



Notice of the 24th Annual General Meeting

Notice is hereby given that the Twenty-fourth Annual General Meeting of the Members of **ESSEL PROPACK LIMITED** will be held on Friday, May 4, 2007, at 11.30 a.m. at the Company's Registered Office at P.O. Vasind, Tal. Shahapur, Dist. Thane - 421 604, Maharashtra, to transact the following business: -

ORDINARY BUSINESS:-

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended December 31, 2006 and the Balance Sheet as on that date, along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tapan Mitra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. V. Krishnamurthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:-

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and the Memorandum and Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee which the Board may constitute to exercise its powers, including powers conferred by this Resolution):

1. to mortgage, hypothecate, charge, pledge, create a floating charge, lien and other encumbrances of

whatsoever nature on all or any of the Company's current assets, stock-in-trade (including raw material, stores, spare parts and components, in stock or in transit), work-in-progress, and wholly or substantially the whole of all or any of the undertakings of the Company, wheresoever situate, present and future, together with the power to take over the Management of the business and concern of the Company in certain event in such manner as the Board may think fit and proper, in favour of State Bank of India, in respect of the Corporate Loan availed by the Company amounting to Rs. 65 crores.

2. to finalise and execute all the documents, agreements or other writings in connection with the aforementioned credit facility including accepting any alteration, change or variation in the terms and conditions.
3. to take all such further steps as may, in the opinion of the Board, be appropriate for giving effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, and the Memorandum and Articles of Association of the Company, and subject to all applicable regulatory approvals and compliance of the provisions of Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder and subject to the approval of other prior charge holders, the consent of the Company be and is hereby accorded, to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee which the Board may constitute to exercise its powers, including powers conferred by this Resolution):

1. to create first pari-passu charge on the fixed assets of the Company and/or to hypothecate, charge, pledge, create a floating charge, lien and other encumbrances of whatsoever nature, in favour of Development Bank of Singapore in respect of the Foreign Currency Loan availed by the Company equivalent to USD 12 million.
2. to finalise and execute all the documents, agreements or other writings in connection with the aforementioned credit facility including accepting any alteration, change or variation in the terms and conditions.
3. to take all such further steps as may, in the opinion of the Board, be appropriate for giving effect to this Resolution.

By Order of the Board of Directors
For **ESSEL PROPACK LIMITED**

AJAY NAGLE

Vice President – Legal &
Company Secretary

Place : Mumbai.
Date : March 14, 2007.

NOTES :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AT THE MEETING AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, May 3, 2007 to Friday, May 4, 2007 (both days inclusive).
- (3) The unclaimed dividends upto the Special Millennium Dividend for 1999-2000 have been transferred to the Investor Education & Protection Fund of the Central Government pursuant to Section 205-A of the Companies Act, 1956.
- (4) Unpaid/unclaimed Interim Dividend for 1999-2000 will be due for transfer to the Investor Education & Protection Fund of the Central Government on May 28, 2007, pursuant to the provisions of Section 205-C of the Companies Act, 1956. Members who have not yet encashed their aforementioned interim dividend warrants or dividend warrants for any subsequent year(s), are requested to claim the dividend(s) by writing to the Company's R&T Agents, M/s. Sharepro Services (India) Pvt. Ltd. No separate intimation will be sent to the individual shareholders in this regard.
- (5) In respect of the shareholders having their shareholding in the electronic form, the Company has been disbursing dividends through direct deposit into the respective bank accounts, the particulars of which have been given by you to your Depository Participant (DP). In case you do not wish to receive the credit of dividend in the said account, kindly issue the necessary instructions to your DP immediately.
- (6) With a view to provide protection against fraudulent encashment of dividend warrants, Members having physical shares were requested by the Company to provide their bank account numbers along with the names and addresses of the concerned banks to enable the Company to incorporate the said details on the dividend warrants. Although several Members responded to this request in the past, a significant number have not yet provided such information. These Members are requested to provide the above mentioned details quoting their folio numbers. The Members will appreciate that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrants.
- (7) Members desirous of asking any questions at the Annual General Meeting (AGM), are requested to send in their questions so as to reach the Company's Corporate Office at 10th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, atleast ten days before the AGM so that the same can be suitably replied.
- (8) Members are requested to carry their copy of the Annual Report to the Meeting.

By Order of the Board of Directors
For **ESSEL PROPACK LIMITED**

AJAY NAGLE

Vice President – Legal &
Company Secretary

Place : Mumbai.
Date : March 14, 2007.

