Essel Propack Limited

Annual Report 2015-16

EXTRAORDINARY PACKAGING

Delighting Customers Unveiling Horizons

Contents

Sunrise is a delightful spectacle for mankind, unveiling the horizon in hue after hue of vibrant and energetic colours. The cover of this annual report is inspired by this magic in the heavens that the world witnesses day after day ever since the formation of earth.

Delighting Customers
Unveiling Horizons

Customer-centricity is a mind-set and a culture that continually evolves through deep insights into and pragmatic understanding of the changing customer needs that in turn are shaped by changes in consumer behaviour, technology and innovations. It involves strategic thinking and commitment at the highest level in an organisation, and manifests as innovative products, efficacious solutions and elevated customer experience.

Customer-centricity has been the hallmark of Essel Propack over the three decades of its existence. By putting our customers at the centre of our business, we have been innovating products and solutions that guarantee long-term value to our customers. Our success in the recent years with the best in class laminated tubes which we are pioneering for the Cosmetics/ Beauty care, Food and Pharma brands, gives us confidence that we have a lot more to offer in this continuing Journey of...

Delighting Customers
Unveiling Horizons

...with innovative Packaging solutions, Unmatched quality, Unparalleled service and Long-term Partnering.

Chairman's Message

Clearly such strong performance is never an accident. It is born out of strategic thinking, clarity of vision and a powerful mission. And I see several forces unleashed as a result – Innovation, Customer Engagement, Quality, Service to mention just a few.

Our revenue outside of India continues to grow double digit on underlying basis.

Dear Shareholders,

It is that time of the year again for me to fulfill the pleasant duty of appraising you of your Company's performance during FY 15-16 and how I see it going forward.

The Expanded Playfield available to us in the form of growth opportunity in the non-oral care categories, combined with the Renewed Energy with which we have embarked to derive 50% of our revenue from non-oral care, has started yielding results. We are growing in the non-oral care categories. Our revenue outside of India continues to grow double digit on underlying basis. Our performance would have been even better but for the sluggish Indian FMCG sector which constrained the revenue growth

Net Profit has grown by 29.5% to a record ₹ **1.8 billion**

in India. However, there is a silver lining – spate of measures from the Government together with expected good monsoon should catapult growth in India in the near future. Our Net profit helped by improved margin, has grown by 29.5% to a record ₹ 1.8 billion this year. Clearly such strong performance is never an accident. It is born out of strategic thinking, clarity of vision and a powerful mission. And I see several forces unleashed as a result – Innovation, Customer Engagement, Quality, Service to mention just a few.

Innovation is enormously important – both in product and processes. It is the only insurance against irrelevance; the only guarantee of long-term Customer loyalty and the only strategy for out-performing a sluggish economy. Your Company understands this perfectly. Our R&D department in India has been given recognition by the Government of India, on strength of the pioneering work done in the area of Laminated Plastic Tubes. The R&D teams have been strengthened globally and are working on laminate and decoration formats that reduce carbon footprints, are eco-friendly and easily recyclable.

We are engaging with Customers across a wide range of brands – both global and local. Steve Jobs said "Get closer than ever to your Customers. So close that you tell them what they need well before they realize it themselves.' Our Minus 5 initiative in India does exactly this – going back 5 steps with the Customer, understanding details of their products and giving them complete packaging solutions. In other geographies too, road shows, branding and business development initiatives are yielding some great results. More and more Customers have started looking at packaging as 'value' and not as 'cost'. This is but just the beginning. Packaging is gaining more and more importance. The innovations that we bring to the look, feel and decoration of the laminates is making our packaging a powerful marketing tool. In emerging markets with their long and complex distribution chains, non-availability of climate conditioning in the distribution outlets, the role of packaging becomes all the more important.

As we are engaging more and more with Customers, we are finding other areas in which we can delight them – Quality and Service for example. "Quality is remembered long after the price is forgotten. As Tony Allesandra said "Being on par in terms of price and quality only gets you into the game. Service wins the game."

Our commitment to Delighting Customers through our product quality and service will require utmost care and focus. We have to be efficient on the shop floor, flexible in meeting ever changing customer requirements and optimise our resources. A satisfied Customer is the most valuable asset for a business. And we are confident of unveiling new Horizons in driving Customer delight.

I would like to take this opportunity to thank our valued Customers, our bankers and all stakeholders for their consistent support, the Board of Directors for their conscientious guidance, the Company's Leadership Team and the Esselites across the globe for their enthusiasm and efforts, all of which have contributed to your Company's growth.

With best wishes,

Subhash Chandra
Chairman

Vice-Chairman & Managing Director's Message

We believe quality is never an accident, it is always the result of intelligent work, relentless focus on simplification – of design, manufacturing, technology, layout, processes and procedures.

Dear Shareholders,

As you are aware, the Company has embarked on a Mission to grow the non oral care share of revenue to 50% and to grow net profit at a CAGR of 20% over next 5 years. With a view to achieving this, we have internally launched Mission 20:20:20 – targeting 20% CAGR in Net Profit, 20% Return on Equity (ROE) and 20% Return on Capital Employed (ROCE) within the next couple of years. It gives me pleasure to report that your Company is on track with this Mission 20:20:20. In the year under review, Net Profit grew at 29.5%; ROE and ROCE have improved to 20.7% and 18.5% respectively.

The Company's performance is driven by strong growth in our overseas markets led by Europe. Our thrust into non oral care categories is seeing notable customer wins in China, USA, Europe and Egypt. Our innovative packaging solutions with our new laminate structures combined with high decoration, are gaining traction with several reputed cosmetic brands.

In China, our i-Shine, i-Cloud and Bon Appetit projects, backed by the state-of-the-art capability on ground including the greenfield unit in South East China, have established our credentials as a Packaging specialist in the non- oral care categories; we are no longer considered just an oral care company.

We have re-organised our plastic tube operations by consolidating the manufacturing in Poland and India

ROE and ROCE have improved to **20.7%** and **18.5%**

Your Company is on track with this Mission **20:20:20**

by shifting out the manufacturing assets from USA which will now focus on providing new laminate based tube solutions for Beauty & Cosmetics category. The business pipeline build-up in Europe gives us fair comfort of realising the benefits of this re-organisation.

We continue to deepen and broaden our presence in the Pharma category in India. Although the India market was disappointing in terms of growth on account of sluggish FMCG sector, we have used the opportunity to expand our customer base and the range of offerings. Some big, growing brands have reposed faith in us and awarded large contracts for supply of both laminated and plastic tubes. With our larger operations growing in strength and contributing to the bottom line, we are in the process of scaling up some of our smaller operations such as Colombia and Mexico in order to seize the market opportunity in Latin America and the Andean Region.

The robust progress with our strategy in recent years, gives us confidence that we will unveil, in the future, several exciting initiatives, aimed to delight Customers and create value for our Stakeholders. These initiatives centre around Product, Quality and Service with prime focus on Innovation in every thing we do.

For New Product Development, we work with Customers, helping them transition from their existing packaging formats to laminated tubes. As Damon Richards said "the Customer does not care how much you know until they know how much you care." Our efforts in New Product Development have been to be a "one stop shop" for all the packaging needs of the Customer – be it the laminate structure, the Dispensing and Anti-counterfeit features or Decoration. We are committed to create and provide Packaging which will present to the consumer "the first moment of truth".

As Peter Drucker rightly said "Quality in a product or service is not what you put into it; it is what the Customer gets out of it." The entire organisation is primed to raise the bar here, leveraging technology and processes; we believe quality is never an accident, it is always the result of intelligent work, relentless focus on simplification – of design, manufacturing, technology, layout, processes and procedures. With the increase in the number of Customers that we serve in the non-oral care category, smaller run sizes and multiple variants, it is imperative that we "Do it first time right". Quality & Process and Technology functions today are represented at the Corporate Leadership Level, with responsibility to ensure that Customers are assured of on-time, quality products; the ultimate aim - to be the most preferred supplier of innovative packaging solutions.

Handling multiple Customers with multiple requirements and priorities, requires an agile and efficient supply chain. With the use of Information Technology and effective employee engagement practices, your Company is working towards creating a paradigm shift in this area. We have successfully partnered many of our Customers for their global product launches and in tiding over their supply chain emergencies. All our regions have received Customer Service Awards.

It is a matter of satisfaction that the entire organisation is behind this strategy. Ultimately, it is the people who make the difference. We continue investing to develop our human resources, equip them with facts and figures, and empower them with information to lead and deliver promises to customers and stake holders. The continuously improving Employee engagement scores, with some of the subsidiaries already at country / industry best engagement scores, is a source of pride for us.

Without doubt, we are well poised to Delight Customers and Unveil Horizons.

With best wishes,

Ashok Goel

Vice Chairman & Managing Director

Delighting Customers

At Essel Propack, we take pride in being a customer-centric business, and see ourselves as a packaging solution provider to FMCG and Pharma customers, and not just a product supplier. Our role does not stop with sales. Our products are designed for elevated experience by billions of FMCG end consumers across the globe, in terms of aesthetics, feel , ease of use, protection of the contents in time and space.

Packaging indeed is the first moment of truth for consumers. It is verily an ambassador for the FMCG brands, connecting with the consumer right from the super-market shelf and through each day the product is used.

We therefore work closely with our customers throughout the entire product life-cycle. From proto-type to production to final usage and disposal, we seek to understand and analyse every aspect of the product and packaging, thereby driving packaging innovations to redefine customer experience and expand customer base.

Redefining Customer Experience

Businesses that are truly customer-centric have one thing in common – they redefine their industries and sectors. Organisations that have customers deeply ensconced in their strategic thinking have always endured and overcome challenges, out-growing their peers consistently over time.

Customer-centric businesses have redefined not only customer experiences but also customer expectations. Such businesses are shining examples of the possibilities and potential of a customer-centric mindset and approach, and today lead the pack as the top value creators. The path we at Essel Propack tread is not very different.

The iPhone was not the first smartphone. Far from it, when the iPhone was launched in 2007, there were many mobile phones with touch screens and offering access to the Internet, email, music, games or apps. But Apple offered all of these in a fantastically different way than had ever been done before.

Apple changed what people did with their phones, transforming a communication tool into an integral part of their life and life style.

The iPhone forever redefined the customer expectations and experience of what a smart device could be.

What Essel is doing for the Cosmetics and Pharma categories is no less disruptive. Our new laminated tube solutions for these categories very much re-define customer experience because what we are offering today is very different from the traditional plastic and aluminium tubes, with features and benefits that are straight out of a wish list.

Expanding the Customer base

Customer-focussed organisations have not only redefined customer experience, but have gone on to create a new set of customers out of their innovations and to open new growth opportunities.

At Essel, we are excited that our new laminated tube solutions are evoking interest even of customers who today patronise other packaging formats such as bottles and tottles. They are beginning to see our new laminated tube solutions as more efficacious and relevant for their brands.

FMCG growth globally and the shifting trend towards tubes as preferred packaging format holds immense potential for growth; further, driven by technology and innovation, new FMCG products and categories are emerging and re-shaping consumer behaviour and lifestyles, attracting new customers and creating newer opportunities for Essel to re-double its efforts in its mission of ***Delighting Customers by Unveiling horizons...***

Unveiling Horizons

We are steadily expanding the range of our packaging solutions to new product categories where we seek to re-define the way product is preserved and presented.

At Essel Propack, DELIGHTING CUSTOMERS goes beyond the Product to First-time-right quality, Just-in-time service and Speed-to-market.

We continually UNVEIL HORIZONS for them...

Breakthrough Products & Solutions

Going beyond the conventional, we now offer in all our markets across the globe:

- superior alternative to the Plastic tubes for packing Cosmetics, with our high barrier, super look & feel, enhanced décor Laminated tubes
- laminated tubes with safe and easy-dispensing for pharmaceutical products
- specialised large diameter laminated tubes with rich look, feel and stability, for replacing bottles, tottles, plastic and aluminium tubes in cosmetics/ food brands
- laminated tubes with special features such as thermal timers, product authentication, child protection, aroma sensory etc.

Sustainability and Environment

As a Company, we are committed to pro-actively preserving environment by focusing on sustainable tube design, with our

- Source reduced laminate structures such as Titanium
- Plastic barrier laminated tubes as alternative to aluminium barrier laminated tubes for easy recyclability
- Mono-material high barrier Green Maple leaf tubes, recyclable as code 2 (HDPE)
- Structures incorporating Post Consumer Regrind polymers to the extent of 40%, such as Etain
- Bio-degradable laminate structures

Customer Engagement

Our ethos is one of partnering our customers long term in manifold ways, as a

- Global supplier, servicing global customers at multiple locations around the world
- Innovation partner, helping choose from the best in class alternatives of laminate, decoration, dispensers & closures
- Solution provider, helping develop laminated tube as alternative packaging format for bottles, tottles, plastic and aluminium tubes
- One stop shop, offering customers entire range of tubes for all product categories, oral and non oral care
- Supply chain enhancer, manufacturing in proximity to customers or at the back of their factory or under COCO model
- Growth enabler, supporting expansion and greenfield projects of customers by seamlessly ramping up supply capability

World class operations / Processes

We recognize that our Operations and Processes can be a key differentiator in creating superior product experience for our customers by

- Moving towards Zero Quality Defects using advanced inspection systems and automated controls
- Providing, high impact graphics aided by computer-to-plate technologies, i-shine™ and innovative ink recipes
- Assuring highest levels of SHE norms by meeting class 100000 clean room standards and CGMP
- Shorter lead-times through quick changeover tooling and high throughput equipment
- Flexible servicing driven by advance planning optimizer based IT systems and processes

Value to stakeholders

And our Stakeholders are our valued Customers too, whom we seek to delight through strong and sustained improvement in the financial performance and the value of the Company.

A five year earnings growth at CAGR **31%**

Expansion in ROCE and ROE to **19%** and **21%** respectively

Market capitalization growing by **3.2 times** over five years

Articulated strategy to sustain profitable growth through Mission **20:20:20**

Board of Directors

Subhash Chandra
Chairman

Tapan Mitra
Independent Director
(Retired 25.02.2016)

Boman Moradian
Independent Director

Mukund M. Chitale
Independent Director

Radhika Pereira
Independent Director

Atul Goel
Director

Ashok Goel
Vice Chairman & Managing Director

Leadership Team

Standing Left to Right:

Suresh Savaliya
– *Head Legal & Company Secretary*

Alan Conner
– *Regional Vice President - Europe*

Dileep Joshi
– *Director - Human Capital*

Edward Luo
– *Regional Vice President - EAP*

Ted Sojourner
– *Regional Vice President - AMERICAS*

M. K. Banerjee
– *Director - Creativity & Innovation*

Parag Chaturvedi
– *Head - Global Quality & Process Improvement*

Alex Cheng
– *Global Supply Chain Head*

Prakash Dharmani
– *Chief Information Officer*

Vinay Mokashi
– *Financial Controller - Corporate*

Roy Joseph
– *Regional Vice President - AMESA*

Rajiv Verma
– *Technical Head - Corporate*

Sitting Left to Right:

M. R. Ramasamy
– *Chief Operating Officer*

Mukund Chitale
– *Independent Director*

Ashok Goel
– *Vice Chairman & Managing Director*

Dr. Subhash Chandra
– *Chairman*

Radhika Pereira
– *Independent Director*

Boman Moradian
– *Independent Director*

Atul Goel
– *Director*

A. V. Ganapathy
– *Chief Financial Officer*

Accolades

Go Extreme Cranberry Tube
Essel Propack, USA
Bronze Award, Best Food
The Tube Council, USA

Essel Propack, Goa
IMC Ramkrishna Bajaj
National Quality Award for
Performance Excellence

Dove Absolute Quench Tube
Essel Propack, USA
Silver Award, Best Personal Care
The Tube Council, USA

Financial Highlights

Total Revenue *₹ Million*

11-12	**16,034**
12-13	**18,573**
13-14	**21,490**
14-15	**23,439**
15-16	**22,084**

Profit After Tax *₹ Million*

11-12	**514**
12-13	**810**
13-14	**1,078**
14-15	**1,406**
15-16	**1,821**

Return on Capital Employed *%*

11-12	**10**
12-13	**12**
13-14	**14**
14-15	**16**
15-16	**19**

Return on Equity % *%*

11-12	**6**
12-13	**9**
13-14	**13**
14-15	**19**
15-16	**21**

Corporate Information

BOARD OF DIRECTORS

Subhash Chandra	Chairman & Non Executive Director
Tapan Mitra*	Independent Director
Boman Moradian	Independent Director
Mukund M. Chitale	Independent Director
Radhika Pereira	Independent Director
Atul Goel	Non Executive Director
Ashok Goel	Vice Chairman & Managing Director

*Resigned as Director w.e.f. February 25, 2016

A.V. Ganapathy	Chief Financial Officer
Suresh Savaliya	Head – Legal & Company Secretary

AUDITORS
MGB & Co. LLP
Chartered Accountants

BANKERS
Axis Bank Limited
Kotak Mahindra Bank Limited
Yes Bank Limited
DBS Bank Limited
State Bank of India
ICICI Bank Limited
The Ratnakar Bank Limited

DEBENTURE TRUSTEE
Axis Trustee Services Limited

REGISTRAR & SHARE TRANSFER AGENT
Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400072. Maharashtra
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www.esselpropack.com
CIN:L74950MH1982PLC028947

UNITS - INDIA
Vasind, Murbad, Wada, Chakan, Goa, Silvassa and Nalagarh

Board's Report

To
The Members,
Essel Propack Limited

Your Directors are pleased to present their Report on your Company's business operations along with the Audited financial statements for the financial year ended on March 31, 2016.

