak Mahindra Prime	Vehicle Loan	10.01	36 EMI	Fixed	Respective Vehicle under Loan
13	Kotak Mahindra Prime	Vehicle Loan	5.11	35 EMI	Fixed	Respective Vehicle under Loan
14	Kotak Mahindra Prime	Vehicle Loan	112.71	35 EMI	Fixed	Respective Vehicle under Loan
15	HDFC Bank Limited	Vehicle Loan	5.34	36 EMI	Fixed	Respective Vehicle under Loan
16	Kotak Mahindra Prime	Vehicle Loan	0.28	36 EMI	Fixed	Respective Vehicle under Loan
17	Kotak Mahindra Prime	Vehicle Loan	0.20	36 EMI	Fixed	Respective Vehicle under Loan

4. Other Long term liabilities

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Deferred Sales Tax Liability	2,102.62	2,102.62
Total	2,102.62	2,102.62

5. Long Term Provisions

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Provision for Taxes (Net)	6,759.44	3,213.10
Provision for Indirect Taxes	6,524.46	6,524.46
Total	13,283.90	9,737.56

CURRENT LIABILITIES

6. Short Term Borrowings

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Secured		
Loan repayable on demand from Banks	26,569.50	13,193.20
Total	26,569.50	13,193.20

7. Trade Payables

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Trade Payable		
- Micro Small and Medium Enterprises	53.82	51.15
- Others	6,970.96	10,644.31
Total	7,024.78	10,695.46

8. Other Current Liabilities

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Capital Creditors	146.08	93.91
Current Maturity of Long term debts	40.12	108.08
Investor Education and Protection Fund		
- Unclaimed Dividends	0.13	0.13
- Unpaid matured deposits	-	1.53
Other Liabilities (Includes Statutory Dues and Other accruals)	2,258.37	2,086.28
Total	2,444.70	2,289.93

9. Short Term Provisions

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Provision for Employee benefits.	331.06	311.56
Provision for Income Tax	1,836.18	3,058.22
Provision for Wealth Tax	2.43	1.93
Proposed Dividend	640.96	640.96
Dividend Distribution tax	103.98	106.45
Total	2,914.61	4,119.12

10. Schedule of Fixed Assets and Depreciation

in Lacs

Description	Gross Block				Accumulated Depreciation				Net Block	
	As At April 2011	Additions	Sales / Adjustment	As At March 2012	As At April 2011	Change for the period	Sales / Adjustment	As At March 2012	As At March 2012	As At March 2011
Tangible										
Factory Freehold Land	696.62	-	-	696.62	2.03	0.30	-	2.33	694.29	694.59
Factory Land	5.01	270.00	-	275.01	-	-	-	-	275.01	5.01
Factory Building	6,782.26	706.90	-	7,489.16	1,909.94	223.23	-	2,133.17	5,355.99	4,872.32
Plant & Machinery	37,437.16	25,158.16	-	62,595.33	15,947.93	3,185.06	-	19,132.99	43,462.32	21,489.23
Computers/IT Equipments	376.92	36.18	-	413.10	320.59	33.67	-	354.26	58.84	56.33
Furniture & Fixtures	684.08	61.85	-	745.93	180.40	44.47	-	224.87	521.06	503.67
Vehicle	546.21	260.83	24.07	782.97	170.36	66.66	6.99	230.03	552.94	375.85
Total	46,528.25	26,493.94	24.07	72,998.12	18,531.26	3,553.39	6.99	22,077.66	50,920.44	27,997.00
Intangible										
Computer Software	43.26	5.69	-	48.95	24.88	8.77	-	33.65	15.30	18.36
Total	43.26	5.69	-	48.95	24.88	8.77	-	33.65	15.30	18.36
Grand Total	46,571.51	26,499.63	24.07	73,047.07	18,556.14	3,562.17	6.99	22,111.31	50,935.74	28,015.37
Previous Year	40,347.00	2,051.12	4,217.32	46,571.51	13,386.89	2,028.14	3,185.07	18,556.14	28,015.37	26,960.11