**EXPLANATORY STATEMENT OF MATERIAL FACTS
PURSUANT TO SECTION 173(2) OF THE COMPANIES
ACT, 1956:-**

Item No. 5

The Company has availed a Corporate Loan of Rs. 65 Crores from State Bank of India for shoring up the net Working Capital and for ongoing Capital Expenditure of the Company. The said credit facility needs to be secured, inter alia, against hypothecation/mortgage of, present and future, movable and immovable properties of the Company. It would, therefore, be appropriate for your Company to create security/mortgage/encumbrances in accordance with the provisions of Section 293(1)(a) of the Companies Act, 1956, in favour of State Bank of India. This is an enabling Resolution which is necessary for creation of hypothecation/mortgage/encumbrance on the assets of the Company.

The approval of the Members is sought as a measure of abundant caution having regard to the provisions of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956.

The Board recommends the Resolution for your approval. None of the Directors of the Company are interested in this Resolution.

Item No. 6

The Company has also availed a Foreign Currency Loan from Development Bank of Singapore equivalent to USD 12 million for acquisition of assets and investment in the overseas subsidiaries of the Company.

The said credit facility is proposed to be secured, inter alia subject to the approval of the existing charge holders, against first pari-passu charge on the fixed assets of the Company. It would, therefore, be appropriate for your Company to create security/mortgage/encumbrances in accordance with the provisions of Section 293(1)(a) of the Companies Act, 1956, in favour of the Development Bank of Singapore. This is an enabling resolution which is necessary for creation of hypothecation/mortgage on the movable and immovable properties. The provision by the Company of such security/mortgage or charge on the Company's assets in favour of Development Bank of Singapore as applicable and shall be subject to the applicable approvals and compliance under the provisions of the Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder.

The approval of the Members is sought as a measure of abundant caution having regard to the provisions of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956.

The Board recommends the Resolution for your approval. None of the Directors of the Company are interested in this Resolution.

By Order of the Board of Directors
For **ESSEL PROPACK LIMITED**

Place : Mumbai.
Date : March 14, 2007.

AJAY NAGLE
Vice President – Legal &
Company Secretary

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED/RE-APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCKEXCHANGES :-

1) MR. TAPAN MITRA

Mr. Tapan Mitra, Director and Chairman of the Audit Committee of the Board of Directors of the Company, obtained his Masters degree in Economics from the Calcutta University and post-graduate studies at McGill University, Canada. He obtained a Masters degree in Business Administration from the University of Geneva. Mr. Mitra is a Fellow Member of the Institute of Chartered Accountants of India.

Mr. Mitra joined the Board of Directors of the Company in April, 2003. Prior to joining the Company, he was the Finance Director and later Managing Director & Vice Chairman of INDAL. He was also the Non-Executive Chairman of Haldia Petrochemicals, during its project implementation and commissioning.

Mr. Mitra is also associated with various industry associations and government bodies like Confederation of Indian Industries and is a Member of the State Planning Boards of the Governments of West Bengal and Tripura.

Mr. Mitra is also on the Board of Directors of Thermax Limited and Tube Investments of India Limited. He is also a Chairman of the Audit Committee of Thermax Limited and Tube Investments of India Limited.

Mr. Mitra does not hold any shares or securities in the Company.

2) MR. K. V. KRISHNAMURTHY

Mr. K. V. Krishnamurthy, Director and Member of the Audit Committee and Chairman of Investors' Grievance Committee of the Board of Directors of the Company, has rich and varied experience of over 33 years, particularly in the domestic as well as the International Banking. Mr. K. V. Krishnamurthy is a Fellow Member of the Institute of Chartered Accountants of India and the Indian Institute of Bankers. He had consistently held positions of growth in stature and responsibility in the industry. Prior to his superannuating, he was the Chairman and Managing Director of Bank of India.

Mr. Krishnamurthy joined the Board of Directors of the Company in January, 2005.

Currently, Mr. Krishnamurthy acts as a Director on the Board of Companies of repute viz., ARCIL, Centrum Finance Limited, Centrum Direct Limited, RAP Media Limited, The Ratnakar Bank Limited, Borosil Glass Works Limited, Essar Steel Limited, Tirumalai Chemicals Limited and our wholly owned subsidiary Packaging India Private Limited.

Mr. Krishnamurthy is a Chairman of the Board and Audit Committee of Packaging India Private Limited. He is also a Member of the Audit Committee of ARCIL, RAP Media Limited, The Ratnakar Bank Limited, Borosil Glass Works Limited and Essar Steel Limited.

Mr. Krishnamurthy does not hold any shares or securities in the Company.