Your Company has posted yet another year of good performance, both in India and in Global operations. The highlights of the financial results are set out below.

CONSOLIDATED GLOBAL RESULTS

It may be noted that in July 2015 your Company had divested its entire shareholding in Packaging India Pvt Ltd (PIPL), its wholly owned Indian subsidiary. Accordingly, the current year's results include the revenue and profits of the divested business only for three months ending June 2015. The summary results are set out below:

(₹ in million)

	Year ended 31.03.2016	Year ended 31 .03.2015
Total Revenue (excluding excise duty)	22084	23439
Profit Before Depreciation, Finance and Tax (PBDIT) inclusive of other income	4409	4117
PBDIT exclusive of other income	*4172*	*3908*
Finance cost	(623)	(793)
Depreciation	(1270)	(1318)
Profit before Tax and exceptional items	2516	2006
Exceptional items net (loss)/ gain	24	55
Tax	(716)	(611)
Share of profits from associates	27	3
Minority interest	(30)	(47)
Net profit	1821	1406

The reported consolidated Total revenue for the year is lower by 5.8%, reflecting the impact of the said divestment. On a comparable basis however, the Total revenue actually grew by 3%. The growth would have been higher but for the deflation in the selling prices consequent to the pass through to customers of the sharp reduction in the raw material prices during the year. While Europe delivered another year of strong growth, the sluggish economic conditions in India and reduced off-take from key customers in China have impacted the overall sales growth this year. Improved product mix, stable raw material prices and operational efficiencies however enabled the operating margin to expand by 220 bps over the previous year. Further helped by 21.4% reduction in the finance cost and lower effective tax rate, your Company's consolidated Net profit expanded 29.5% over the previous year, to post an all-time high of ₹ 1821mio. The Net profit includes net exceptional gain of ₹ 24 mio, including gain on account of divestment of PIPL. Excluding the exceptional items, the consolidated Net profit for the year has grown 33% over the previous year on comparable basis. The healthy increase in the Net Profit witnessed in the recent years is indicative of a sustained profitable growth in your Company's business operations.

INDIA STANDALONE RESULTS

The summary results are set out below:

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
Total Revenue (excluding excise duty)	7631	7755
Total expenditure	(5847)	(6135)
Profit Before Depreciation, Interest and Tax (PBDIT) inclusive of other income	1784	1620
PBDIT exclusive of other income	*1582*	*1411*
Finance cost	(259)	(409)
Depreciation	(506)	(457)
Profit before Tax and exceptional items	1019	753

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
Exceptional items net (loss)/ gain	453	0
Tax	(315)	(188)
Profit after Tax	1157	565
Appropriations:		
Dividend recommended (inclusive of tax thereon)	417	302
Transfer to Debenture Redemption Reserve	75	75
Transfer to General Reserve	0	0

Your Company's Standalone revenue is lower compared to the previous year by 1.6% on account of the deflation in selling prices consequent to pass through to customers of the sharp reduction in the raw material prices during the year. On underlying basis however, the business grew during the year, albeit in single digit, impacted by the sluggish Indian economy and reduced FMCG off-take especially in the Cosmetic and Pharma categories. Your Company continued to develop new customers in order to mitigate the impact. Operating margin however expanded by 180 bps, helped by stable raw material prices and operational efficiencies. Further helped by 36.8% reduction in the Finance cost and the exceptional gain ₹ 453 mio arising from divestment of PIPL, your Company posted a Net profit of ₹ 1157 mio compared to ₹ 565 mio during the previous year. Exclusive of the exceptional item, the Standalone Net profit for the year is ₹ 704 mio, representing a healthy growth of 24.6% over the previous year despite higher effective tax rate on account of your Company's unit in Nalagarh, Himachal Pradesh getting out of the tax benefit period.

REVIEW OF MARKET, BUSINESS AND OPERATIONS

Your Company is a leading manufacturer globally of Laminated Plastic Tubes and laminates. Its products are extensively used in packaging of products across categories such as Beauty & Cosmetics, Pharma & Health, Foods, Home and Oral care. The FMCG and Pharma industry which consume the Company's products has been a high growth industry and is expected to sustain growth in future. In the mature markets of Europe, USA and Japan, the FMCG sector is witnessing introduction of new Beauty care products such as Anti-Ageing, Beauty Balms, Complexion Correction creams, Hair colorants, cosmetic and therapeutic toothpastes etc. which brings new growth opportunity for your Company. In the emerging markets such as India, China and Far East, the FMCG usage is expanding helped by increasing disposable income, growing youth population, expansion of modern retail/e-tail and increasing aspiration to look and feel good. The Pharma demand too is buoyed by increasing life expectancy, growth of generics and "health for all" policies pursued globally by governments and the NGOs. Your Company as an established player providing innovative packaging solutions for products in paste/cream/gel forms, is in a sense firmly entrenched in the FMCG / Pharma space with its scale, global reach and innovation/ technology capability. In addition to benefitting from growth in brands traditionally packed in tubes, the Company is also actively involved in seeking to replace packaging forms such as bottles and tottles in case of a number of brands with the technological edge that the Company has been able to bring about in the laminated tubes.

India Standalone

India Standalone accounted for 34% of the Company's Consolidated Sales during the year. The Company enjoys a massive franchise in India, having pioneered the laminated tubes over the last three decades. The Customer portfolio encompassing reputed FMCG and Pharma brands - Indian and MNC, mass and niche, established and new, continues to expand. The sluggish macro-economic conditions in India impacted off-take of the Company's products during the year specially in the non-oral care categories of Beauty and Cosmetics. In the pharma category, some of the customers' off-take was affected by issues they faced in the export markets. Your Company continued to develop new customers as a means to mitigate the impact of the off-take reduction. With the various initiatives launched by the Government, your Directors are hopeful the economy and hence the India business will be back to days of robust growth. Green shoots of growth seem to be appearing since the last quarter of the year, and your Company is evaluating capacity expansion backed by customer contracts. Meantime, your Company has been pursuing efficiency and productivity improvement programs at its various units and seeking to drive product /process quality as a key competitive strength. Further to upgrading the laminate manufacturing facility in the previous year, your Company has upgraded the blown film facility and created new capability for decoration this year. Research and Development is core to your Company's business, helping create new laminate structures and packaging solutions to address the complex packaging needs of different products. During the year, the Department of Scientific and Industrial Research, New Delhi (DSIR) accorded recognition to your Company's R&D facilities. Besides the honor it confers on the Company's Research capability passionately built over the three decades of its existence, it also entitles your Company to claim the tax deduction in respect of the R&D spend. Exports to markets in South Asia, Middle East and Africa continue to be pursued as a strategy to gain presence in the smaller markets which are not viable for a full-fledged manufacturing set up. Your Board is of view that India growth story remains intact, notwithstanding the recent economic sluggishness, and your Company is well positioned to seize the opportunity that the Indian market will present in the months and years to come.

Subsidiaries, Joint Ventures and Associates

Being a global player in the laminated and plastic tubes, your Company has manufacturing and trading presence in eleven other countries through its direct and step down subsidiaries, joint venture and associate. All these subsidiaries / joint venture / associate continue to work closely with the customers and grow their business with product offerings relevant to their respective markets. During the year, all of the operating subsidiaries posted profits, except the subsidiaries in Mexico and Russia which suffered on account of adverse currency movement during the first half of the year. However, helped by improved volumes and pro-active pricing, these subsidiaries have turned profitable in the later part of the year. In alignment with your Company's strategy to grow in the high value non-oral care categories by offering specialty laminated tubes in place of the plastic /aluminum tubes and bottles, all these entities have set up manufacturing and marketing capability and intensified customer engagement. Your Directors are pleased to inform that the regions like East Asia Pacific and Americas which historically had oral care category accounting for 90% or more of their sales, are deriving close to 30% of their sales from the non-oral care category. Considering the huge size of the non oral care category market in these geographies and the disruptive nature of the packaging solutions that your Company has introduced, the Board expects these subsidiaries to post sustained profitable growth. It may be recalled that your Company's Poland operations turned profitable during the previous year, and today heads the pack in terms of growth. Company's joint venture in Germany and associate company in Indonesia continued to be profitable during the year. The development at these entities and the markets they operate in are further discussed in the Management Discussion and Analysis (MDA) forming part of this report. The salient features of the financial statements of these subsidiaries, associate and joint venture in the prescribed form is attached as part of your Company's audited financial statements.

During the year under review, your Company divested its wholly owned Indian subsidiary, Packaging India Private Limited which was engaged in flexible laminate operations targeting the Indian market. Your Directors believe this will free your Company to focus on and pursue growth opportunities in its tubing operations which shows great promise across the globe in the Beauty & Cosmetics, Pharma & Health and Food categories. Consequent to the said divestment, Packaging India Private Limited ceased to be your Company's subsidiary with effect from July 13, 2015. Further, as part of reducing the tiers in the holding structure, Packtech Limited, Mauritius, a step down subsidiary was amalgamated with your Company's direct subsidiary Lamitube Technologies Limited, Mauritius in January 2016, and consequently ceased to exist. With a view to driving export led growth in Latin America, a new step down subsidiary by name Essel Colombia S.A.S was incorporated during January 2016 to set up operations from a new factory. The prescribed particulars of the subsidiaries, Joint venture and Associate are set out in Form MGT9 forming part of this Report as Annexure 5.

The consolidated financial statements presented by the Company include the financial results of all its subsidiaries, joint venture, and Associate. The Audited financial statements of these entities have been reviewed by the Audit Committee and the Board.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (the Listing Obligation or Listing Agreements), Consolidated financial statements of the Company and its subsidiaries, associates and joint venture, has been prepared as per the applicable accounting standards. The audited Consolidated financial statements along with the auditors' report thereon form part of the Annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management discussion and analysis (MDA) report for the year under review, of the operations of your Company and all of its subsidiaries, associate and joint venture is given in a separate section of this Annual Report and forms part of the Directors' Report.

CORPORATE GOVERNANCE

The Company is committed to maintaining highest standards of corporate governance aligned with the best practices. Pursuant to applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 (the Listing Regulations or Listing Agreements), a detailed report on Corporate Governance forms part of this Annual Report. The Company is in compliance with the various requirements and disclosures that have to be made in this regard. A certificate from the Auditors confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report for this year.

DIVIDEND

Your Directors are satisfied that with various initiatives undertaken over the last few years, your Company continues to be on the path of profitable growth. The debt servicing capability has improved too as has the Company's credit rating in respect of debt.

Considering the cash requirement for business growth and debt servicing, the Board advocate a policy of steady dividend payout within a band of 20-25% of the consolidated Net profit subject to statutory provisions, applicable dividend tax and unforeseen exigencies. The Board believes this will serve the interests of the shareholders especially those dependent on regular income. Accordingly, your Directors recommend a dividend of ₹ 2.20 per equity share of face value of ₹ 2 each, for the financial year ending on March 31, 2016 (previous financial year: ₹1.60 per share of face value of ₹ 2 each).

TRANSFER TO RESERVES

Pursuant to the guidelines requiring creation of Debenture Redemption Reserve (DRR) to the extent of 25% of the value of listed debt securities issued, your Company has during the year under review transferred a sum of ₹ 75 mio to DRR in relation to the listed debt securities issued and outstanding of ₹ 900 mio. There is no specific statutory requirement to transfer any sum to General reserve in relation to the payment of dividend.

FINANCE AND ACCOUNTS

Your Company continued to reduce financial leverage and the finance cost by enhancing capital productivity and improving cash generation. Working capital continued to be a focus area. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring. The proceeds received from divestment of flexible packaging operations were used to pre-pay high cost loans and further improve liquidity. Reflecting the improved financial strength during the year under reporting, the Credit Analysis & Research Limited "CARE" has upgraded the credit rating assigned to the Company's Long term facilities from CARE A to CARE AA- and the Short term Bank facilities from CARE A2+ to CARE A1+. India Ratings & Research (A Fitch Group Company) has issued Long Term Issuer Rating of IND AA and Commercial Paper Rating of IND A1+.

Forex exposures continued to be closely reviewed and appropriately hedged in order to minimize risk to the results during a year when the currency volatility was very high.

The divestment of PIPL and re-organisation in subsidiaries have been given effect in the Standalone and Consolidated financial statements as per applicable Accounting standards and approvals.

As regards the matter reported under clause (iii) of the Annexure to the Independent Auditors' report on the India Standalone accounts, the Company is in discussion with the borrower and has taken reasonable steps for recovery.

STATUTORY AUDITORS

The members at the 31st Annual General meeting held on July 09, 2014 had appointed M/s. MGB & Co. Chartered Accountants (subsequently converted into Limited liability partnership under the name and title M/s MGB & Co. LLP) as Statutory Auditors of the Company to audit financial accounts for the financial years 2014-15, 2015-16, and 2016-17 subject to ratification by the members annually.

M/s. MGB & Co. LLP, Chartered Accountants have confirmed their eligibility under section 141 of the Companies Act 2013 and the related Rules to continue as the statutory auditor of the Company for the financial year 2016-17.

Your Directors propose ratification of appointment of M/s. MGB & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company to audit accounts for the financial year 2016-17.

SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013 (the Act), M/s. D. M. Zaveri & Co., Practicing Company Secretary (CP No. 4363), have been appointed to undertake the secretarial audit of the Company for the year ended on March 31, 2016. The secretarial audit report forms part of this Report as Annexure 1. The said report does not contain any qualification, adverse remarks or disclaimer.

COST AUDITORS

Pursuant to section 148 and applicable provisions of the Companies Act 2013 and the Companies (Cost Records and Audit) Rules 2014, the Company is required to appoint cost auditor for audit of cost records maintained by the Company in respect of the year ending March 2017. Your Directors have on the recommendation of the Audit committee, appointed M/s. R Nanabhoy & Co., Cost Accountants, as the Cost Auditor to audit the cost records for the financial year ending March 31, 2017. Remuneration payable to the Cost Auditor is subject to approval by the members of the Company. Accordingly, a resolution seeking members' approval for the remuneration payable to M/s R. Nanabhoy & Co, Cost Accountants, is included in the Notice convening the Annual General Meeting, along with relevant details, including the proposed remuneration.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of section 152(6) of the Act and the Articles of Association of the Company, Mr. Atul Goel, Director is liable to retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act 2013 and the Listing Regulations.

Further details on the Directors including remuneration, remuneration policy, criteria for qualification, independence, etc. are given in the Corporate Governance Report, which forms part of this Annual Report.

Mr. Tapan Mitra, Independent Director resigned from the Board with effect from February 25, 2016 for health reasons. The Board of Directors place on record their deep appreciation for the valuable contribution made by Mr. Mitra during his tenure as Director.

During the year, Mr. Ajay Thakkar, Head–Legal and Company Secretary, resigned to pursue a career outside of the Company. The Board appointed Mr. Suresh Savaliya in his place as Head – Legal and Company Secretary.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDIT COMMITTEE

Audit Committee of the Board has been constituted in terms of Listing Regulations and section 177 of the Companies Act 2013. Constitution and other details of the Audit Committee are given in Corporate Governance Report.

PERFORMANCE EVALUATION

The Board has carried out the annual evaluation of its own performance, and of each of the directors individually, including the independent directors, as well of the working of its committees. The manner in which the evaluation has been carried out has been explained in detail in the Corporate Governance Report, which forms part of this Annual Report.

FAMILIARIZATION PROGRAMMES

The Company's policy on programmes and measures to familiarize Independent Directors about the Company, its business, updates and development includes various measures viz. issue of appointment letters containing terms, duties etc., management information reports, presentation and other programmes as may be appropriate from time to time. The Policy and programme aims to provide insights into the Company to enable independent directors to understand the business, functionaries, business model and others matters. The said Policy and details in this respect is displayed on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY

As a part of its Corporate Social Responsibility (CSR) initiative, the Company has undertaken CSR projects and programs. Thrust areas for CSR include care and empowerment of the underprivileged or differently abled persons, education, health and environment and sanitation. These activities are in accordance with CSR activities as defined under the Act. The Company has a CSR Committee of Directors. Details about the Committee, the CSR activities and the amounts spent during the year, as required under section 135 of the Act and the related Rules are given in the CSR Annual Report as Annexure 2 forming part of this Report.

The Company has framed a CSR Policy in compliance with the provisions of the Act and the same is placed on the Company's website www.esselpropack.com. The CSR Policy lays down areas of activities, thrust area, types of projects, programs, modes of undertaking projects/programs, resources etc.

Your directors are pleased to report that the Company's subsidiaries overseas also actively give back to the society in their respective geographies through various initiatives on the health, education and other fronts.

LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under applicable provisions of section 186 of the Act are given in the note 36 to the Standalone financial statements.

RELATED PARTY TRANSACTIONS

All contracts/ arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business. All related party transactions are placed for approval before the Audit Committee and also before the Board wherever necessary in compliance with the provisions of the Act and Listing Regulations. During the year, the Company has not entered into any contracts /arrangements/transactions with related parties which could be considered material in accordance with the policy of the Company on material related party transactions or under section 188(1) of the Act. Accordingly, there are no particulars to report in form AOC 2.

Details of the related party transactions during the year as required under Listing Regulations and Accounting standards are given in note 35 to the Standalone Financial statements.