Schedule forming part of Capital Work In Progress as on 31/03/2012

in Lacs

Particulars	GROSS BLOCK				NET BLOCK	
	Opening As at 01/04/2011	Addition	Transfer	Gross Block as on 31/03/2012	As at 31/03/2012	As at 31/03/2011
Capital Work In Progress	24,607.86	9,499.99	24,822.08	9,285.77	9,285.77	24,607.86
Total	24,607.86	9,499.99	24,822.08	9,285.77	9,285.77	24,607.86
Previous Year	10,880.38	13,727.48	-	24,607.86	24,607.86	10,880.38

11. Non Current Investments

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Unquoted Shares of Shamrao Vithal Co.op Bank Limited 8,275 (PY 8,275) ordinary shares of ` 25 each fully paid up	2.07	2.07
Total	2.07	2.07

12. Deferred Tax Assets (Net)

Deferred Tax Assets	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Deferred Tax Assets (Net)	5,951.52	6,984.89
Total	5,951.52	6,984.89

13. Long Term Loans & Advances

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Others	1,189.35	1,261.83
Total	1,189.35	1,261.83

14. Other Non Current Assets

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Advance Payment of Taxes (Net)	68.50	68.34
Total	68.50	68.34

CURRENT ASSETS

15. Current Investments

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Unquoted Investment in Mutual Funds		
Taurus MF Short Term Fund - Bond Fund 7,03,022.738 units with NAV of ` 1,001.8759 each (PY 3,30,419.402 Units with NAV of ` 1,001.7390 each)	7,043.42	3,309.94
L& T Freedom Income STP Inst 14,49,708.633 (PY 2,15,12,893.140 unit with NAV of ` 10.1552 each)	147.22	2,184.68
JM Financial MF Short Term Fund. CY Nil (PY 34,97,257.826 unit with NAV of ` 10.451 each)	-	366.12
SBI Magnum Insta Cash Fund 41,219.2528 units with NAV of ` 1,675.03 each	238.18	-
Total	7,428.82	5,860.74

16. Inventories

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
(at lower of cost or net realizable value)		
Raw Material	2,820.55	2,349.61
Work in Progress	1,548.51	319.47
Finished Goods	732.83	428.04
Stores and Spares	3,016.89	2,759.40
Stock In Transit	72.16	1.06
Total	8,190.94	5,857.58

17. Trade Receivables.

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Debtors outstanding for a period exceeding six months		
Secured considered Good	-	-
Unsecured considered Good	2,021.89	1,598.68
Total	2,021.89	1,598.68
Other Debts		
Secured considered Good	-	-
Unsecured considered Good.	39,239.62	35,004.00
Total	39,239.62	35,004.00
Total	41,261.51	36,602.68

18. Cash and Bank Balances.

Particulars	31 st March 12 ` in Lacs	31 st March 11 ` in Lacs
Cash & Cash Equivalents		
Cash on hand	18.39	17.99
Balances with Banks		
On current accounts	1,933.79	855.11
In exchange earners foreign currency account	205.58	3.45
Other bank Balances		
In deposits with original maturity for more than 12 months	829.30	1,020.10
In unclaimed dividend account	0.13	0.13
Total	2,987.19	1,896.78

- Balance with scheduled banks include ` 829.30 lacs (PY ` 860.19 lacs) representing margin money for letter of credit and bank guarantees issued.
- Section 205 of the companies Act 1956 mandates that companies transfer dividend that has been unclaimed for period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF), Accordingly if dividend is unclaimed for a period of seven years, it will be transferred to IEPF.

19. Short term loans and advances

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Unsecured considered good		
Advance to material supplier / contractors	61.83	240.42
Loans and Advance to employee	31.02	60.81
Inter Corporate deposits	3,252.29	3,151.23
Total	3,345.14	3,452.46

20. Other Current Assets

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Interest Accrued but not due	22.25	24.70
Prepaid Expenses	318.46	31.90
Deposits with government, public bodies and others	3,652.42	3,041.57
Advance to Director	1,437.23	-
Others	2,673.61	2,333.52
Total	8,103.97	5,431.69

21. Revenue from Operations

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Gross Sales	79,446.79	80,345.66
Less		
Inter Company Sales	9,163.55	8,277.09
Excise Duty	4,369.92	4,000.69
Total	65,913.32	68,067.88

22. Other Income

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Dividend Received	122.21	229.31
Foreign Exchange Earnings	101.58	244.01
DEPB Export Incentives	202.15	234.73
Interest on Fixed Deposits	65.71	79.40
Long Term Capital Gain	-	156.49
Others	1,904.14	622.58
Total	2,395.79	1,566.52