The policy on dealing with the Related Party Transactions including determining material subsidiaries is posted in investors / corporate governance section on the Company's website or link, http://www.esselpropack.com/wp-content/uploads/2015/03/Related-Party-Transaction-Policy.pdf

HUMAN CAPITAL

Relations with employees across all the offices and units continued to be cordial. HR policies of the Company are focused on the developing the potential of each employee. With this premise, a comprehensive set of HR policies are in place, aimed at attracting, retaining and motivating employees at all levels. Your Company had 1093 employees as of March 31, 2016.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read along with Rules 5(2) and 5(3) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure 3(a) and forms part of this Report.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure 3(b) and forms part of this Report.

EMPLOYEE STOCK OPTIONS

The Nomination and Remuneration Committee of the Board of Directors ("the Committee") of the Company, inter alia, administers and monitors the Employee Stock Option Scheme 2014 ("ESOS 2014" or "Scheme") of the Company in accordance with applicable SEBI regulations.

The disclosure relating to the Scheme and other relevant details are posted in investors>corporate governance section on the Company's website or link, http://www.esselpropack.com/corporate-governance/

During the year under review, the Nomination & Remuneration Committee at its meeting held on October 29, 2015, granted 1,76,535 stock options to eligible employees of the Company and its Subsidiaries. These options when vested as per the terms and conditions of the Scheme entitle the option holder to apply for and be allotted equal number of equity shares of face value of ₹ 2/- each at an exercise price of ₹ 161 per share being the closing market price of the equity shares of the Company on the National Stock Exchange of India Limited as on October 28, 2015. Since the Options have been granted at the market price, the intrinsic value at grant is Nil and hence there is no charge to the Profit and Loss account. These options will vest in a phased manner over a period of 2 years beginning 2017, and may be exercised within maximum of four years from the date of vesting, subject to terms and conditions of the said Scheme and the grant letter. Your Directors believe this Scheme will help create long term value for shareholders and operate as long term incentive to attract and retain senior managerial talent. For the sake of clarity, this Scheme does not extend to any of the Directors and Promoters of the Company.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure 4 and forms part of this Report.

OTHER INFORMATION / DISCLOSURES

There are no significant material orders passed by the regulator, courts or tribunal which would impact the going concern status of the Company and its future operation.

There have been no material changes and commitments affecting the financial position of the Company, occurred between end of financial year and date of this Report.

In accordance with section 134(3)(a) and section 92(3) of the Act, an extract of the annual return as at March 31, 2016 in form MGT 9 forms part of this Report as Annexure 5.

The Company has in place a policy against sexual harassment at work place in line with the requirements of the concerned statute. Internal complaint committees are set up in this respect. There was no complaint received from any employee during the year, nor any complaint remains outstanding for redressal as on March 31, 2016.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a whistle blower policy laying down a vigil mechanism to deal with instances of unethical behavior, fraud or mismanagement. The said policy has been explained in the Corporate Governance Report and also displayed on the Company's website www.esselpropack.com

INTERNAL FINANCIAL CONTROL

The Company has a proper and adequate Internal Financial Control System, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The Internal Financial control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audit conducted by in house trained personnel and external firms of Chartered Accountants appointed by the Audit Committee and the Board. The audit observations and corrective action, if any, taken thereon are periodically reviewed by the Audit committee to ensure effectiveness of the Internal Financial Control System. The internal financial control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

During the year as part of control assurance process, the financial controls were comprehensively reviewed by an independent agency using the COSO framework, and reported to be satisfactory in design and operational effectiveness.

RISK MANAGEMENT

The Company has laid down a well-defined risk management mechanism covering the risk mapping and analysis, risk exposure, potential impact and risk mitigation measures. A detailed exercise is carried out every year to identify, evaluate, manage and monitor the principal risks that can impact the Company's ability to achieve its strategic and financial objectives. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. Details on the risk elements which the Company is exposed to are covered in the Management Discussion and Analysis which forms part of this Report. The Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure. The Risk management committee under the chairmanship of an independent director oversees the risk management process.

AMALGAMATION

The Audit Committee and the Board of the Company at a meeting held on October 29, 2015, have approved the Scheme of Amalgamation of the Company with its holding company Whitehills Advisory Services Private Limited (Whitehills) as per the Draft Scheme of Amalgamation placed before them.

Pursuant to the proposed amalgamation of Whitehills with the Company, the shareholders of Whitehills would directly hold shares in your Company. This would help in simplification of the holding structure and reduction of shareholding tiers. There would be neither any change in the capital structure nor any change in the promoter shareholding of the Company and there will be no dilution for any public shareholders. The aforesaid Scheme of Amalgamation shall be subject to requisite approvals of the Shareholders, the Hon'ble High Court of Bombay and other statutory / regulatory authorities, as may be applicable. A Court convened meeting of the members is being scheduled in this regard as per direction from the Bombay High Court. The Company has received observation letter from National Stock Exchange of India Limited and BSE Limited. Necessary details and documents including the scheme, observation letters received from stock exchanges etc are posted on website of the Company.

PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits from the public and there are no outstanding fixed deposits from the public as on March 31, 2016.

CAUTIONARY STATEMENT

Statements in this Report and the Management Discussion and Analysis may be forward looking within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Certain factors that could affect the Company's operations include increase in price of inputs, availability of raw materials, changes in government regulations, tax laws, economic conditions and other factors.

APPRECIATION

Your directors wish to place on record their sincere thanks and appreciation to all our customers, suppliers, banks, authorities, members and associates for their co-operation and support at all times, and to all our employees for their unstinted contribution to the growth and profitability of your Company's business, and look forward to continued support.

For and on behalf of the Board
Essel Propack Limited

Sd/-
Subhash Chandra
Chairman

28 April 2016. Mumbai

Management Discussion and Analysis

Your Directors are pleased to present the Management Discussion and Analysis for the year ended March 31, 2016.

BUSINESS OVERVIEW

Your Company's business is an integral part of the FMCG and Pharma space, packaging being one of the four key marketing mix that drives the growth of a brand. The FMCG business across categories of Beauty and Personal care, Foods, Home care, Oral care constitute globally a multi-trillion dollar market and continues to grow in many different ways. In the developing economies, the growth is powered by increasing young population, growing disposable income, life-style changes etc. In developed economies where penetration and usage are already high, new products addressing even more needs are emerging to expand and/or change the face of the market, as for e.g. applications like Anti-ageing creams, Beauty balms, Complexion creams, Hair grooming range etc. are driving consumption. Besides, there is also a strong trend among brands to improve the efficacy of products by incorporating newer and more potent actives, herbal ingredients etc. which often demands different and more effective barrier properties of the packaging. Such Customised barrier properties are offered by your Company to suit different products that get filled in the tubes. The increasing competition in FMCG space and the rapid growth of organized retail trade means the consumer gets the 'First Moment of Truth' at the point of sale viz. the shop shelf. Packaging therefore is not anymore a vehicle to merely hold the product - a cost that has to be managed; it is a key brand property that represents value to brand owner.

That is where your company fits snugly in the scheme of things. A range of FMCG and pharma products in viscous form such as pastes, gels and creams use tube as a packaging format. The world market for tubes is huge, about 36 billion in the markets your Company operates. Of this, oral care tubes account for 14 billion, Beauty & Cosmetics account for 12 billion and Pharma & others account for 10 billion. Tubes for Beauty & Cosmetics applications are pre-dominantly extruded Plastic tubes and bottles, and those for Pharma are pre-dominantly Aluminum tubes. The non oral care tube market represents much higher, thrice or more in value as compared to oral care tube. Having established global leadership with its laminated tubes for the oral care category, your Company is now pursuing a considerably bigger growth opportunity in the non oral care category by leveraging customer insight, polymer and decoration technology, global presence and state of art equipment capability to offer a superior packaging solution in the form of its new generation laminated tubes in place of the plastic/aluminum tubes and bottles. It is thus not just the sheer size and growth in the FMCG sector that is powering your Company's growth potential, but also the larger trend of the packaging format migrating from plastic/aluminum tubes and bottles to the new generation laminated tubes, that your Company has heralded. The FMCG sector is looking for tubes which can resonate the product functionality in their own look and feel, which can provide barrier for long term efficacy and freshness, provide speed to market, and help the cause of reducing carbon footprint; in short a dependable ambassador for their product, a medium to connect with Consumer right from the retail shelf. And your Company is positioned right there with its products.

In the case of pharmaceuticals, use of aluminum tubes for packaging is going out of favour for reasons of concerns on product safety. High barrier, safe laminated tubes with features such as tamper evidence, anti-counterfeit and innovative dispensing, now offered by your Company is finding wide acceptance as a superior packaging format.

Categories such as Foods and Home care, for a range of products such as condensed milk, Wasabi sauce, Cheese spread, glue / adhesives etc., are now seeing tubes as an attractive packaging format and a value enhancer as compared to bottles etc.

OPERATIONAL PERFORMANCE REVIEW

During FY 16, your Company's consolidated revenue was ₹ 21.8 bio. The operating margin expanded by 220 bps to 13.6%

and the Operating profit grew by 12.3% to ₹ 3 bio. Key factors contributing to this are:

- A strong performance by Europe with an underlying sales growth of 24.8%.
- Strong value growth in the Americas , led by US laminated tube and the Colombian operations.
- A robust 24.3% growth in the non oral care sales in the EAP.
- Expansion of sales to non-oral care category, which accounted for 41.8% of sales during the year.
- Improvement in asset productivity and sharply lower finance cost driven by strong cash flows.
- Strong customer engagement leading to new business with existing and new customers.

The operating performance has been analysed by business segments below.

SEGMENT PERFORMANCE REVIEW

Your Company's business is in plastic packaging materials. The business is managed by four geographical segments viz.

1. Americas (with operations in the USA, Mexico and Colombia)
2. Europe (with operations in the UK, Germany, Poland and Russia)
3. AMESA - Africa, Middle East & South Asia (with operations in Egypt and India)
4. EAP - East Asia Pacific (with operations in China, Philippines & Indonesia)

Segment Financial Highlights

The table below sets out the segment financial highlights for the year:

(₹ in million)

Particulars	FY ended March 31, 2016	FY ended March 31, 2015	Growth
Revenue:			
Americas	4719	4782	-1.3%
Europe	4046	3585	12.9%
AMESA	8842	10974	-19.4%
AMESA excl divested business	*8342*	*8459*	*-1.4%*
EAP	5459	5338	2.3%

(₹ in million)

Particulars	FY ended March 31, 2016	FY ended March 31, 2015	Growth
PBIT:			
Americas	594	486	22.2%
Europe	228	186	22.6%
AMESA	1337	1333	0.3%
AMESA excl divested business	*1319*	*1212*	*9%*
EAP	867	688	26.1%

Developments in each of the regions are set out below:

AMERICAS

Your Company has a strong market presence in both North and South America. Laminated tubes constitute the main stay in all these markets. It has manufacturing presence in USA, Mexico and Colombia through wholly owned subsidiaries. During the year, the region as a whole grew the top-line on underlying basis after adjusting for sale price deflation on account of pass through of the raw material price reduction, and sharp devaluation in the Latin American currencies. Operating profit grew strongly helped by a 240 bps margin expansion.

The laminated tube unit in the USA continued to actively market your Company's new generation laminated tubes to non oral care customers leveraging the new capability established during the previous year. Consequently the non oral-care share of its revenue improved by 212 bps over the previous year. The improved sales mix together with higher operating efficiency has helped the Unit .

With the capability on ground for cosmetic tubes using laminated technology, the operations of extruded plastic tube unit in USA were phased out through 2015 as part of strategy to drive growth in non-oral care through the new generation laminated tubes. Some of the existing plastic tube customers were migrated to the laminated tube solution and some are in the process. The equipments were re-deployed in Europe to meet the growth opportunity there. This to an extent impacted the revenue growth for the year.

The Mexico unit continued to be impacted by off-take issues at a key customer. Sharp currency devaluation during the first half year further impacted the pharma. During the year, the Unit has been ramping up the new non oral care contract for a prestigious MNC brand. This together with pro-active cost and efficiency management has helped the Unit to make the operations profitable in the second half. Overall, the Unit reduced its losses by 14% compared to previous year. Scaling up is the way forward and efforts are on to develop new customers and to expand volume share with existing customers.

The Colombian subsidiary sales grew strongly by 29% on underlying basis, helped by additional line commissioned during the year. The market in Colombia and the surrounding Andean region continues to be promising and is mainly in the high value non-oral care category. With a view to seizing the export market opportunity, further capacity expansion in the form of a new unit is under way. The unit grew its profit in double digit on underlying basis, although the sharp devaluation in currency has adversely impacted the reported profit figures.

EUROPE

Your Company offers both laminated tubes and plastic extruded tubes in Europe. It has manufacturing presence in Poland and Russia through wholly owned subsidiaries and in Germany through a Joint venture. The Region as a whole delivered a high underlying growth in sales of close to 25% (after adjusting for Euro depreciation) and similar growth in EBIT.

The Polish unit continued to grow strongly, with both the laminated and extruded plastic tubes posting high double digit growth in sales. Investment was made during the year to augment capability for non-oral-care both in the laminated and the plastic tube format, the later was done through re-deployment of existing assets from the Americas. Strong customer engagement is opening further avenues for growth in both the oral and the non oral care categories. Strong operational performance has driven a robust growth in the profit. The unit now is flagship of your Company's Europe operations.

The Russian operation is still relatively small. From a foreign exchange crisis impacted previous year, the Unit has bounced back with strong double digit growth in Sales and operating profit. Pro-active pricing, active management of customer portfolio and operational efficiencies have further helped the unit to break even from a situation of loss during the previous year.

Operational issues continue to hold back the German joint venture unit from delivering to its potential in terms of sales and profits. The recent investments not having been ramped up have caused the profit to decline during the year. Your Company is extending help to the extent possible in terms of new customer wins and guidance on equipment productivity.

AMESA (Africa, Middle East & South Asia)

During the year, the Company divested PIPL, the Indian subsidiary engaged in flexible laminate based products. Hence, the performance numbers exclusive of divested business have been provided in the table in order to make the comparison between years meaningful. During the year, the region as a whole grew the top-line on underlying basis after adjusting for sale price deflation on account of pass through of the raw material price reduction, and the operating profit, albeit in single digit.

As explained in the Director's report, growth in the India tubing operation was adversely impacted by a sluggish economy, mainly in the non oral care category with reduced number of activities in the Beauty and Cosmetics, and export market related issues faced by Pharma. The unit has intensified new customer development, and is hopeful to see the demand pick up as the macro-economic conditions see a turnaround helped by government initiatives and good monsoons. The COCO model initiated couple of years ago is performing well and growing strongly.

Your Company's unit in Egypt has seen a good growth in the non oral care category leveraging the new capability set up there. However, off-take issues at a key oral care customer have muted the topline growth to single digit. This together with the expiry of tax holiday has depressed the profit compared to the previous year.

AMESA will remain a key region where diverse opportunities will continue to be thrown up by the economic growth, and as a first mover your Company is fully geared to invest and benefit from it.

EAP (East Asia Pacific)

Strong customer partnering and high quality servicing have helped the region to gain a high market share and build a large business in the Oral care category. But since last three years, this category especially has declined due to off-take issues at the key customers, although the Region has not lost the wallet share. The deflation in sale price as a result of pass through of raw material price reduction further impacted the reported sales growth. However, the continued momentum in the growth of the non oral care category as well as the forays into niche oral care brands have helped the Region to post a modest single digit growth in sales. The non oral care share in revenue during the year increased by 500 bps to 27.1%, driven by a 24.3% of growth in sales over the previous year. Consequently the operating margin and the net profit improved strongly compared to the previous year. The new manufacturing unit set up in the East of China is steadily ramping up, and a number of prestigious cosmetic and niche toothpaste brands are actively engaged with the unit for potential sourcing.

The Philippine unit continued to contribute to your Company's profits, with a large part of sales and profits arising from non-oral care category where the Unit has a long term contract.

The Indonesian unit is an Associate of your Company.

The region has a track record of operational excellence and a strong balance sheet. With the non oral care strategy gaining traction, the region should be back to growth path.

CONSOLIDATED FINANCIAL PERFORMANCE OVERVIEW

(₹ in million)

Particulars	FY ended March 31, 2016	FY ended March 31, 2015	Increase/ (Decrease) %
Net Sales/Income from operations	21847	23230	-6%
Net Sales/ Income from operations excluding divested business	*21346*	*20715*	*3%*
Profit from Operations before Other Income, Interest and Exceptional items	2969	2645	12.3%
Finance Cost	(623)	(794)	-21.4%
Profit before tax and exceptional item	2516	2006	25.4%
Net Profit for the year	1821	1406	29.5%
EPS - Basic and Diluted	11.59	8.95	29.5%

As mentioned earlier, the reported sales growth is adversely impacted by the sale price deflation on account of pass through of raw material price reduction and sharp depreciation in euro and Latin American currencies compared to last year. Helped by stable raw material prices during the year, improved efficiencies and reduced finance costs, the net profit has grown by 29.5%

CREATIVITY AND INNOVATION (C&I)

The Research and Development (R&D) function (a.k.a. Creativity and Innovation within the Company) has been one of the key drivers of your Company's growth as a leading global player. Your Company's C&I function has successfully amalgamated the evolving needs in the market place with its deep knowledge of the science and engineering to create tubes with special features, aesthetics and functionality. Your Company works to develop new packaging solutions for reputed brands, and partner the customers in rolling out globally. The C&I function continues to work on environment-friendly tubes, and new structures with customize barrier properties. A cross section of the latest innovated products of your Company are presented in the features section of the Annual Report. A structured C&I process ensures that the innovation pipe-line of the Company at all times is full and contributes to in good amount to the sales and profitability of your Company. The recognition by the Department of Scientific and Industrial Research of the Company's R&D facilities in India is a key milestone achievement.