23. Cost of Material Consumed

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Opening Stock	5,372.10	5,186.83
Add : Purchases	42,614.05	43,065.05
Total	47,986.15	48,251.88
Less : Closing Stock	7,328.74	5,372.10
Total	40,657.41	42,879.78

24. Changes in inventories of finished goods

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Opening Stock of Finished Goods	428.04	326.18
Closing stock of Finished Goods	732.83	428.04
Stock Reserve	0.83	105.25
(Accretion) / Decretion in Stock	(305.62)	(207.11)

25. Manufacturing Expenses

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Freight Carriage	236.01	210.71
Power and Fuel	2,325.44	1,831.99
Labour Charges	354.30	297.66
Factory Expenses	432.30	311.12
Repairs to Machinery	171.67	182.60
Total	3,519.72	2,834.08

26. Employee Benefit Expenses

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Salary, Wages and Allowances	2,842.56	2,382.57
Staff Welfare and other benefits	131.95	131.69
Contribution to Provident & other Funds	224.36	185.94
Total	3,198.87	2,700.20

27. Finance Cost

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Bank Interest	3,239.43	1,795.17
Bank Commission and other Charges	336.27	411.83
Total	3,575.70	2,207.00

28. Other Expenses

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Audit Fees	27.80	21.50
Advertisement Expenses	134.40	20.39
Bad Debts	174.17	-
Carriage Outward	553.23	690.40
Commission on Sales	129.23	120.26
Foreign Exchange Loss on trade purchases	441.18	10.08
Legal & Professional Charges	295.75	431.15
Rates and Taxes	556.97	382.83
Rent	263.16	242.85
Insurance Charges	47.60	61.04
Interest on Deferred Sales Tax	164.06	135.23
Postage and Telephone	62.19	59.96
Conveyance and Travelling	220.14	211.62
Other Expenses	1,066.26	417.66
Total	4,136.14	2,804.97

29. Tax Expenses

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
Current Tax Expenses		
- Current tax	2,124.75	3,180.30
- Wealth tax	2.43	1.93
Deferred tax (credit)/expenses	1,033.37	436.10
Total	3,160.55	3,618.33

Note : 30 Other Disclosures

30.01 Significant accounting policies

1. System of Accounting:

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis. Financial Statements are prepared under historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply in all material aspects, with mandatory accounting standards as notified by the Companies (Accounting Standard) Rules 2006, relevant provisions of the Companies Act 1956 and statements issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are set out below. Management has made certain estimates and assumptions in conformity with the GAAP in the preparation of these financial statements, which are reflected in the preparation of these financial statements.

2. Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a. Domestic sales are accounted on despatch of products to customers and export sales are accounted on the basis of dates of bill of lading. Sales are disclosed net of sales tax, discounts and returns, as applicable.
- b. Export incentives / interest income and income on investments are accounted on accrual basis.

3. Fixed Assets, Capital Work-in-Progress and Depreciation:

a. Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less depreciation. Cost comprises the purchase price and other attributable costs, including interest and finance costs incurred till the asset is commissioned.

b. Capital Work-in-Progress:

Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use and is stated upto the amount expended till the date of balance sheet.

c. Depreciation:

Depreciation is provided on the straight line method at the rates and in manner laid down in Schedule XIV to the Companies Act, 1956. Leasehold Land is amortized over the period of lease. Software is amortised over five years on straight line basis

4. Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First In First Out method.

5. Taxation

Income tax comprises current tax and deferred tax charge or release. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

6. Foreign Exchange Transactions:

Transactions in foreign currency are recorded at exchange rates prevailing on the dates of respective transactions. The difference in translation and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account.

7. Employee Benefits:

Short-term employee benefits (i.e. benefits payable within one year) are recognized in the period in which the employee service is rendered.

Year's accrued liability on account of Leave encashment benefit (only for employees of erstwhile India Foils Ltd (IFL)) payable to employees under defined benefit plan is ascertained on the basis of actuarial valuation made on the Balance Sheet date and provided in the accounts. Gratuity is considered accrued and accounted for as per actuarial valuation done by SBI Life Insurance Company Ltd. under the Group Gratuity scheme and leave encashment is accounted for as per actuarial valuation done by an actuary.

Contributions towards provident funds are recognized as expense.

Contribution to Provident Fund in respect of certain employees of erstwhile IFL is made to the Trusts administered by the Company, and in respect of other employees is made to the office of the Employees' Provident Fund Commissioner, under Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The interest rate payable to the members of the Trusts administered by the Company is not lower than the rate of interest declared annually by the Central Government under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, is made good by the Company.

Year's accrued liability on account of Pension Scheme for certain employees of erstwhile IFL under defined benefit plan upto 31st December, 2000 is ascertained and provided for on the basis of actuarial valuation made on the Balance Sheet date. The said Pension Scheme was amended from defined benefit plan to defined contribution plan effective 1st January 2001 and the benefits under the defined benefit plan were frozen as on 31st December 2000. Year's accrued liability in respect of the aforesaid defined contribution plan is ascertained as per the Company's policy and charged as expense for the year.

8. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of a qualifying assets are capitalized as part of cost of such assets till such time as the assets is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

9. Financials Derivatives Hedging Transactions.

In respect of derivatives contracts, premium paid and gains / losses on settlement are recognized in the Profit and Loss account.

10. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal \ external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. A previously recognized impairment loss if further provided or reversed depending on changes in circumstances.

12. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

13. Leases

Operating lease payments are recognized as expenses on a straight line basis over the term of lease.

30.02 Subsidiary

The Consolidated Financial statement presents the consolidated account of Ess Dee Aluminium Limited with its following subsidiary

Name of the Subsidiary	Proportion of ownership	Year Ending	Audited By
Flex Art Foil Private Limited	100%	31.03.2012	M/s M.P.Chitale & Co.
Ess Dee Aluminium Pte Ltd	100%	31.03.2012	N.G.Lee & Associates-DFK

Additional Statutory information disclosed in separate financial statements of the parent and its subsidiary having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements, in view of the general clarification issued by the Institute of Chartered Accountants of India.

30.03 Contingent Liabilities

Particulars	31 st March 12 ₹ in Lacs	31 st March 11 ₹ in Lacs
Contingent Liability		
a) Claims against the company not acknowledged as debt	25.37	10.42
b) Guarantees given for bank loans taken by its subsidiary Flex Art Foil Private Limited.	2,640.00	2,640.00
c) Other money for which the company is contingent liable	512.79	513.34
Total	3,178.16	3,163.76

30.04 Suppliers/service providers covered under Micro, Small and Medium Enterprises (MSME) Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company. The Disclosure relating to Micro and Small Enterprises as at 31st March 2012 are as under.

	Description	31 st March 12 ₹ in Lacs	31 st March 11 ₹ in Lacs
1	The Principal amount remaining unpaid to supplier as at the end of accounting year	53.68	51.15
2	The Interest due thereon remaining unpaid to supplier as at the end of the year	Nil	Nil
3.	The amount of interest paid in terms of Sec 16 along with the amount of payment made to the supplier beyond the appointment day during the year	Nil	Nil
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	Nil	Nil
5.	The amount of interest accrued during the year and remaining Unpaid at the end of the accounting year	Nil	Nil

30.05 Benefits plans

For Daman and Goa Units

Particulars	Gratuity Funded		Leave Encashment Unfunded	
	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011
The major categories of plan assets as a percentage of total plan				
Qualifying Insurance Policy	100%	100%	-	-
Changes in the present value of the obligation				
1. Present Value of obligation 01/04/2011	53.06	55.56	9.69	11.77
2. Interest Cost	3.77	3.98	0.77	1.00
3. Current Service Cost	20.63	14.05	2.93	3.92
4. Past Service Cost	-	-	-	-
5. Benefits Paid	(11.66)	(11.68)	(2.36)	(1.65)
6. Actuarial (gain) / loss on Obligation	0.55	(8.83)	(1.90)	(5.35)
7. Present Value of obligation 31/03/2012	66.36	53.07	9.14	9.69
Changes in the Fair Value of Assets				
1. Fair value of plan Assets 01/04/2011	72.23	64.31	-	-
2. Expected Return on Plan assets	6.38	5.25	-	-
3. Contributions	26.42	14.22	-	-
4. Benefits Paid	11.66	(11.68)	-	-
5. Actuarial gain / (loss) on Plan Assets	(0.70)	0.13	-	-
6. Fair value of plan Assets 31/03/2012	92.67	72.23	-	-
Profit & Loss Expenses				
1. Current Service Cost	20.63	14.05	2.93	3.92
2. Interest Cost	3.77	3.98	0.77	1.00
3. Expected Return on Plan assets	(6.38)	(5.25)	-	-
4. Net Actuarial gain / (loss) recognized in the year	1.25	(8.96)	(1.90)	(5.35)
5. Past Service Cost	-	-	-	-
6. Expenses Recognized in the statement of P&L	19.28	3.82	9.14	9.69
Actuarial Assumptions				
1. Discount Rate	8.00%	8.00%	7.75%	7.75%
2. Expected Rate of Return on Plan Assets	8.00%	8.00%	-	-
3. Expected Rate of Salary Increase	9.00%	9.00%	6.50%	6.50%
4. Attrition Rate	12.00%	12.00%	-	-
5. Mortality Post-retirement	Ultimate	Ultimate	Ultimate	Ultimate