Your Company continues to protect the enormous intellectual property which its C&I function is creating. In this regard, your Company has filed till date as many as 130 patent applications in the different geographies in respect of the various inventions through its R&D activities, and has already been granted quite a few.

Your Company's research and development efforts continue to win accolades in several forums and among customers across the globe.

FINANCE

Capital productivity continued to be the driving mantra, with new capex levels carefully managed across the operations so as to generate positive free cash flow. This together with the strategic divestment of the India flexible packaging business has paved way for a strong balance sheet and high financial flexibility. The resultant saving in the Finance cost has been substantial at ₹ 170 mio or 21.4% lower compared to the previous year. Prudent exchange risk management contained the exchange losses at ₹ 61 mio in a period of high currency volatility, large part of it being the premium paid on forward exchange contracts. Consequently, the consolidated net debt as at end of FY16 was ₹ 6441 mio and the standalone net debt ₹ 194 mio. With debt equity ratio less than one and high DSCR your Company's term debt is rated in the AA bracket. The ROCE and ROE improved to 20.7% and 18.5% respectively.

HUMAN CAPITAL

Your company strongly believes that 'our people are our greatest assets', they give your company its unique competitive edge. As a global organization, your company comprises of a diverse mix of people from different educational, cultural and geographic backgrounds who bring their unique inherent strengths to the organization.

Your company recognizes and nurtures their strengths through a structured Talent Management process focussed on capability building through customised Classroom Trainings, E Learning, Executive Coaching and Cross functional/cross geographical action learning projects. The process also ensures continuous talent availability, through Job rotations, Job enlargements, Cadre building programs, leveraging talent in various geographies for global roles. Case in point is the Global Quality and Processes lead based out of the Company's US unit.

Your company is committed to continuously engaging its employees as key drivers for shareholder value creation. Customised Unit level and Manager level Employee engagement action plans have enabled your company to take positive steps in this journey. These actions helped the company to significantly improve the global Employee Engagement score from 61% of 66%, higher than the global average for the manufacturing sector with 14 out of 23 participating units scoring 65% and above, which is in the High Performance range and in the zone of best employers across the industry.

The year saw events specially designed to encourage employee participation in projects like "All Ideas Matter" to encourage widespread participation in generating and implementing improvement ideas on costs, efficiency, productivity, safety and work place areas. Employee morale was fostered through encouraging "appreciation sharing". Employee Communication through Town halls, Leadership interactions and messages, focused Goal Setting, newsletters and interesting competitions continued to ensure consistent alignment with Company's Vision and Mission. In particular, Mission 20-20-20 was widely cascaded. The alignment to this Mission is now total and this has been one of the key drivers of this year's strong performance.

INFORMATION TECHNOLOGY (IT)

Your company strongly believes in the power of IT and it continues to invest in best of breed infrastructure equipment and applications which enables seamless connectivity across sites and thereby enabling effective and efficient collaboration across all of its global manufacturing sites. Keeping in pace with next wave of IT i.e. Social, Mobile, Analytics and Cloud (SMAC) technologies, which are redefining the IT landscape, your company has implemented various mobile based solutions like SAP Fiori, Dashboards & Analytics which allows users to do transactions and consume the information anytime & anywhere thereby reducing business cycle times. Currently under implementation is another cloud based solution Success Factors for Human Resource Management, which will enable the monitoring of complete life cycle of an employee from Hire to Retire much more efficiently. A Steering Committee comprising of the Corporate Leadership Team supervises the IT initiatives and IT effectiveness through regular monthly reviews.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

Your Company has in place internal control systems and a structured internal audit process charged with the task of safeguarding the assets of your Company and ensuring reliability and accuracy of the accounting and other operational data. The internal audit department reports to the Audit Committee of the Board of Directors.

Your Company has a system of monthly review of business as a key operational control wherein the performance of units is reviewed against budgets and corrective action is initiated.

Your Company has in place a capital expenditure control system for authorizing spend on new assets and projects. Accountability is established for implementing the projects on time and within approved budget. This is overseen by the Investment Committee of the Corporate Leadership team.

The Audit Committee, the Statutory Auditors and the top management are regularly apprised of the internal audit findings, and regular updates provided at the Audit committee meetings of the Action taken on the internal audit reports. The Audit Committee of the Board consisting of non- executive independent Directors reviews the quarterly, half yearly and the annual financial statements of your Company. A detailed note on the functioning of the Audit Committee and of the other Committees of the Board forms part of the section on corporate governance in the Annual Report.

During the year, your Company carried out a detailed review of internal financial controls in the India unit using independent experts. The findings were satisfactory and suggestions for improvement have been taken up for implementation.. Policy guidelines and SOPs continued to be updated where required to keep pace with business needs.

RISK MANAGEMENT

The Board of Directors and the Audit Committee of the Board review the business risks to which your Company is exposed and the mitigation plans. The senior management team led by Vice Chairman & Managing Director is responsible to manage risks pro-actively with appropriate mitigation measures and implementation thereof.

Key risks to which your Company is exposed include:

a) **Escalation in raw material prices and impact for long term contracts**

- Your Company has raw material cost escalation pass through clauses in its customer contracts which enables the prices to be revised periodically to reflect the variation in the material costs.
- Where possible, your Company continues to identify and establish alternate sources and equivalent materials in order to effectively manage the material costs as well as supply continuity.

b) **Single Product dependency**

- Being an essential consumer product and an item of daily use, tooth paste as a category still dominates your Company's product range albeit to a much lesser extent than before. However, it also tends to have a stable demand in an adverse economic environment. Your Company's engagement with all global majors in this category further fortifies its position.
- All the same, your Company is rapidly developing products / customers in the cosmetics, food and pharma categories with a view to maximizing value and tapping the benefits of a diversified portfolio. The share of non-oral care in your Company's consolidated revenue today is 41.8% up from 41.1% in FY15. In India, this share of non oral care revenue is even higher at 49.2%.
- Laminated Tubes as a packaging form is being increasingly sought after by FMCG brands, and stands to benefit from replacement of plastic and aluminum tubes and bottles in the course of time.
- Scale, technology, integrated manufacturing process, innovation capability, operational efficiencies are other factors which further strengthen your Company's competitiveness in the tubes space, as well as the ability to work as global partners for large multi-national customers.

c) **Attracting and retaining talent**

As with any other business, high demand for talent globally impacts employee turnover.

- Your Company addresses this to the best possible extent by being an empowering organization with professional management culture and maintaining a lean structure. Contemporary HR practices such as career planning, competitive remuneration, performance management system, performance linked variable pay, performance incentives, stock options, skills and competency training linked to Individual Development Plan are now well established in the business globally. Top talent is given the opportunity to move across functions and geographies. Employee engagement survey is carried out annually and the findings are used to further improve the work place and employee satisfaction.

d) **Currency volatility**

The global nature of operations exposes the Company to multiple currencies; fluctuations in exchange rates could affect your Company's performance.

- Appropriate pass through clauses have been built into long term customer contracts in order to offset the impact on material cost due to exchange rate fluctuations. Prices get reviewed and revised in the event of significant currency movements. Your Company also has the policy of systematically hedging its trade and capital exposures using forward contracts. Wherever possible transactional currencies are aligned to the reporting currency in order to obviate exchange fluctuation impact.

e) **Economic downturn**

This could impact your Company's markets, suppliers, customers and finances leading to business slow down, disruptions etc.

- Your Company's products are linked to daily necessities of the consumers and their demand is not much impacted by the downturn.

- Your Company pro-actively monitors the emerging trends in consumption and offers relevant solutions to its customers so as to stay ahead of the curve.
- Your Company also is focused on containing costs and improving efficiencies as a means to stay competitive.
- Proactive supplier and customer engagement is another way your Company seeks to minimize risk to business continuity.

f) Competition

This could put pressure on volume growth and pricing.

- Your Company focuses on superior quality, shorter lead time and high service level to keep the customer satisfaction high. Besides, its ability to be a one-stop shop for all customer needs, ability to support the customer across the globe and focus on efficiency and cost management help to sustain its position as a world-class provider of packaging solution.

g) Wage increases in the developing markets

This could impact costs and margins.

- Your Company is pro-actively using automation and asset productivity improvement as a means to contain the headcount and manage the employee costs.

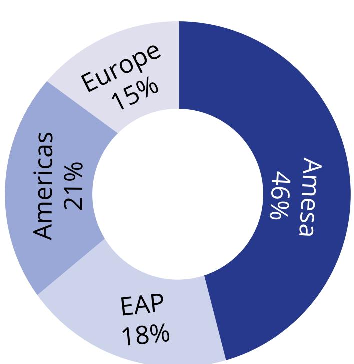
OUTLOOK

The performance in the recent years of your Company's business has been very encouraging. The strategy for growth is clear. The non-oral care category globally offers immense potential for your Company to sustain a profitable growth for next few years, and the track record of last few years gives us confidence. Your Company has been fast re-shaping its processes and aligning its people to this Vision and Mission of creating long term shareholder value. Global customers are seen to consolidate their sourcing and partner with global suppliers like your Company. Even more exciting is the long term growth opportunity presented by the cosmetics, hair and personal care FMCG brands moving from other packaging forms into laminated tubes. With its large scale, global presence, innovation capability and a motivated Human capital, your Company is well set to take on the task of delighting all its stakeholders.

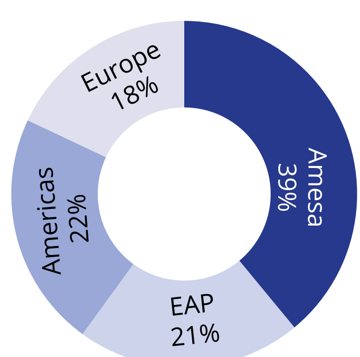
CAUTIONARY STATEMENT

Statements in this Annual report, particularly those which relate to management discussion and analysis, describing your Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may materially differ from those expressed or implied.

Revenue 2015



Revenue 2016



Corporate Governance Report

ESSEL's PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance pertains to system, by which companies are directed and controlled, keeping in mind long-term interests of stakeholders. It refers to blend of law, regulations and voluntary practices, which enable the company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting and balancing the interests of other stakeholders and the society at large.

It aims to align interest of the Company with its shareholders and other stakeholders. The incentive for companies, and those who own and manage them, to adopt global governance standards, is that these standards will help them to achieve a long-term partnership with its stakeholders and achieve its corporate objectives efficiently. The principal characteristics of corporate governance are transparency, independence, accountability, responsibility, fairness and social responsibility.

A good governance process provides transparency of corporate policies and the decision making process and also strengthens internal systems and helps in building relationship with all stakeholders. We at Essel Propack believe in being transparent and we commit ourselves to adherence of good corporate governance practices at all times as we believe that good governance generates goodwill among business partners, customers and investors and helps the Company to grow.

Corporate Ethics

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

Code of Conduct for Board Members and Senior Management

The Code of Conduct highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all directors and senior management executives. The Code impresses upon directors and senior management to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. The Code is available on the Company's website.

Company has received a declaration of compliance with the Code of Conduct from Directors and Senior Management Personnel. The declaration by the Managing Director affirming compliance of the Board of Directors and Senior Management Personnel to the Code of Conduct is appended to this Report.

Code of Conduct for Prevention of Insider Trading

The Company has adopted a 'Code of conduct to regulate, monitor and report Trading by Insiders' (the Code) pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all Directors and such Designated Persons as defined in the Code.

The detailed report on Corporate Governance for the year ended on 31 March 2016, under applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the Listing Regulations or Listing Agreements) is set out below.

1. BOARD OF DIRECTORS

1.1 Directors' profile

The Board of Directors of the Company comprises highly renowned professionals drawn from diverse fields. They bring with them wide range of skills and experience to the Board which enhance the quality of the Board's decision making process. Profile of the Directors are posted on website of the Company.

1.2 Board Procedure: With a view to follow transparency, the Board follows procedure of advance planning for the matters requiring discussion / decisions by the Board. The Board is given presentation covering finance, sales, major business segments and operations of the Company and other matters as members want. Agenda papers for the Board and committee meetings are finalized in consultation with concerned persons. The minutes of proceeding of each board meetings are maintained in terms of statutory provisions. Meetings of various committee meetings are held properly. The minutes of committee meetings are placed regularly before the Board.

The Agenda and notes to agenda for the meetings of the Board and Committees, together with relevant details, resolutions and documents are circulated in advance of the meeting. The Company follows practice to schedule dates of meetings for coming year or as possible. Meetings are largely held in attendance of Chief Operating Officer, CFO and Company Secretary and other executives are also invited wherever necessary for discussion or inputs.

1.3 Composition of the Board, category, directorship etc.

The Board of the Company consists of 6 Directors as on 31 March 2016, of which 3 are Independent Directors, 2 are Non-executive and 1 Vice Chairman and Managing Director. Independent Directors are professional with specialization in their respective fields, having varied skills and expertise and not related to promoters of the Company. The Company is in compliance of the Listing Regulations and the Companies Act 2013 (the Act). The compositions of the Board and other details as on 31 March 2016 are as below.

Name of the Director	Category	No. of Directorship in other companies[1]	Position in outside Committees[2]	
			Chairman	Member
Dr. Subhash Chandra	Chairman, Non-executive	7	0	1
Mr. Mukund Chitale	Independent Director	10	1	1
Mr. Boman Moradian	Independent Director	1	1	1
Ms. Radhika Pereira	Independent Director	5	1	3
Mr. Ashok Goel	Vice Chairman & Managing Director	13	0	2
Mr. Atul Goel	Non-executive	10	0	0

(1) Including private companies but excluding foreign companies, companies registered under section 8 of the Companies Act 2013, and alternate directorship.

(2) Represents Chairmanship / Membership of Audit Committee and Stakeholders Relationship Committees of other listed companies.

Dr. Subhash Chandra, Mr. Ashok Goel and Mr. Atul Goel are related to each other. None of the other Directors are related to any other Director on the Board.

Mr. Ashok Goel held 3,20,760 equity shares and Dr. Subhash Chandra held 89,305 equity shares in the Company. Other directors are not holding any shares in the Company.

No director of the Company held any options or instrument convertible into shares of the Company.

1.4 Board Meetings and attendance

During the year under review, Board of Directors of the Company met seven times i.e. on April 28, 2015, July 13, 2015, July 30, 2015, October 29, 2015, January 07, 2016, January 21, 2016 and February 25, 2016. The agenda papers along with notes and other supporting were circulated in advance of the Board Meeting with sufficient information.

Directors' attendance in Board Meetings held during the financial year and last Annual General Meeting are as under.

Name of Director	No. of Board Meetings held / attended	Attendance at Last Annual General Meeting
Dr. Subhash Chandra	7/3	No
Mr. Mukund Chitale	7/7	No
Mr. Boman Moradian	7/6	Yes
Ms. Radhika Pereira	7/6	No
Mr. Ashok Goel	7/7	Yes
Mr. Atul Goel	7/5	Yes
Mr. Tapan Mitra *	7/1	No

* Resigned w.e.f. 25 February 2016 because of health reason.

1.5 Familiarization Programme

The Company's policy on programmes and measures to familiarize Independent Directors about the Company, its business, updates and development includes various measures viz issue of appointment letters containing terms, duties etc, presentation and other programmes as may be appropriate from time to time. Periodic presentations are made at the Board and Committee meetings on business, performance updates of the Company, global business environment, business strategy and risk involved. The Policy and programme aims to provide insights into the Company to enable independent directors to understand the business, functionaries, business model and others matters. The Company's Policy and other details in this respect is posted in investors section on the Company's website or link, http://www.esselpropack.com

2. PERFORMANCE EVALUATION

During the year, the Board conducted a formal annual evaluation mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. The criteria to evaluate the performance of the Board, committees, independent Directors and non – independent directors were; a) Board Composition, size, mix of skill, experience, and role; b) attendance and deliberation in the meetings; c) contribution/suggestions for effective functioning, development of strategy, board process, policies and others. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

3. POLICY ON APPOINTMENT OF DIRECTOR, QUALIFICATION AND ATTRIBUTES

The Company's policy on appointment of directors provides, inter alia, for criteria of qualification, experience and skills in relation to appointment for the position of director.

4. AUDIT COMMITTEE

Audit Committee of the Board has been constituted in terms of Listing Regulations and section 177 of the Companies Act, 2013.

The Audit Committee comprises of 3 members. All members of the Audit Committee are independent directors. The Committee met six times during the year on April 28, 2015, July 30, 2015, October 29, 2015, January 07, 2016, January 21, 2016 and March 28, 2016.

The Composition of the Audit Committee and attendance are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Mukund Chitale, Chairman	Independent Director	6	6
Mr. Boman Moradian	Independent Director	6	6
Mr. Tapan Mitra *	Independent Director	6	1
Ms. Radhika Pereira @	Independent Director	1	1

* Mr Tapan Mitra was member of the Committee upto February 25, 2016.

@ Appointed as member w.e.f. February 25, 2016.

Company Secretary of the Company acts as secretary to the Committee.

Audit Committee meetings are also attended by Chief Financial Officer, COO, representatives of the Statutory Auditor and Internal Auditor and other executives as required. The Committee also invites senior executives, where it considers appropriate, to attend meetings of the Audit Committee.

Terms of Reference and role of the audit committee includes the matters specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Broad terms of reference includes: oversights of financial reporting process, review financial results and related information, approval of related party transactions, review internal financial controls and risk management, evaluate performance of statutory and internal auditors, audit process, relevant compliances, appointment and payments to statutory auditors.

5. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of the Board (NRC) has been constituted in terms of the Listing Regulations and Section 178 of the Companies Act, 2013.

The Nomination and remuneration Committee comprises of 3 members. All the members of the Nomination and remuneration committee are independent directors. During the year under review, the Nomination and remuneration Committee met three times i.e. on April 28, 2015, July 30, 2015 and October 29, 2015. The Company Secretary acts as the Secretary to the Committee.

The Composition of the NRC and the attendance are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Boman Moradian, Chairman $	Independent Director	3	3
Mr. Mukund M. Chitale	Independent Director	3	3
Mr. Tapan Mitra*	Independent Director	3	1*
Ms. Radhika Pereira**	Independent Director	N.A.	N.A.

$ Mr Boman Moradian was appointed as Chairman of the Committee w.e.f. February 25, 2016.

* Mr Tapan Mitra was member and chairman up to February 25, 2016. He could not travel to attend meetings because of health reason.

** Member w.e.f. February 25, 2016.

Terms of reference of the NRC includes the matters specified under the Companies Act, 2013 and the Listing Regulations. Broad terms of reference includes; formulation of remuneration policy, set criteria for determining qualifications, positive attributes and independence of a director, formulation of criteria for evaluation of independent directors and the Board and criteria for appointment of directors and senior management.

5.1 Remuneration of Directors

Details of remuneration, perquisites etc and sitting fees of Directors for the financial year ended on March 31, 2016 are as under.

Name of Director	Category	₹ in lakhs		
		Commission or annual remuneration	Siting fees	Total
Dr. Subhash Chandra	Chairman, Non-executive	Nil	Nil	Nil
Mr. Mukund Chitale	Independent Director	15.00	3.40	18.40
Mr. Boman Moradian	Independent Director	15.00	4.00	19.00
Ms. Radhika Pereira	Independent Director	15.00	1.40	16.40
Mr. Tapan Mitra	Independent Director	15.00	0.80	15.80
Mr. Atul Goel	Non-executive	Nil	Nil	Nil

Name of Director	Category	Remuneration components, ₹ in lakhs				
		Salary	Allowance/ perquisites	Contribution to PF	Performance bonus	Total
Mr. Ashok Goel	Vice Chairman & Managing Director	290.40	144.79	34.85	241.70	711.74

Period of appointment of Mr. Ashok Goel, Vice Chairman & Managing Director is for the period of five years w.e.f. October 21, 2013 and it can be terminated by either party giving three months' notice to other.

Remuneration to Mr. Ashok Goel, Vice Chairman & Managing Director of the Company comprises of fixed pay, perquisites and variable pay as mentioned above. Performance bonus/variable pay is based on criteria including achievement of performance standards as per Remuneration policy of the Company.

Performance bonus of the vice chairman and managing director is as may be approved by the Nomination & Remuneration Committee and based on criteria including achievement of performance standards as mutually set out from time to time and as per Remuneration policy of the Company.

Commission as mentioned above payable to Directors is provided for the financial year 2015-16 and will be paid subsequently to the approval of financial statements.

5.2 Remuneration policy

The Board on the recommendation of Nomination and Remuneration Committee approved Remuneration Policy for Directors, KMP and senior management employees.

The policy describes various aspects and guiding factors while determining the remuneration to Directors, KMP and senior managerial personnel of the Company with intent to maintain level and composition of remuneration reasonable and sufficient to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and also create competitive advantage. Broad provisions of the Remuneration Policy are summarized hereunder.

a) Nomination and Remuneration committee (NRC) has important role in monitoring the policy.

b) The Board, on the recommendation of NRC approves the remuneration payable to the Managing Director of the Company. The remuneration payable to the Managing Director shall be in accordance with the applicable provisions of the Companies Act, 2013, and the rules framed thereunder.

c) The Board, on the recommendation of the NRC approves the remuneration payable to the Key Managerial Personnel and Senior Management Personnel. The structure of remuneration payable to Key Managerial Personnel and Senior Management Personnel will be in accordance with the compensation framework adopted for employees generally by the Human Resource department of the Company.

d) The commission to the Non-Executive/ Independent Directors is paid as per the Companies Act, 2013 and the rules framed thereunder.

e) The Commission will be distributed among non-executive independent directors as per criteria mentioned in this Report.

5.3 Criteria for payment to Non-executive / Independent Directors

Independent Directors are paid sitting fee of ₹ 20,000/– for each meeting of the Board or committee thereof. The Company also reimburses expenses incurred by the Directors for attending the meetings.

The remuneration by way of commission to the Non-Executive and independent Directors is decided, keeping in view the recommendations by NRC, based on number of factors including number of meetings attended by the Director during the year, contribution to the Board and Committees and involvement in the decision making.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder relationship Committee comprises of 2 members. The Chairperson of the committee is an Independent Director. During the year under review, the Stakeholders' Relationship Committee met four times on April 28, 2015, July 30, 2015, October 29, 2015 and January 21, 2016.

The Composition of the above Committee and the attendance are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Boman Moradian, Chairman	Independent Director	4	4
Mr. Ashok Goel	Vice Chairman & Managing Director	4	4
Mr. Tapan Mitra*	Independent Director	4	1

* Mr Tapan Mitra was member up to February 25, 2016.

During the year, two investor complaints were received and all the complaints have been resolved. No investors' complaints were pending as on March 31, 2016.

Terms of Reference and role of the Stakeholders Relationship Committee includes the matters specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Broad terms of reference includes; to consider and resolve the grievances of security holders of the Company, to redress the shareholders' and investors' complaints such as those relating to transfer of shares, non-receipt of annual reports, etc.

Mr. Suresh Savaliya, Head – Legal and Company Secretary has been appointed as compliance officer pursuant to the Listing Regulations. The designated e-mail for investor service and correspondence is complianceofficer@ep.esselgroup.com

7. OTHER COMMITTEES

In addition to the above referred committees, the Board has constituted committees of Directors and executives to look into various business matters. These Committees includes corporate social responsibility committee and risk management committee. Details relating to corporate social responsibility committee are given in the Board's report.

8 GENERAL BODY MEETINGS

Detail of last three Annual General Meetings (AGM) are given here below.

Year	Date	Time	Venue
2012-13	09.07.2013	11.00 a.m.	Registered office at P.O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra – 421604, India
2013-14	09.07.2014	11.00 a.m.	
2014-15	30.06.2015	11.00 a.m.	

The following are the special resolutions passed at the last three AGM.

Date of AGM	Summary of special resolution passed
09.07.2013	Re-appointment and payment of remuneration to Mr. Ashok Goel as Vice Chairman & Managing Director w.e.f. October 21, 2013.

Resolutions passed through postal ballot

Following resolution was passed through postal ballot as provided under Section 110 of the Companies Act, 2013.

Special resolution under section 197, 198 and other applicable provisions of the Companies Act, 2013 for payment of Managerial Remuneration to Mr. Ashok Goel, Vice Chairman and Managing Director, through postal ballot notice dated October 29, 2015

a) The Board of Directors of the Company had appointed Mr. Dharmesh Zaveri of D M Zaveri & Co., Practicing Company Secretary, as the scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

b) The Company had completed the dispatch of the Postal Ballot Notice dated October 29, 2015 together with the explanatory statement on Wednesday, December 09, 2015, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on Friday, December 04, 2015.

c) The voting under the postal ballot was kept open from 9.00 a.m. on Thursday, December 10, 2015 to 5.00 p.m. on Friday, January 08, 2016 (either physically or through electronic mode).

d) All postal ballots forms received/receivable on or before of close of working hours of January 08, 2016, the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny or voting purpose.

e) On Wednesday, January 13, 2016, the results of the postal ballot as per the Scrutinizer's Report was announced and declared that the above special resolution was passed with requisite majority. 109,692,572 equity shares of ₹ 2 each/votes (99.95% of total votes polled) were in favour to the resolution and 55,936 equity shares of ₹ 2 each/votes (0.05% of total votes polled) were against the resolution.

9. DISCLOSURES

a) During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the notes to financial statements and in Board's Report. Policy on dealing with related party transactions is posted in section 'Investors>corporate governance' on the Company's website or link www.esselpropack.com

b) The Company has complied with all applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

c) The Company has a Whistle-Blower Policy for establishing a vigil mechanism to report genuine concerns regarding unethical behaviour and mismanagement, if any. No employee of the Company was denied access to the Audit Committee. Details relating to vigil mechanism are also mentioned in the Board's Report.

d) The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations and also followed non-mandatory requirements relating to separate post of Chairman and CEO or Managing Director, sending of quarterly financial results to shareholders through emails and financial statements with unmodified audit opinion / without qualification.

e) The Company is in compliance with the provisions in relation to material subsidiary wherever applicable. Policy for determining 'material' subsidiary is posted in section of 'Investors>corporate governance' in the Company's website or link www.esselpropack.com

f) There were no pecuniary relationships or transactions of non-executive directors vis-à-vis the Company during the year under review, except payment of sitting fees and remuneration.

g) Disclosure of commodity price risks and commodity hedging activities: The Company has price review mechanism to protect against material movement in price of raw materials.

10. MEANS OF COMMUNICATION

a) Newspapers: The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India viz. Economics Times, DNA and Maharashtra Times.

b) News Release and Presentation: The Company also regularly releases press release to enable the stakeholders to appreciate the important developments and updates about the Company. News releases, presentations made to media, analysts, institutional investors, etc. are displayed on the company's website www.esselpropack.com.

c) Website: The Company's website www. esselpropack. com contains a separate dedicated section "Investors" and "Press Release" where shareholders information is available. Quarterly and annual financial results, annual report are also available on the website. Press releases made by the Company from time to time are also displayed on the website.

d) Annual Report: Annual Report containing, *inter alia,* Board's report, auditors' report, audited financial statements and other important information is circulated to members and others entitled thereto. The Annual Report is also available on website of the Company. Verbatim copy of financial statements, reports etc are circulated in this Report and the same shall be deemed as signed copy.

e) **Website of the Stock Exchanges:** Disclosures and filing with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) by the Company are also hosted on website of the said stock exchanges.

f) **Disclosures:** The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

11. GENERAL SHAREHOLDERS' INFORMATION

a) **Annual General Meeting** is scheduled to be held on Friday, **17 June 2016 at 11:00 a.m**. at the Company's registered office at P.O.Vasind, Taluka Shahapur, Thane 421604.

b) **Financial Year:** The Company follows April to March as its financial year. The results for every quarter beginning from April are declared tentatively in the month following the quarter or within the time line as per Listing Regulations.

c) **Record Date:** Record date for the purpose including payment of dividend is given in Notes to Notice convening above mentioned Annual General Meeting.

d) **Dividend Payment Date:** Dividend will be paid within the stipulated period, after its declaration by the members at the AGM.

Dividend on Equity Shares when declared will be made payable after the AGM to those Shareholders whose names stand in the Company's Register of Members on relevant dates of record date/book closure. In respect of shares held in electronic form/ demat, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.

e) **Listing on Stock Exchanges:** The Company's equity shares are listed on the following Stock Exchanges.

National Stock Exchange of India Limited (NSE), Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

BSE Limited (BSE), P. J. Towers, Dalal Street, Fort, Mumbai 400001.

Stock Code/Symbol: BSE – 500135. NSE – ESSELPACK. ISIN – INE 255A01020

Debt Securities: Listed on Wholesale Debt Market (WDM) Segment of BSE.

Series A: Scrip Code: 951429, ISIN: INE255A07514. Series B: Scrip Code: 951430, ISIN: INE255A07522

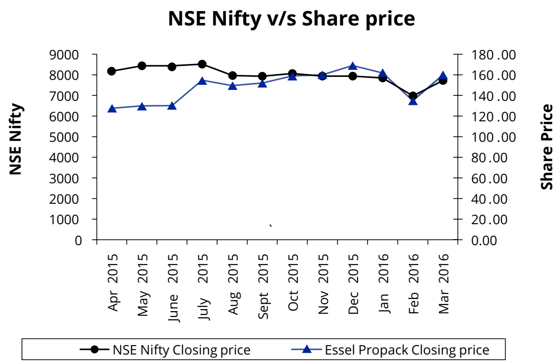
Debenture Trustees: Axis Trustee Services Limited, Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025. Tel: +91 22 43255231 debenturetrustee@axistrustee.com

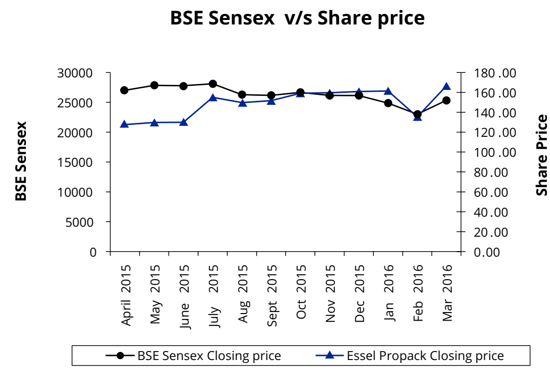
f) **Payment of Listing Fees:** the Company has paid annual listing fee for the year 2016-17 to BSE and NSE within time.

g) **Market Price Data:** The monthly high and low price of shares traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) are as follows:

Month & Year	BSE (In ₹)		NSE (In ₹)	
	High	Low	High	Low
April 2015	137.60	119.00	137.70	118.35
May 2015	144.50	123.50	145.05	121.65
June 2015	134.00	121.00	133.95	121.05
July 2015	164.70	128.00	161.25	128.65
August 2015	168.30	135.00	168.40	133.10
September 2015	161.80	145.00	164.80	141.95
October 2015	167.00	151.70	168.30	152.00
November 2015	164.50	152.50	164.80	150.25
December 2015	162.50	150.00	172.00	148.45
January 2016	170.10	132.50	170.50	132.00
February 2016	164.90	135.55	165.00	133.00
March 2016	162.10	135.30	162.00	134.60

h) Performance of the Company's stock price vis-a-vis Sensex / Index





i) Share Transfer System

Applications for transfer of shares in physical form are minimal and processed through the Company's Registrar & Transfer Agent. The Share Transfer Committee constituted for transfer / transmission of shares, issue of duplicate shares and allied matters. The transfers of shares in physical form as and when received are normally processed within 15 days from the date of receipt of documents complete in all respects.

j) Distribution of Shareholding as on March 31, 2016

No. of equity shares	No. of share holders	% of share holders	No. of Shares held*	% of share holding
1 to 500	27399	80.82	2694711	1.72
501 – 1000	2979	8.79	2367874	1.51
1001 – 5000	2865	8.45	6062139	3.86
5001 – 10000	355	1.05	2553696	1.63
10001 and above	303	0.89	143422865	91.29
Total	**33901**	**100.00**	**157101285**	**100.00**

* Including 57,120 shares forfeited yet to be canceled / reissued and kept in separate folio.

k) Dematerialization of equity shares and liquidity

As on 31 March 2016, 98.77% of the Equity Shares have been dematerialized.

Equity Shares of the Company are under compulsory demat trading by all investors. Considering the advantages of scripless / demat trading, shareholders are requested to consider dematerialization of their shares so as to avoid inconvenience in future.

l) Commodity price risk or foreign exchange risk and hedging activities.

Risks are associated with various forex exposures like translation, transaction, economic etc. the Company would have on risk on net import side. Import Exposure includes Trade Payables, Trade Buyer's Credit, Interest Payable, CAPEX Buyer's Credit etc. and export exposure includes trade receivable, royalty receivable etc.

There are various financial instruments for hedging are available to mitigate these risks like Forward Cover, Options, and Derivative etc. Based on the risks involved in the hedging instrument, the Company is normally using Forward Cover as measure for mitigating the Forex Volatility.

m) Plant Locations: The Company has plants/units at Vasind, Murbad, Wada, Chakan, Silvassa, Goa and Nalagarh.

n) Registrar & Transfer Agent and Address for Communication

Registrar & Share Transfer Agent:

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (E),
Mumbai – 400072. Maharashtra India.
Tel No. 022 4043 0200, 28470652,
Fax: 022 284 75207.

Appointment of said transfer agent is in process. View the Company's website www.esselpropack.com for further detail or update.

Registered Office:

P.O. Vasind, Taluka Shahapur,
Thane 421604,
Maharashtra,
Tel: +91 967 333 3971/9882
CIN: L74950MH1982PLC028947.

Corporate Office:
Top Floor, Times Tower,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai 400013.
Tel: +91 22 2481 9000/9200.
Fax: +91 22 24963137
complianceofficer@ep.esselgroup.com,
www.esselpropack.com

Investors Service and contact:
Mr. Surje Singh, Sr. Manager – Legal & Secretarial at corporate office as mentioned above.

In order to facilitate investor servicing, the Company has a designated email id: investor.grievance@ep.esselgroup.com for registering queries by investors.

o) Shares in suspense account

The Company during the year transferred 4 shares of 2 shareholders in the name of "Unclaimed Suspense Account". The details of unclaimed equity shares and shareholders of the Company in unclaimed suspense account as on March 31, 2016 is mentioned below.

Aggregate number of Shareholders and the outstanding shares in the suspense account as on April 01, 2015	Number of shareholders who approached Company for transfer of shares from suspense account	Number of shareholders to whom shares were transferred from suspense account	Aggregate number of shareholders and the Outstanding shares in the suspense account as on March 31, 2016
3164 unclaimed shares	2 shareholder for 4 shares	2 shareholder for 4 shares	3160 unclaimed shares

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares claims the shares or as per statutory provisions.

p) Corporate benefits

Details of corporate benefits issued by the Company are given below.