Units in West Bengal

Particulars	Gratuity		Pension Frozen as on 31 st December 2000		Leave Encashment	
	Funded		Funded		Unfunded	
	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011	₹ in Lacs 31/03/2012	₹ in Lacs 31/03/2011
The major categories of plan assets as a percentage of total plan						
Qualifying Insurance Policy						
Changes in the present value of the obligation						
1. Present Value of obligation 01/04/2011	322.24	282.92	18.99	19.10	75.83	72.08
2. Interest Cost	27.20	22.62	1.61	1.50	6.33	5.76
3. Current Service Cost	16.76	20.85	-	-	10.46	10.51
4. Past Service Cost	-	2.81	-	-	-	-
5. Benefits Paid	4.38	0.36	-	0.71	2.60	0.17
6. Actuarial (gain) / loss on Obligation	(139.62)	(6.59)	(0.70)	0.89	(30.19)	(12.35)
7. Present Value of obligation 31/03/2012	222.20	322.25	19.90	18.99	(59.82)	75.83
Changes in the Fair Value of Assets						
1. Fair value of plan Assets 01/04/2011	159.44	147.44	4.23	4.63	-	-
2. Expected Return on Plan assets	13.55	11.80	0.35	0.37	-	-
3. Contributions	4.38	-	-	-	-	-
4. Benefits Paid	4.38	0.36	-	0.71	-	-
5. Actuarial gain / (loss) on Plan Assets	(0.47)	0.21	(0.02)	(0.07)	-	-
6. Fair value of plan Assets 31/03/2012	172.52	159.44	4.56	4.23	-	-
Reconciliation of the present value of the defined benefit obligation and the fair market value of plan assets						
1. Present value of the obligation at the end of the year	222.20	322.25	19.90	18.99	(59.82)	75.83
2. Fair value of plan Assets at the end of the year	172.52	159.44	4.56	4.23	59.82	(75.83)
3. Assets/(Liabilities) recognized in the Balance sheet.	(4.96)	(162.80)	(15.34)	(14.77)	-	-
Profit & Loss Expenses						
1. Current Service Cost	16.76	20.85	-	-	10.46	10.51
2. Interest Cost	27.20	22.62	1.61	1.50	6.33	5.76
3. Expected Return on Plan assets	13.55	(11.80)	0.35	0.37	-	-
4. Net Actuarial gain / (loss) recognized in the year	(139.15)	(6.80)	(0.68)	(0.84)	(30.19)	(12.35)
5. Past Service Cost	-	2.81	-	-	-	-
6. Expenses Recognized in the statement of P&L	(108.73)	27.70	0.57	0.29	(13.38)	3.92
Actuarial Assumptions						
1. Discount Rate	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
2. Expected Rate of Salary Increase	5.00%	5.00%	NA	NA	5.00%	5.00%
3. Expected Rate of Return on Plan Assets	8.50%	8.00%	8.50%	8.00%	-	-
4. Method Used	Project Unit Credit Method	Project Unit Credit Method	Project Unit Credit Method	Project Unit Credit Method	Project Unit Credit Method	Project Unit Credit Method
5. Remaining working life of employees(in years)	18	18	10	10	18	19