Dividend

Year	%	Year	%	Year	%
1990-91	10%	1998-99 (Final)	34%	2005 (Special)	120%
1991-92	15%	1999-00 (Special)	150%	2006 (Interim)*	100%
1992-93	20%	1999-00 (Interim)	54%	2007	60%
1993-94	27%	2000-01	54%	2008	15%
1994-95	27%	2001	55%	2009-10	20%
1995-96	32%	2002	65%	2010-11	30%
1996-97 (Interim)	15%	2003 (Interim)	70%	2011-12	32.50%
1996-97 (Final)	30%	2003 (Final)	10%	2012-13	37.50%

Year	%	Year	%	Year	%
1997-98 (Interim)	20%	2004 (Interim)	80%	2013-14	62.50%
1997-98 (Final)	32%	2004 (Final)	10%	2014-15	80.00%
1998-99 (Interim)	20%	2005 (Interim)	100%		

* The face value of equity shares was subdivided from ₹10 to ₹ 2 with effect from 15th June, 2006.

Rights Shares (Price inclusive of premium)

Year	Face Value (₹)	Ratio	Price (₹)
1990	10	1:2	10
1992	10	1:4	50
1995	10	1:3	225

Bonus shares

Year	Face Value (₹)	Ratio
1994	10	1:2
2000	10	3:5

For and on behalf of the Board
Essel Propack Limited

Sd/
Subhash Chandra
Chairman

28 April 2016. Mumbai

DECLARATION IN RESPECT OF CODE OF CONDUCT

In accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended 31 March 2016.

For Essel Propack Limited

Sd/
Ashok Goel
Vice Chairman & Managing Director

28 April 2016. Mumbai

Auditors’ Certificate on Corporate Governance

To

The Members of Essel Propack Limited

We have examined the compliance of conditions of Corporate Governance by **Essel Propack Limited** (‘the Company’) for the year ended 31 March 2016 as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

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

For **MGB & Co. LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 28 April 2016

Annexure 1 - Secretarial Audit Report

Form No. MR-3

For the Financial year ended 31st March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Essel Propack Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Essel Propack Limited** (hereinafter called **'the Company'**). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Essel Propack Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not relevant / applicable, since there is no delisting of equity shares during the year)

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not relevant / applicable, since there is no buyback of securities during the year)

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Factories Act 1948

(vii) Contract Labour (Regulation and Abolition) Act, 1970

I have also examined compliance with the applicable clauses to the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act 2013;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The management has installed IT enabled software called "Legatrix" to manage legal and regulatory compliance. The Legatrix system has been implemented by legal professional and expert service provider Legasis Services Private Limited. We have reviewed the functioning of said system implemented at all plants, registered and corporate office of the Company and the said systems inter alia checks, alters, provide reports, updates and overview compliance management of various laws including laws specifically applicable to the Company viz Factories Act 1948, the Contract Labour (Regulation and Abolition) Act, 1970.

I further report that during the period under review the:-

1. The Company has disinvested its wholly-owned subsidiary Packaging India Private Limited.

2. Board has approved scheme of amalgamation of Whitehills Advisory Services Private Limited with the Company in its meeting held on 29th October, 2015.

3. The members have approved Special resolution for payment of remuneration to Mr. Ashok Goel, Vice Chairman and Managing Director for the financial years 2014-15 & 2015-16 through Postal Ballot notice dated 29th October, 2015.

For D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 28th April, 2016

Annexure 2 – CSR Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs.	Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a CSR Committee. The Board also framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013. The said policy is placed on the website and is available on the following weblink http://www.esselpropack.com/wp-content/uploads/2015/02/Corporate-Social-Responsibility-Policy.pdf In line with CSR Policy and in accordance with Schedule VII to the Act, the Company has undertaken the following CSR projects: a) Promoting Education b) Providing Sanitation facilities c) Promoting healthcare including preventive healthcare d) Ensuring Environment Sustainability e) Rural Development The Company has undertaken the above CSR activities directly and also through registered trust or registered society and other permissible entities having an established track record of more than 3 years.
2. The Composition of the CSR Committee	Mr. Ashok Goel (Vice Chairman & Managing Director) Mr. Boman Moradian (Independent Director) Mr. Mukund Chitale (Independent Director)
3. Average net profit of the Company (India – Standalone) for preceding three financial years.	₹ 70,35,69,932
4. Prescribed CSR Expenditure spent (two percent of the amount as in item 3 above).	₹ 1,40,71,399
5. Details of CSR spent during the financial year:	
a) Total amount spent for the financial year;	₹ 62,53,467
b) Amount unspent, if any;	₹ 78,17,932
c) Manner in which the amount spent during the financial year:	Manner in which the amount is spent is detailed in the Annexure A.

ANNEXURE A TO REPORT ON CSR ACTIVITIES

(1) Sr No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs were undertaken.	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period	(8) Amount spent Direct or through imple-mentation agency
1.	Promoting education by providing benches and improving sanitation facilities by providing toilets made out of factory waste to various schools in the vicinity of the plants of the Company	Education & Healthcare	State: Maharashtra District: Thane	25,03,467	25,03,467	25,03,467	Direct
2.	Promoting healthcare by providing modern electronic artificial Limbs to the needy victims	Healthcare	All across India	3,00,000	3,00,000	3,00,000	Implementing Agency - Yuvak Pratishthan
3.	Improve public policy issues such as education, rural development, e-governance, urban governance, developmental studies, etc.	Education & Rural Development	States: Andhra Pradesh Madhya Pradesh Karnataka Maharashtra Delhi	5,00,000	5,00,000	5,00,000	Implementing Agency - Vision India Foundation
4.	Conservation of environment by adopting sustainable energy practices & educate students about issues like carbon foot print, greenhouse gases, etc.	Education & Environment Sustainability	State: Maharashtra District: Thane	3,00,000	3,00,000	3,00,000	Implementing Agency - Keshav Srushti
5.	Promoting Healthcare by reducing the incidence of blindness through promotion of better healthcare, prevention and treatment of eye conditions and provision of eye care services.	Healthcare	State: Andhra Pradesh District: Vizianagaram	6,00,000	6,00,000	6,00,000	Implementing agency – Sankar Foundation Eye Hospital
6.	Promoting preventive Healthcare by providing capital equipment.	Healthcare	State: Maharashtra	7,00,000	7,00,000	7,00,000	Implementing agency – Rotary Club of Bombay
7.	Promoting education and Rural Development	Education & Rural Development	State: West Bengal District: South 24 Parganas	2,50,000	2,50,000	2,50,000	Implementing Agency – PADAKSHEP
8.	Promoting & providing education to children who are mentally challenged	Education	State: Maharashtra District: Thane	11,00,000	11,00,000	11,00,000	Implementing Agency – The Indian Council for Mental Health
	Total			62,53,467	62,53,467	62,53,467	

The Company has already spent sizable amount towards various CSR activities during the year. The Company has significantly increased the CSR spent during the year as compared to the last year. The Company is evaluating more CSR programmes, activities and initiatives for further CSR spending. The Company is also in dialogue with some CSR agencies and NGOs for implementing of the Company's CSR policy over a period of time.

Yuvak Pratishthan is a reputed NGO which has undertaken an initiative of providing Artificial Limbs to the Disables.

Vision India Foundation is a non-profit organization started by the alumini and faculty members of various IITs. They work on public policy issues such as education, rural development, e-governance, urban governance, etc.

Keshav Srushti is vibrant & path-defining having mission to adopt alternative energy practices, work on alternative energy education, encourage people to take up green careers, etc.

Sankar Foundation Eye Hospital is a Public Registered Charitable Trust established in the year 1997 by Late Sri Sankar Rao, a businessman turned into a philanthropist, along with Shri DV Subba Rao, former Chairman Bar Council of India and Shri K. Parvathi, an eminent Chartered Accountant and Chairman World Teacher's Trust. Sankar Foundation Eye Hospital aims to reduce the incidence of available blindness through promotion of better eye health, prevention and treatment of eye conditions and provision of eye care services.

The Rotary Club of Bombay (RCB) is India's premier club, which has been in the forefront of civic and community service activities for over 80 years. RCB currently is providing Primary healthcare, dental services and gynecological services to women and children.

PADAKSHEP is a non-profit organization and its primary focus is to provide education and upliftment of the rural areas in the two islands of Sunderbans. They have also decided to lend stronger support to Vocational Training.

The Indian Council for Mental Health (ICMH) is a registered trust striving to achieve professional excellence in all its activities. Their focus is to provide care and education to children with developmental disabilities through their special schools. ICMH ensures that all teaching staff and therapists are adequately qualified and possess special skills to take adequate care of the children.

CSR Committee states that the CSR activities being undertaken / proposed will be implemented and monitored as per CSR Policy and is in compliance with CSR objectives and policy of the Company.

Sd/-
Boman Moradian
Independent Director
Member – CSR Committee

Sd/-
Ashok Goel
Vice-Chairman & Managing Director
Chairman – CSR Committee

28 April 2016. Mumbai

Annexure 3(a)

Particulars of Employees as per Section 197(12) of the Companies Act, 2013 read with the Rules relating thereto for the year ended on 31st March, 2016.

Employed throughout the year and were in receipt of remuneration in the aggregate of not less than ₹ 60 Lacs per annum.

Sr. No.	Name	Designation/Nature of Duties	Qualification	Age	Date of Joining	Remuneration Received (Rs.)	Experience (in years)	Particulars of last employment held-Organisation & Designation
1.	Ashok Goel	V.C.& M.D.	B. Com.	54	1/7/1988	6,76,89,200	34	-
2.	M R Ramasamy	Chief Operating Officer	BE, Executive MBA	58	9/3/1985	1,66,70,493	34	Venlon Polyster Ltd., Project Engineer
3.	A V Ganapathy	Chief Financial Officer	ACA, ACS & AICWA	57	11/6/2007	1,47,76,650	33	Unilever Srilanka Ltd., Commercial Director
4.	M K Banerjee	Director-Creativity & Innovation	BE Electrical	60	6/6/1985	1,09,00,706	36	Guardian Plasticote Ltd., Maintenance Officer - Project Executive
5.	Dileep Joshi	Director - Human Capital	Post-Graduation in Management (HR)	51	12/10/2009	1,02,75,052	27	Essar Shipping Ports & Logistics Ltd., Head HR - ESPL Business Group
6.	Roy Joseph	Regional Vice President-AMESA Region	Masters in Management, BE	47	2/11/2011	86,01,820	28	Avery Dennison India Ltd; Country General Manager India
7.	Prakash Dharmani	Chief Information Officer	BE (Chemical), Executive MBA	45	24/09/2012	72,64,368	24	Essar Power Ltd., VP CIO

None of the employees were employed for part of year and were in receipt of remuneration in the aggregate of not less than ₹ 5,00,000 p.m.

Notes:

1. Remuneration consists of salary, variable pay, allowances and perquisites as computed under the Income Tax Act, 1961.
2. All appointments are terminable by notice on either side and are governed as per the terms of respective appointment and/or rules/policies of the Company.
3. Except for Mr. Ashok Goel, none of the employees mentioned above is related to any Director of the Company.

For and on behalf of the Board
Essel Propack Limited

Sd/-
Subhash Chandra
Chairman

28 April 2016. Mumbai

Annexure 3(b)

The information on remuneration and other matters as required by sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in table below:

Sr. No.	Name of Director/KMP and Designation	% increase in remuneration in the Financial Year 2015-16 (Sr. no.1)	Ratio of remuneration of each Director to median remuneration of employees (Sr. no. 2)	Comparison of the remuneration of the KMP against the performance of the Company (i.e. Profit Before Tax) (Sr. no. 3)
1.	Dr Subhash Chandra- Chairman	Nil	Nil	-
2.	Mr Ashok Goel - Vice Chairman & Managing Director	11.7%	291.58	4.83%
3.	Mr Atul Goel - Director	Nil	Nil	-
4.	Mr Tapan Mitra - Independent Director	25%	6.15	-
5.	Mr Mukund Chitale - Independent Director	25%	6.15	-
6.	Mr Boman Moradian - Independent Director	25%	6.15	-
7.	Ms Radhika Pereira - Independent Director #	71.53%	6.15	-
8.	Mr A V Ganapathy - Chief Financial Officer	17.3%	N.A.	1.05%
9.	Mr Suresh Savaliya - Head-Legal & Company Secretary*	-	N.A.	0.11%

Appointed w.e.f. 9 July 2014 and accordingly Remuneration for FY 2014-15 was paid proportionately.

*Head – Legal & Company Secretary has been appointed w.e.f. 30.09.2015 and accordingly above details are for part of the year.

Sr. no.	Requirements	Disclosure
1.	The Percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year remained same as previous year. The average increase for employees eligible for increment was around 10%.
2.	The Number of permanent employees on the rolls of the Company	1093 employees as of March 31, 2016.
3.	The explanation on the relationship between average increase in remuneration and the Company Performance	The average increase in remuneration is largely dependent on market movements with the view to achieve higher retention of our employees. However, a part of the increase is apportioned to the variable pay component of the salary. 30% of this variable pay component is based on company performance. Factors considered for arriving at Company performance include achievement of Sales growth, PAT, EBITDA margin and Free cash flow targets. The actual achievement score on these factors becomes the basis to determine 30% of employee's Variable Pay which is a part of employee salary.
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	There was no exceptional circumstance for increase for managerial personnel in the last financial year. The average percentile increase and policy was same for managerial personnel and all the other employees.

Sr. no.	Requirements	Disclosure	
5.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Key Managerial Personnel were paid remuneration of approximately 6.00% of the Profit before tax of the Company.	
6.	The key parameters for any variable component of remuneration availed by the directors	Variable component of remuneration is applicable only in case of the Managing Director. The parameters are same as for other employees, viz. achievement of Company performance targets (refer sr. no. 3) & delivery against individual KRA goals agreed with the Nomination and Remuneration Committee.	
7.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	No employee received remuneration in excess of the highest-paid director.	
8.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, the remuneration is as per the remuneration policy of the Company.	
9.		**31.03.2016**	**31.03.2015**
	Variation in Market Capitalisation	₹ 2507 crores	₹ 1958 crores
	Variation in Price Earnings Ratio	21.66	34.64
	Variation in Percentage Increase/decrease of market quotations of the shares of the Company in comparison to the rate at which the Company came out with last Public offer.	254.77%	177.11%
	Variation in Net worth of the Company as per Balance Sheet.	₹ 553.88 crores	₹ 479.85 crores

For and on behalf of the Board
Essel Propack Limited

Sd/-
Subhash Chandra
Chairman

28 April 2016. Mumbai

Annexure 4

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

The Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 is given here below and forms part of the Directors' Report.

A. CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy:

Your Company is committed to reduce energy consumption at its various plants. Besides sustaining past initiatives, new measures were implemented during the year. Gist of initiatives taken in this regard is as under:

- Installed energy efficient blown film line at Vasind.
- Installed water cooled chiller for effective & optimized cost of cooling at Vasind.
- Heater jackets are provided at HSL & UHSL lines at Nalagarh.
- Installation and conversion of energy saving LED lights in new work area like printing, tubing, QC, street lights, storage area & shop floor lightings. Use of natural light by transparent sheets on roof.
- Added Capacitor Banks to maintain power factor above 0.99 at Goa, Nalagarh and Murbad.
- Optimized power rating of chiller motor for efficient use at Nalagarh.
- Improve the power reliability through dedicated feeder at Vasind, and improve the reliability of Industrial feeder at Silvassa.
- Modified PID logic for improved performance at ETS machine at Wada.
- Installation of Variable Frequency Drive (VFD) system for the air compressor for reduced energy consumption at Nalagarh and Vasind.
- Optimization of Air pressure of compressed air line for energy saving.
- STP water is used for gardening at Vasind, Wada and Nalagarh.

(b) The steps taken by the company for utilizing alternate sources of energy:

- Due to feeder line reliability, less energy utilised using Generator which led to less consumption of diesel.

(c) The capital investment on energy conservation equipment:

- Installation of water cooled chillers; investment of approx INR 1.2 Cr.
- Installation of VFD system for the air compressor to reduce energy consumption – INR 5 lakhs.
- Investment of INR 15 Lacs for other improvements like, Heater jackets, LED lights, air compressor optimization, machine programing logic improvement.

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

a) New generation Multilayer Blown film with 800kg/hour output and fully computer controlled thickness and job changeover features was inducted into Company's manufacturing.

b) Second generation multitasking combination Printing Press have been inducted into Company's manufacturing system. This new generation press is capable of doing Cold and Hot foil blocking in registration with flexo and screen printed panel with greater accuracy and consistency.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

a) New generation Blown film along with new generation extrusion Laminator (inducted last year) enabled your Company to produce state of art laminates which enables your Company to satisfy customers globally with new products.

b) Green Maple Leaf™ tube with 100% recyclability and designated with code-2 (HDPE) has been through multi customer product compatibility study and is in final stage of commercialization globally.

c) 'evelvet', color PBL laminate with 400 and 350 mic web thickness has been commercialized locally as well as globally.

d) New generation, custom designed Tube for 'ammonia and peroxide' based product formulation has been developed and has gone through stringent product stability study. This project will find customer globally and will offer a great export potential for your Company.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Nil

(iv) Details of expenditure on Research and Development during the year under review is as under:

(₹ In milion)

a)	Capital	12.50
b)	Recurring	50.92
	Total expenditure	63.42
	Total expenditure as a % of total turnover	0.83%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In million)

Particular	Year 2015-16	Year 2014-15
Foreign Exchange earned	908.30	942.17
Foreign Exchange used / outgo	2699.51	3700.95

For and on behalf of the Board
Essel Propack Limited

Sd/-
Subhash Chandra
Chairman

28 April 2016. Mumbai

Annexure 5

Form No. MGT 9 - Extract of Annual Return

As on financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014]

I. REGISTRATION AND OTHER DETAILS

1.	CIN	L74950MH1982PLC028947
2.	Registration Date	December 22,1982
3.	Name of the Company	Essel Propack Limited
4.	Category of the Company/ Sub-Category of the Company	Company limited by shares Indian Non-Government Company
5.	Address of the Registered office and contact details	P.O.Vasind, Taluka Shahapur, District – Thane, Maharashtra – 421604, India. Tel: +91 9673333971
6.	Whether listed Company	Yes, Listed on BSE Limited & National Stock Exchange of India Limited.
7.	Name, address and contact details of Registrar and Transfer Agent	Bigshare Services Private Limited E2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai- 400072. Maharashtra, India. Tel No. 022 4043 0200, 28470652, Fax: 022 28475207.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% total turnover of the company
1	Sale of collapsible Laminated/Plastic tubes	3131, 22201	86.7%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
HOLDING COMPANY					
1.	Whitehills Advisory Services Private Limited New Prakash Cinema, N.M. Joshi Marg, Lower Parel, Mumbai – 400011, India	U74120MH2013PTC241290	Holding company	56.60	2(46)
DIRECT SUBSIDIARIES					
1.	Lamitube Technologies Limited, Mauritius 02nd Floor, Hennessy Tower, Suite 205, Pope Hennessy Street, Republic of Mauritius	Foreign Company	Wholly owned Subsidiary	100	2(87)
2.	Lamitube Technologies (Cyprus) Limited, Cyprus Totalserve House, 17, Gr., Xenopoulou Street, 3106, Limassol, Cyprus	Foreign Company	Wholly owned Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
3.	Arista Tubes Inc.*, USA 187 Cane Creek Blvd, Danville, VA – 24540	Foreign Company	Wholly owned Subsidiary	100	2(87)
STEP DOWN SUBSIDIARIES					
1.	Essel Propack America LLC, USA, 187 Cane Creek Blvd, Danville, VA – 24540.	Foreign Company	Subsidiary	100	2(87)
2.	The Egyptian Indian Company for Modern Packaging, S.A.E., Egypt, 10th of Ramadan City, Industrial Zone, A2, PLOT 7/2 AT 61 KMS ISMAILIA ROAD, Egypt	Foreign Company	Subsidiary	75	2(87)
3.	Essel Packaging (Guangzhou) Limited, China No. 9, Yongshun Avenue, M., Yonghe Zone, GETDD, Guangzhou P.R.China	Foreign Company	Subsidiary	100	2(87)
4.	Essel Propack Philippines, Inc., Philippines Building 11, Phase II, Vita Comp, 108 Marcos Alvarez Avenue, Bo. Talon 1 Las Pinas City, 1747, Philippines	Foreign Company	Subsidiary	100	2(87)
5.	Essel de Mexico, S.A. de C.V., Mexico, Carretera Tepotzotlan-LA Aurora KM.1, Ex-Hacienda San Miguel Cuautitlan Izcalli Estado De Mexico, Mexico C.P. 54715	Foreign Company	Subsidiary	100	2(87)
6.	MTL de Panama S.A., Panama Apartado 8629, Panama 5, Republique De Panama	Foreign Company	Subsidiary	100	2(87)
7.	Arista Tubes LIMITED, United Kingdom Castle Court, 41 London Road, Reigate, Surrey, RH2 9RJ	Foreign Company	Subsidiary	100	2(87)
8.	Essel Propack UK Limited Castle Court, 41 London Road, Reigate, Surrey, RH2 9RJ	Foreign Company	Subsidiary	100	2(87)
9.	Tubopack de Colombia S.A., Colombia, Calle 13A No, 100-35 of. 806, Call Planta: Parque ind El Paraiso Bod 4 Mza, B Santander De Quilichao, Colombia	Foreign Company	Subsidiary	100	2(87)
10.	Lamitube Hong Kong Trading Company Limited Unit No 1601, 16th Floor, Comweb Plaza, 12 Cheung Yue Street, Lai Chi Kok, Kowloon, Hong Kong	Foreign Company	Subsidiary	100	2(87)
11.	Essel Propack LLC, Russia Ul., Shosseinaya, 40, Malakhovka – 2, Luberetsky Raion, Moskovskaya Oblast – 140032, Russian Federation	Foreign Company	Subsidiary	100	2(87)
12.	Essel Packaging (Jiangsu) Limited, China No.9, Changsheng Road Yang round development zone, Xinzhuang village, Changshu city, Jiangsu province, China	Foreign Company	Subsidiary	100	2(87)
13.	Essel Propack MISR for Advanced Packaging (S.A.E.), Egypt, Plot No 6 & 7, Block – 12016, 1st Industrial Estate, El Obour City, Egypt	Foreign Company	Subsidiary	75	2(87)
14.	Essel Propack Polska Sp. Z.O.O., Poland ul. Mahatmy Gandhiego 1 66-300 Międzyrzecz, Poland	Foreign Company	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
15	Essel Colombia S.A.S. Via Cali-Santander de Quilichao, KM 24, Parque Industrial Parque Sur. Villa Rica, Columbia	Foreign Company	Subsidiary	100	2(87)
JV/ASSOCIATE COMPANIES					
1.	Essel Deutschland Gmbh & Co. KG, Dresden, Germany. Manfred-von-Ardenne-Ring 10, 01099 Dresden, Germany Handelsregister: Amtsgericht Dresden, HRA 5605	Foreign Company	Joint Venture	24.90	--
2.	Essel Deutschland Management GmbH, Germany Manfred-von-Ardenne-Ring 10, 01099 Dresden, Germany Handelsregister: Amtsgericht Dresden, HRA 5605.	Foreign Company	Joint Venture	24.90	--
3.	P.T Lamipak Primula, Indonesia JI, Sawunggaling No 26, Gilang, Taman, Sidoarjo, Indonesia.	Foreign Company	Associate	30	2(6)

*Balance 7.35% of Arista INC, USA is held by Lamitube Technologies (Cyprus) Limited

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	334750	-	334750	0.21	334750	-	334750	0.21	-
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	-
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	-
d) Bodies Corp.	88593243	-	88593243	56.39	88943243	0	88943243	56.62	0.23
e) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	-
f) Any Other ...	0	0	0	0.00	0	0	0	0.00	-
Trust	0	0	0	0.00	310000	0	310000	0.20	0.20
Sub-total (A) (1):-	**88927993**	**0**	**88927993**	**56.61**	**89587993**	**0**	**89587993**	**57.03**	**0.42**
(2) Foreign									
a) NRIs Individuals	0	-	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	-
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	-
d) Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	-
e) Any Other	0	0	0	0.00	0	0	0	0.00	-
Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	**88927993**	**0**	**88927993**	**56.61**	**89587993**	**0**	**89587993**	**57.03**	**0.42**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds/UTI	5179322	20770	5200092	3.31	4285205	20770	4305975	2.74	-0.57
b) Banks/ Financial Institutions	100675	2802	103477	0.07	82895	2802	85697	0.05	-0.02
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	-
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	-
e) Venture Capital Funds	0	0	0	000	0	0	0	0.00	-
f) Insurance Companies	1702679	0	1702679	1.08	1655970	0	1655970	1.05	-0.03
g) Foreign Portfolio Investors/FII	14529370	2000	14531370	9.25	17638832	2000	17640832	11.23	1.98
h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
i) Others	0	0	0	0.00	0	0	0	0.00	-
Sub-total (B)(1)	**21512046**	**25572**	**21537618**	**13.71**	**23662902**	**25572**	**23688474**	**15.07**	**1.36**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	22565730	8402	22574132	14.37	21568038	136572	21704610	13.82	-0.55
ii) Overseas	0	0	0	0.00	0	0	0	0.00	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	14551462	1661594	16213056	10.32	13730597	1486215	15216812	9.69	-0.63
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	6582456	57120	6639576	4.23	5550962	57120	5608082	3.57	-0.66
c) Others (specify)									
i) Overseas Corporate Bodies	-	940	940	0.00	-	940	940	0.00	0.00
ii) Non Resident Individuals	962309	224603	1186912	0.76	934676	222663	1157339	0.74	-0.02
iii) Trusts	21058	0	21058	0.01	21085	0	21085	0.01	0.00
iv) NBFCs Registered with RBI	0	0	0	0.00	115950	0	115950	0.07	0.07
Sub-Total (B) (2):-	**44683015**	**1952659**	**46635674**	**29.69**	**41921308**	**1903510**	**43824818**	**27.90**	**-1.79**
Total Public Shareholding (B) = (B)(1) + B(2)	**66195061**	**1978231**	**68173292**	**43.39**	**65584210**	**1929082**	**67513292**	**42.97**	**-0.42**
Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	-
***GRAND TOTAL (A)+(B)+ (C)**	**155123054**	**1978231**	**157101285**	**100.00**	**155172203**	**1929082**	**157101285**	**100.00**	**0.00**

* Includes 57,120 equity shares of face value ₹ 2/- each forfeited by the Board of Directors of the Company in its' meeting held on January 29, 2015, and are yet to be canceled / re-issued.

ii) **Shareholding of Promoters**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
PROMOTERS -INDIVIDUALS								
1	Goel Ashok Kumar	320760	0.20	0	320760	0.20	0	-
2	Kavita Goel	10990	0.01	0	10990	0.01	0	-
3	Nand Kishore	3000	0.00	0	3000	0.00	0	-
	Total	**334750**	**0.21**	**0**	**334750**	**0.21**	**0**	**-**
PROMOTERS -DOMESTIC COMPANIES								
1.	Whitehills Advisory Services Private Limited	86577843	55.11	1.27	88917843	56.60	0	1.49
2.	Ganjam Trading Company Private Limited	1990100	1.27	0	100	0.00	0	-1.27
3.	Rupee Finance And Management Private Limited	100	0.00	0	100	0.00	0	-
4.	Pan India Paryatan Private Limited	25200	0.02	0	25200	0.02	0	-
	Total	**88593243**	**56.40**	**1.27**	**88943243**	**56.62**	**0**	**0.22**
PROMOTERS – TRUSTS								
1	Ashok Kumar Goel	0	0.00	0	310000	0.20	0	0.20
	Total	**0**	**0.00**	**0**	**310000**	**0.20**	**0**	**310000**
NON RESIDENT – PROMOTER								
		0	0	0	0	0	0	0

(iii) Change in Promoters' Shareholding (please specify if there is no change)

Sr No.	Name of the Shareholder	Shareholding		Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer/bonus/ sweat equity etc.)	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. Shares at the beginning of the year (01.04.2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	Whitehills Advisory Services Pvt. Ltd.	86577843	55.11	16.10.2015	2340000	Inter se Transfer	88917843	56.60
				31.03.2016	-	-	88917843	56.60
2	Ganjam Trading Co. Pvt. Ltd.	1990100	1.27	10.04.2015	350000	Transfer	2340100	1.49
				16.10.2015	-2340000	Inter se Transfer	100	0.00
				31.03.2016	-	-	100	0.00
3	Ashok Kumar Goel (Trustee : Ashok Goel Trust)	-	-	18.03.2016	310000	Transfer	310000	0.20
				31.03.2016	-	-	310000	0.20

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs)

Sr. No.	Name of the Shareholder	Shareholding		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. Shares at the beginning of the year (01.04.2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	WARBURG VALUE FUND	5919464	3.77	17.04.2015	-278100	Transfer	5641364	3.59
				24.04.2015	-45433	Transfer	5595931	3.56
				01.05.2015	-84469	Transfer	5511462	3.51
				08.05.2015	-47821	Transfer	5463641	3.48
				15.05.2015	-155011	Transfer	5308630	3.38
				22.05.2015	-91859	Transfer	5216771	3.32
				29.05.2015	-42911	Transfer	5173860	3.29
				05.06.2015	-37510	Transfer	5136350	3.27
				19.06.2015	-176	Transfer	5136174	3.27
				26.06.2015	-74627	Transfer	5061547	3.22
				30.06.2015	-10474	Transfer	5051073	3.22
				10.07.2015	-51073	Transfer	5000000	3.18
				24.07.2015	-55600	Transfer	4944400	3.15
				31.07.2015	-117496	Transfer	4826904	3.07
				07.08.2015	-345135	Transfer	4481769	2.85
				14.08.2015	-23179	Transfer	4458590	2.84
				21.08.2015	-116421	Transfer	4342169	2.76
				28.08.2015	-5052	Transfer	4337117	2.76
				04.09.2015	-174	Transfer	4336943	2.76
				11.09.2015	-19428	Transfer	4317515	2.75
				25.09.2015	-6704	Transfer	4310811	2.74
				30.09.2015	-4386	Transfer	4306425	2.74
				09.10.2015	-121138	Transfer	4185287	2.66
				16.10.2015	-53950	Transfer	4131337	2.63
				23.10.2015	-29851	Transfer	4101486	2.61
				30.10.2015	-51881	Transfer	4049605	2.58
				06.11.2015	-49605	Transfer	4000000	2.55
				31.12.2015	-67245	Transfer	3932755	2.50
				08.01.2016	-17617	Transfer	3915138	2.49
				15.01.2016	-25707	Transfer	3889431	2.48
				29.01.2016	-24004	Transfer	3865427	2.46
				05.02.2016	-64516	Transfer	3800911	2.42
				12.02.2016	-21650	Transfer	3779261	2.41
				18.03.2016	-279261	Transfer	3500000	2.23
				31.03.2016	0		3500000	2.23
2	CLAREVILLE CAPITAL OPPORTUNITIES MASTER FUND LIMITED	4786948	3.05	31.03.2016	0		4786948	3.05
3	GAGANDEEP CREDIT CAPITAL PVT LTD	3476686	2.21	31.03.2016	0		3476686	2.21

Sr. No.	Name of the Shareholder	Shareholding		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. Shares at the beginning of the year (01.04.2015)	% of total shares of the company				No. of shares	% of total shares of the company
4	DSP BLACKROCK MICRO CAP FUND	2439660	1.55	14.08.2015	14710	Transfer	2454370	1.56
				21.08.2015	15783	Transfer	2470153	1.57
				22.01.2016	-800000	Transfer	1670153	1.06
				31.03.2016	0		1670153	1.06
5	SUDARSHAN SECURITIES PRIVATE LIMITED	2376329	1.51	10.07.2015	-2376329	Transfer	0	0.00
6	AMRIT PETROLEUMS PVT LIMITED	-	-	10.07.2015	2376329	Transfer	2376329	1.51
				31.03.2016	0		2376329	1.51
7	UTI - CHILDRENS CAREER BALANCED PLAN	2123096	1.35	17.07.2015	-54537	Transfer	2068559	1.32
				24.07.2015	-12949	Transfer	2055610	1.31
				31.07.2015	-45610	Transfer	2010000	1.28
				31.03.2016	0		2010000	1.28
8	VEENA INVESTMENT PVT LTD	1884255	1.20	31.03.2016	0		1884255	1.20
9	L N MINERALS LLP	1884255	1.20	31.03.2016	0		1884255	1.20
10	GENERAL INSURANCE CORPORATION OF INDIA	1702679	1.08	19.02.2016	-34727	Transfer	1667952	1.06
				26.02.2016	-11982	Transfer	1655970	1.05
				31.03.2016	0		1655970	1.05
11	ZEE ENTERTAINMENT ENTERPRISES LTD	1822000	1.16	31.03.2016	0		1822000	1.16

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sr No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
i)	At the beginning of the year	410065	0.26	410065	0.26
ii)	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	-	-	-	-
iii)	At the end of the year	410065	0.26	410065	0.26

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(Amount in ₹)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,319,568,386	581,391,602	-	3,900,959,988
ii) Interest due but not paid	4,302,029	-	-	4,302,029
iii) Interest accrued but not due	6,703,835	564,342	-	7,268,178
Total (i+ii+iii)	**3,330,574,250**	**581,955,944**	**-**	**3,912,530,195**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(1,870,486,350)	(71,483,564)	-	(1,941,969,914)
Net Change	(1,870,486,350)	(71,483,564)	-	(1,941,969,914)
Indebtedness at the end of the financial year				
i) Principal Amount	1,455,804,120	509,704,027	-	1,965,508,147
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,283,780	768,353	-	5,052,133
Total (i+ii+iii)	**1,460,087,900**	**510,472,380**	**-**	**1,970,560,280**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

(Amount in ₹)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total
		Mr. Ashok Goel Vice Chairman & Managing Director	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4,34,79,600	4,34,79,600
	b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	39,600	39,600
	c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as a % of profit - others (Variable Pay)	2,41,70,000	2,41,70,000
5	Others, please specify Provident fund, LTA and others	34,84,800	34,84,800
	Total	**7,11,74,000**	**7,11,74,000**
	Ceiling as per the Act: Total managerial remuneration is within the limit of 10% of the net profit of the Company as per section 198 of the Companies Act, 2013.		