Flex Art Foil Private Limited 100% Subsidiary

Particulars	Gratuity Funded		Leave Encashment Unfunded	
	in Lacs 31/03/2012	in Lacs 31/03/2011	in Lacs 31/03/2012	in Lacs 31/03/2011
The major categories of plan assets as a percentage of total plan				
Qualifying Insurance Policy	100%	100%		-
Changes in the present value of the obligation				
1. Present Value of obligation 01/04/2011	32.43	29.64	1.24	2.92
2. Interest Cost	2.55	2.31	0.36	0.26
3. Current Service Cost	7.11	5.94	1.24	0.98
4. Past Service Cost	-	-	-	-
5. Benefits Paid	(1.09)	(1.54)	(0.10)	(0.08)
6. Actuarial (gain) / loss on Obligation	(3.86)	(3.92)	(1.42)	0.03
7. Present Value of obligation 31/03/2012	37.13	32.43	4.18	4.11
Changes in the Fair Value of Assets				
1. Fair value of plan Assets 01/04/2011	41.15	31.75	-	-
2. Expected Return on Plan assets	3.42	2.80	-	-
3. Contributions	4.18	8.17	-	-
4. Benefits Paid	(1.09)	(1.54)	-	-
5. Actuarial gain / (loss) on Plan Assets	(0.01)	(0.02)	-	-
6. Fair value of plan Assets 31/03/2012	47.67	41.16	-	-
Profit & Loss Expenses				
1. Current Service Cost	7.11	5.94	1.24	0.98
2. Interest Cost	2.55	2.31	0.36	0.26
3. Expected Return on Plan assets	(3.42)	(2.80)	-	-
4. Net Actuarial gain / (loss) recognized in the year	(3.86)	(3.90)	(1.42)	0.03
5. Past Service Cost	-	-	-	-
6. Expenses Recognized in the statement of P&L	2.37	1.55	4.18	4.11
Actuarial Assumptions				
1. Discount Rate	8.00%	8.00%	-	7.75%
2. Expected Rate of Return on Plan Assets	8.00%	8.00%	-	-
3. Expected Rate of Salary Increase	9.00%	9.00%	-	6.50%
4. Attrition Rate	4.00%	12.00%	-	6.50%
5. Mortality Post-retirement	Ultimate	Ultimate	-	Ultimate

Amounts for the Current and Previous four periods.

Gratuity Daman & Goa Units.	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Defined Benefit Obligation	66.36	53.06	55.55	-	-
Plan Asset	92.67	72.23	64.31	-	-
Surplus / Deficits	26.30	19.16	8.75	-	-
Experience Adjustments on Plan Liabilities	0.55	(8.83)	-	-	-
Experience Adjustments on Plan Assets	0.70	(0.12)	-	-	-

30.06 The amount of dividend proposed to be distributed to equity shareholders :

Proposed Dividend	No of Equity Shares	Period	Dividend Per Share
₹ 6,40,95,622/-	3,20,47,811	2011-12	₹ 2/-

30.07 Segment Information (Accounting Standard - 17)

The Company's entire activity is of advanced packaging solutions. As such there is only one segment viz; advanced packaging solutions, accordingly, no disclosure is required to be made under AS 17, segment reporting.

30.08 Related Party Disclosures (Accounting Standard - 18)

List of Related Parties and Relationship with whom the transactions were held during the year 2011-12

Sr.	Particulars	Particulars
A	Key Management Personnel	Mr. Sudip Dutta - Chairman Mr. Bijoy Kumar Pansari (Appointed w.e.f. 03/12/11) Mr. Rajib Mukhopadhyay Mr. Prasenjit Datta (Resigned w.e.f. 31/07/10) Mr. Soumitra Barari (Resigned w.e.f 13/01/12) Mr. Debdeep Bhattacharya (Resigned w.e.f 12/10/11) Mrs Vinaya Desai Mr. Subir Ray (Appointed w.e.f 15/12/11) Mr. Abhijeet Bose (Resigned w.e.f 26/05/10)
C	Relative of Key Management Personnel	Mrs. Aarti Dutta Mr. Abhishek Deshmukh
D	Enterprises over which key management Personnel and their relatives are able to exercise significant influence	NIL

The following transactions were carried out with the related parties in the ordinary course of business.

in Lacs

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel
Rent Paid		
Mr. Sudip Dutta	167.12 (PY 162.43)	- -
Mrs. Aarti Dutta	- -	26.00 (PY 24.00)
Total	167.12 (PY 162.43)	26.00 (PY 24.00)
Salary		
Mr. Sudip Dutta	336.33 (PY 311.11)	- -
Mr. Bijoy Kumar Pansari	27.55 -	- -
Mr. Rajib Mukhopadhyay	29.00 (PY 29.00)	- -
Mr. Prasenjit Datta	- (PY 5.31)	- -
Mr. Soumitra Barari	15.48 (PY 18.49)	- -
Mr. Debdeep Bhattacharya	15.72 (PY 22.25)	- -
Mr. Abhijeet Bose	- (PY 2.66)	- -
Mr. Abhishek Deshmukh	- -	3.81 (PY 3.10)
Total	424.08 (PY 388.82)	3.81 (PY 3.10)
Debit Balance as on 31.03.12		
Mr. Sudip Dutta	2,337.23 (PY 900.00)	- -
Total	2,337.23 (PY 900.00)	- -
Credit Balance as on 31.03.12		
Mr. Sudip Dutta	45.51 (PY 112.93)	- -
Mr. Bijoy Kumar Pansari	5.24 -	- -
Mr. Rajib Mukhopadhyay	1.85 (PY 1.90)	- -
Mr. Debdeep Bhattacharya	- (PY 1.08)	- -
Mr. Soumitra Barari	- (PY 1.66)	- -
Mrs. Aarti Dutta	- -	2.01 -
Total	52.60 (PY 117.57)	2.01 -

30.09 Leases (Accounting Standard - 19)

Operating Lease

The Company has leased facilities under non cancelable operating leases. The future lease payments in respect of these leases as at 31st March 2012 and 31st March 2011 are Minimum Lease payments

Particulars	31 st March 12 in Lacs	31 st March 11 in Lacs
A Not later than one year	5.54	5.54
B Later than one year but not later than five years	33.57	28.03
C Later than five years.	398.93	404.17

30.10 Earnings per Share (EPS) : (Accounting Standard - 20)

Particulars	31 st March 12	31 st March 11
	Basic and Diluted	Basic and Diluted
Earnings Net profit/ (Loss) for the period (` In Lacs)	6,804.17	11,801.27
Shares Number of shares at the beginning of the period	3,20,47,811	3,20,47,811
Add : Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	3,20,47,811	3,20,47,811
Weighted average number of equity shares Outstanding during the period - Basic and Diluted	3,20,47,811	3,20,47,811
Earnings per share of par value ` 10 Basic and diluted (`)	21.23	37.34

30.11 Deferred Tax Assets and Liabilities (Accounting Standard - 22)

Deferred Tax Liability / (Asset) at the year end comprise timing differences on account of :

Deferred Tax Liability / (Assets)	31 st March 12 in Lacs	31 st March 11 in Lacs
Depreciation on Fixed Assets	5,951.52	6,984.89
Net Deferred Tax Assets	5,951.52	6,984.89

Out flow in respect of above provisions, both timing and certainty would depend on developments / outcome of these events.

30.12 Hedging and Derivatives :

The Following are the outstanding forward exchange contracts entered into by the Company as at 31st March 2012

Category	Currency	Cross Currency	Amount in USD	Buy / Sell	Purpose
Forward Contract	USD	INR	1,000,000	Sell	Hedging

Un hedged Foreign currency exposure

The Company has the following un-hedged exposure in foreign currency at the year end.

Particulars	31 st March, 2012					
	USD	EURO	GBP	JPY	CHF	in Lacs
Sundry Debtors	1266656.85	-	-	-	-	639.67
Sundry Creditors	15369525.93	-	-	488.76	3969.94	7,561.94
Advance received from Customers	11865.23	1079.77	-	-	-	6.04
Advance paid to Creditors	113475.00	1709.74	7.01	-	-	59.22

The Company has the following un-hedged exposure in foreign currency at the year end.

Particulars	31 st March, 2011					
	USD	EURO	GBP	JPY	CHF	in Lacs
Sundry Debtors	1909836.83	-	-	-	-	850.64
Sundry Creditors	17698918.03	1844.00	-	469.71	-	8,410.90
Advance received from Customers	17325.53	1079.77	-	-	-	8.49
Advance paid to Creditors	-	-	-	-	4949.54	2.89

30.13 Information on Manufacturing Sales, Work in Progress, Raw Material Consumed, Opening Stock of Finished Goods and Closing Stock of Finished Goods

in Lacs

Particulars	Raw Material Consumed	Work In Progress	Opening Stock Of Finished Goods	Closing Stock Of Finished Goods	Net Sales
Aluminium Foil Stock	30,954.75 (29,802.37)	1,511.38 (319.47)	404.65 (301.53)	705.85 (404.65)	60,545.99 (64,627.00)
PVC Resin	1,809.62 (1,454.69)	37.13 (-)	23.39 (24.65)	26.98 (23.39)	5,367.33 (3,440.88)
Others	7,893.03 (11,622.72)	- -	- -	- -	- -
Total	40,657.40 (42,879.78)	1,548.51 (319.47)	428.04 (326.18)	732.83 (428.04)	65,913.32 (68,067.88)

30.14 As per the requirements of Revised Schedule VI, the Company has re-classified its assets and liabilities into current and non-current based on the normal operating cycle, determined by the management. Previous year figures have been accordingly re-grouped and reclassified.

As per report attached

For M.P. Chitale & Co.
Chartered Accountants

Ashutosh Pednekar
Partner
Place : Mumbai
Date : 29th May 2012

FOR AND ON BEHALF OF THE BOARD

Sudip Dutta
Chairman

Bijoy Kumar Pansari
Managing Director

Haresh Vala
Company Secretary

Financial Information of Subsidiary Companies

Information regarding the Subsidiary Companies for the financial year 2011-2012, in accordance with Section 212(8) of the Companies Act, 1956 and General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 from the Ministry of Corporate Affairs

` In Lacs

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1.	Flex Art Foil Private Limited	INR	2,000.00	5,639.62	14,168.48	14,168.48	0.53	11,070.59	1,075.05	240.45	834.60	--	India
2.	Ess Dee Aluminium Pte. Limited	INR	794.50	(55.62)	1910.46	1,910.46	-	--	(54.70)	--	(54.70)	--	Singapore
		USD	15.53	(1.09)	37.35	37.35	-	-	(1.09)	-	(1.09)	-	Singapore

Exchange Rate as on 31.03.2012, 1 USD = Rs. 51.1565

ESS DEE ALUMINIUM LIMITED
Regd. Office: 1 Sagore Dutta Ghat Road, Kamarhati, Kolkata, West Bengal - 700058

8TH ANNUAL GENERAL MEETING

PROXY FORM

DP Id* Folio No.....
 Client Id* No. of Shares held.....
 (*Applicable for investors holding shares in electronic form)
 I/We of in the district of
 being member(s) hereby appoint
 of in the district of (or failing
 him/her) of in the district of (or failing him/her)
 of in the district of as my/our proxy to attend and vote for me
 / us on my / our behalf at the 8th Annual General Meeting of the Company to be held on Friday, the 28th day of September, 2012 at
 10.00 a.m. at Najrul Mancha, 1, M. M. Feeder Road, Kolkata – 700 056 and at any adjournment thereof.

Affix
Revenue
Stamp of
` 1

AS WITNESS my hand/our hands this day of, 2012
 N.B.: The instrument appointing proxy shall be deposited at the Registered Office of the Company not later than 48 hours
 before the commencement of the meeting.

ESS DEE ALUMINIUM LIMITED
Regd. Office: 1 Sagore Dutta Ghat Road, Kamarhati, Kolkata, West Bengal - 700058

8TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

DP Id* Folio No.....
 Client Id* No. of Shares held.....
 (*Applicable for investors holding shares in electronic form)
 Name of the Member.....
 No. of Shares held.....
 Name of the Proxy.....
 (to be filled only when a proxy attends the meeting)

I hereby record my presence at the 8th Annual General Meeting of the Company on Friday, the 28th day of September, 2012 at
 10.00 a.m. at Najrul Mancha, 1, M. M. Feeder Road, Kolkata – 700 056

Signature of Member/ Proxy

*This slip may please be handed over at the entrance of the meeting hall.

Note: Members are requested to bring their copies of the Annual Report to the meeting





ESS DEE ALUMINIUM LIMITED

Corporate Office: Ess Dee House, Akurli Road, Kandivali (East), Mumbai - 400101.

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