B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr. Subhash Chandra	Mr. Atul Goel	*Mr. Tapan Mitra	Mr. Boman Moradian	Mr. Mukund M. Chitale	Ms. Radhika Pereira	
1.	Independent Directors							
	• Fee for attending board/ committee meetings	-	-	80,000	4,00,000	3,40,000	1,40,000	9,60,000
	• Commission	-	-	15,00,000	15,00,000	15,00,000	15,00,000	60,00,000
	• Others, please specify	-	-	-	-	-	-	
	Total (1)	**-**	**-**	**15,80,000**	**19,00,000**	**18,40,000**	**16,40,000**	**69,60,000**
	Other Non-Executive Directors							
	• Fees for attending board / committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (B) = (1+2) **Total Managerial Remuneration**	**-**	**-**	**15,80,000**	**19,00,000**	**18,40,000**	**16,40,000**	**69,60,000**
	Overall Ceiling as per the Act:	Above commission is within the limit of 1% of the net profit of the Company.						

* Resigned w.e.f. February 25, 2016.

C. Remuneration to key managerial personnel other than MD/Manager/WTD (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Head-Legal & Company Secretary*	Chief Financial Officer	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	15,36,488	1,47,37,050	1,62,73,538
	b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	39,600	39,600
	c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-
2	Stock Option	Nil	-	-
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-
5	Others (Provident fund, LTA, etc.)	1,19,102	7,25,244	8,44,346
	Total	**16,55,590**	**1,55,01,894**	**1,71,57,484**

* Head – Legal and Company Secretary has been appointed during the year and accordingly above details are for part of the year and excludes variable pay which is in process.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board
Essel Propack Limited

Sd/-
Subhash Chandra
Chairman

28 April 2016. Mumbai

Five Years' Summary of Selected Financial Data (Consolidated)

(₹ in Million)

Particulars	2012	2013	2014	2015	2016
Sales and other income	16,034.05	18,572.81	21,489.99	23,439.18	22,083.88
Profit before depreciation, amortisation, finance costs and tax	2,864.17	3,386.29	3,765.07	4,117.22	4,408.93
Depreciation and amortisation expense	1,170.03	1,261.72	1,257.61	1,317.94	1,269.80
Profit before exceptional items and tax	852.75	1,212.47	1,693.74	2,005.72	2,515.71
Profit after tax	513.58	809.57	1,078.33	1,406.32	1,820.70
Dividends	102.12	117.83	196.38	251.27	345.50
Cash Profit	1,683.61	2,071.29	2,335.94	2,724.25	3,090.50
Earnings per share - ₹ (Basic after extraordinary items) from Total operations	3.27	5.15	6.87	8.95	11.59
Dividend per share - ₹	0.65	0.75	1.25	1.60	2.20
ASSETS LESS CURRENT LIABILITIES					
Goodwill	3,606.94	3,606.94	-	-	-
Fixed assets (net)	8,016.89	8,196.31	9,336.75	9,759.97	9,976.03
Non current investments	446.39	463.69	454.39	457.52	475.93
Other non current assets, loans and advances	600.11	544.55	684.88	651.44	725.69
Current assets	8,264.59	8,892.10	10,450.26	10,230.55	9,410.26
	20,934.92	**21,703.59**	**20,926.28**	**21,099.48**	**20,587.91**
Current liabilities	(7,626.71)	(6,549.12)	(7,184.05)	(6,473.05)	(4,768.27)
Net Assets	**13,308.21**	**15,154.47**	**13,742.23**	**14,626.43**	**15,819.64**
FINANCED BY					
Share capital	314.13	314.13	314.13	314.17	314.17
Reserves	8,522.54	9,132.53	6,744.38	7,515.50	9,443.54
Net Worth	8,836.67	9,446.66	7,058.51	7,829.67	9,757.71
Minority interest	75.40	60.28	75.51	80.75	81.44
Deferred tax balances	(85.41)	(17.06)	44.45	137.32	116.13
	8,826.66	**9,489.88**	**7,178.47**	**8,047.74**	**9,955.28**
Non current liabilities	4,481.55	5,664.59	6,563.76	6,578.69	5,864.36
Capital employed	**13,308.21**	**15,154.47**	**13,742.23**	**14,626.43**	**15,819.64**
FINANCIAL RETURNS AND STATISTICS					
Profit after tax as a percent of Sales and other income	3%	4%	5%	6%	8%
Profit before depreciation, amortisation, finance costs and tax as a percent of Sales and other income	18%	18%	18%	18%	20%
Return on Capital Employed (Profit before Finance Costs and Tax/ Avg Capital Employed) (With Goodwill) ^	10%	12%	14%	16%	19%
Return on Capital Employed (Profit before Finance Costs and Tax/ Avg Capital Employed) (Without Goodwill) ^	12%	15%	15%	16%	19%
Return on Net worth (PAT/Avg Networth) (With Goodwill)	6%	9%	13%	19%	21%
Return on Net worth (PAT/Avg Networth) (Without Goodwill)	10%	15%	17%	19%	21%
Non current liabilities as a percentage of Shareholders' funds	51%	60%	93%	84%	60%
Finance Costs Cover (Times) (Profit before Finance Costs and Taxation/Finance Costs)	2	2	3	4	5
Cash profit to sales and other income	11%	11%	11%	12%	14%

^ Considering shareholder's funds and total loan funds including short-term borrowings and current maturities of long-term borrowings.

Five Years' Summary of Selected Financial Data (India)

(₹ in Millions)

	As per Schedule VI				
Particulars	**31.03.2012**	**31.03.2013**	**31.03.2014**	**31.03.2015**	**31.03.2016**
Sales and other income	5,418.78	6,136.13	6,922.25	7,754.97	7,631.08
FOB value of exports	336.67	456.78	557.49	703.08	652.25
Profit before depreciation, amortisation, finance costs and tax	1,388.98	1,495.10	1,559.99	1,619.91	1,784.31
Depreciation / Amortisation	286.12	330.85	366.45	457.48	506.34
Profit before tax	515.51	661.66	756.35	753.10	1,472.17
Profit after tax	490.75	498.42	544.89	565.30	1,157.07
Dividends (including dividend tax)	118.68	137.85	229.75	301.51	415.83
Cash profit	776.86	829.27	911.34	1,022.78	1,663.40
Book value per share *	43.09	44.62	46.63	30.56	35.27
Earnings per share* - (Basic after exceptional items)	3.12	3.17	3.47	3.60	7.37
Dividend per share* - ₹	0.65	0.75	1.25	1.60	2.20
Closing share price on BSE at year end (₹ per share)	27.90	30.80	57.80	124.70	161.05
Market capitalisation (As at year end)	4,383.13	4,838.72	9,080.45	19,583.41	25,291.96
ASSETS LESS CURRENT LIABILITIES					
Fixed assets (Net)	2,522.75	2,656.23	3,145.00	3,303.92	3,381.72
Non-current investments	5,635.35	5,635.35	5,699.56	2,907.95	2,169.21
Other Non-current assets, loans and advances	394.21	376.34	461.88	490.69	347.41
Current assets	4,647.12	3,914.21	3,344.04	3,256.65	3,258.60
	13,199.43	**12,582.13**	**12,650.49**	**9,959.21**	**9,156.94**
Current liabilities	(4,108.24)	(2,884.91)	(2,383.86)	(2,111.52)	(1,647.89)
Net Assets	**9,091.20**	**9,697.22**	**10,266.63**	**7,847.70**	**7,509.05**
FINANCED BY					
Share capital *	314.13	314.13	314.13	314.17	314.17
Reserves	6,355.09	6,696.06	7,010.86	4,484.36	5,224.68
Net Worth	**6,669.22**	**7,010.19**	**7,324.99**	**4,798.52**	**5,538.84**
Deferred tax balances	165.61	224.23	227.63	223.76	196.41
Non-current liabilities	2,256.37	2,462.80	2,714.01	2,825.41	1,773.80
Capital employed	**9,091.20**	**9,697.22**	**10,266.63**	**7,847.70**	**7,509.05**
FINANCIAL RETURNS AND STATISTICS					
Profit after tax as a percent of sales and other income	9%	8%	8%	7%	15%
Profit before depreciation, finance costs and tax as a percent of sales and other income	26%	24%	23%	21%	23%
Return on capital employed ^	9%	10%	10%	12%	15%
Return on common stockholders' equity % (PAT)	7%	7%	7%	12%	21%
Non-current liability as a percent of total year end Shareholders' Fund	34%	35%	37%	59%	32%
Financial costs cover (Times)	1.88	2.12	2.65	2.84	4.94
(Profit before financial costs and taxation divided by finance costs)					
Number of equity shares outstanding (in Million) *	157.07	157.07	157.07	157.04	157.04
Cash profit to sales and other income	14%	14%	13%	13%	22%

* Refer Note 3 (a)

^ Considering shareholder's fund and total loan funds including short-term borrowings and current maturities of long-term borrowings.

Independent Auditors' Report

To
The Members of
Essel Propack Limited

1. **Report on the Standalone Financial Statements**

   We have audited the accompanying Standalone Financial Statements of **Essel Propack Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Standalone Financial Statements**

   The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditor's Responsibility**

   Our responsibility is to express an opinion on these standalone financial statements based on our audit.

   We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

   We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. **Opinion**

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

5. **Report on Other Legal and Regulatory Requirements**

   I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order.

   II. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 and 26A to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MGB & Co. LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 28 April 2016

Annexure - A to the Independent Auditor's Report

Annexure referred to in Paragraph 5(I) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **Essel Propack Limited** on the standalone financial statements for the year ended 31 March 2016, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The physical verification of inventory excluding stocks lying with third parties and stocks in transit have been conducted by the Management at reasonable intervals during the year. In respect of inventory lying with third parties, these have been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loan of ₹ 960,666,940 to a company covered in the register maintained under Section 189 of the Act;

a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the company listed in the register maintained under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.

b) The aforesaid loan granted is repayable on demand. The borrower is not regular in the payment of interest as stipulated.

c) The amount of interest overdue for more than 90 days as at 31 March 2016 is ₹ 129,690,037 and the Company has taken reasonable steps for recovery of such interest.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans/guarantees given, investments made and securities provided.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.

vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii. According to the records of the Company, examined by us and information and explanations given to us:

a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2016 for a period of more than six months from the date they became payable.

b) There are no dues of service tax and duty of customs which have not been deposited on account of any dispute. The disputed dues of income tax, sales tax, duty of excise and value added tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount in (₹)	Period to which the amount relate	Forum where dispute is pending
Central Excise Act, 1944	Duty of Excise	115,428,779	FY 1996-1997 to FY 2000-2001	Supreme Court
		12,801,733	FY 2001-2002 to FY 2005-2006	Tribunal CESTAT
		205,666	FY 2011-2012	Commissioner of Central Excise (Appeals)
Maharashtra Value Added Tax Act, 2002	Value added tax	5,374,953	FY 2005-2006	Maharashtra Sales Tax Tribunal
		24,254,997	FY 2005-2006 and FY 2006-2007	Joint Commissioner of Sales Tax (Appeals)
Himachal Pradesh Value Added Tax Act, 2005	Value added tax	340,626	FY 2008-2009	Additional Excise and Taxation Commissioner
Central Sales Tax Act, 1956	Central sales tax	12,002,023	FY 2002-2003 and FY 2005-2006	Maharashtra Sales Tax Tribunal
		22,808,521	FY 2002-2003 to FY 2004-2005	Commissioner of VAT-Dadra and Nagar Haveli
		11,449,069	FY 2002-2003, FY 2007-2008 and FY 2008-2009	Deputy Commissioner of Sales Tax (Appeals)
		33,756,434	FY 2001-2002, FY 2003-2004 to FY 2005-2006 and FY 2008-2009	Joint Commissioner of Sales Tax (Appeals)
		1,241,962	FY 2009-2010 and FY 2011-2012	Assistant Commissioner of Commercial Taxes
The Income Tax Act, 1961	Income tax–Penalty	5,495,518	FY 2006-2007	Income Tax Appellate Tribunal
		6,103,595	FY 2007-2008	Commissioner of Income Tax (Appeals)
	Income tax	59,207,953	FY 2009-2010 and FY 2010-2011	Income Tax Appellate Tribunal
		20,002,237	FY 2006-2007	Commissioner of Income Tax (Appeals)
		27,860,016	FY 2011-2012	Commissioner of Income Tax (Appeals) *

* Time limit for filing appeal is not yet expired

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders. The Company does not have any loans from Government.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and moneys raised by way of term loans during the year have been applied for the purposes for which they were raised.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.

xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For MGB & Co. LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 28 April 2016

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Essel Propack Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MGB & Co. LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 28 April 2016

Balance Sheet as at 31 March 2016

(Amount in ₹)

	Notes	2016	2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	314,166,845	314,166,845
Reserves and surplus	4	5,224,677,238	4,484,356,602
		5,538,844,083	**4,798,523,447**
NON-CURRENT LIABILITIES			
Long-term borrowings	5	1,622,369,337	2,749,675,775
Deferred tax liabilities (net)	6	196,412,117	223,764,290
Long-term provisions	7	151,428,523	75,731,791
		1,970,209,977	**3,049,171,856**
CURRENT LIABILITIES			
Short-term borrowings	8	124,361,557	409,645,729
Trade payables	9	450,662,546	330,347,438
Other current liabilities	10	617,351,819	1,050,330,378
Short-term provisions	7	455,512,947	335,524,535
		1,647,888,869	**2,125,848,080**
Total		**9,156,942,929**	**9,973,543,383**
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	11		
- Tangible assets		3,162,626,383	3,172,243,113
- Intangible assets		46,156,952	58,994,743
- Capital work-in-progress		113,679,063	34,210,464
- Intangible assets under development		59,260,742	38,475,704
		3,381,723,140	**3,303,924,024**
Non-current investments	12	2,169,207,708	2,907,948,346
Long-term loans and advances	13	337,588,812	467,705,802
Other non-current assets	14	9,824,760	22,984,825
		5,898,344,420	**6,702,562,997**
CURRENT ASSETS			
Inventories	15	653,271,254	673,220,631
Trade receivables	16	1,004,456,535	1,093,298,058
Cash and bank balances	17	29,853,530	14,921,216
Short-term loans and advances	13	1,245,231,442	1,311,838,014
Other current assets	14	325,785,748	177,702,467
		3,258,598,509	**3,270,980,386**
Total		**9,156,942,929**	**9,973,543,383**
Notes forming part of the financial statements	1-48		

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 28 April 2016

For and on behalf of the Board

Subhash Chandra
Chairman

Ashok Goel
Vice Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel
Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Statement of Profit and Loss for the year ended 31 March 2016

(Amount in ₹)

	Notes	2016	2015
REVENUE			
Revenue from operations (gross)	18	8,174,477,236	8,093,432,692
Less: Excise duty		(745,356,605)	(547,297,915)
Revenue from operations (net)		7,429,120,631	7,546,134,777
Other income	19	201,964,218	208,839,663
Total		**7,631,084,849**	**7,754,974,440**
EXPENSES			
Cost of materials consumed	20	3,380,616,412	3,791,094,267
Changes in inventories of finished goods and goods-in-process	21	(17,262,075)	27,637,357
Employee benefits expense	22	769,940,534	640,187,677
Other expenses	23	1,713,479,309	1,676,148,851
Total		**5,846,774,180**	**6,135,068,152**
Profit before depreciation, amortisation, finance costs and tax		1,784,310,669	1,619,906,288
Less:			
Depreciation and amortisation expense	11	506,335,295	457,484,575
Finance costs	24	258,713,199	409,323,322
Profit before exceptional items and tax		1,019,262,175	753,098,391
Less: Exceptional items (net)	30	(452,906,039)	-
Profit before tax		**1,472,168,214**	**753,098,391**
Less: Tax expense			
Current tax		342,454,023	174,925,267
Deferred tax		(27,352,172)	12,874,733
Profit after tax		**1,157,066,363**	**565,298,391**
Earnings per equity share of ₹ 2 each fully paid up	39		
Basic		7.37	3.60
Diluted		7.37	3.60
Notes forming part of the financial statements	1-48		

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
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For and on behalf of the Board

Subhash Chandra
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Directors

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Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Notes forming part of the financial statements

1. **Corporate Information**

Essel Propack Limited (hereinafter referred to as 'EPL' or 'the Company') is a producer of plastic packaging material in the form of multilayer collapsible tubes and laminates used primarily for packaging of toothpaste, personal care, cosmetics, pharmaceuticals, household and industrial products.

2. **Significant Accounting Policies**

i. **Basis of preparation**

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year. The financial statements have been prepared without giving effect of the notification issued by The Ministry of Corporate Affairs dated 30 March 2016 amending Companies (Accounting Standards) rules 2006, in line with the guideline issued on 26 April 2016 by ICAI.

ii. **Use of estimates**

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses for the year. Actual results could differ from these estimates. Any revision to such accounting estimate is recognised prospectively in current and future periods.

iii. **Tangible and Intangible fixed assets**

a) Tangible fixed assets (excluding freehold land which is carried at cost) are stated at original cost of acquisition / installation (net of cenvat credit availed) and includes amounts added on revaluation less accumulated depreciation and impairment loss, if any. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of income) and borrowing costs incurred during pre-operational period.

b) Capital work-in-progress comprises cost of tangible fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

c) Intangible assets acquired are measured on initial recognition at cost and stated at cost less accumulated amortization and impairment loss, if any.

iv. **Borrowing costs**

a) Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. All other borrowing costs are expensed in the period they occur.

b) Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of such borrowings.

v. **Impairment of tangible and intangible assets**

At each Balance Sheet date, the Company reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

vi. **Depreciation/Amortisation on tangible and intangible assets**

a) Depreciation on tangible fixed assets (including on assets acquired under finance lease) is provided on straight line method based on the useful lives specified in Schedule II of the Companies Act, 2013. Based on the management

Notes forming part of the financial statements

estimate, the depreciation on the following assets is provided at lower useful life as compared to Schedule II useful life.

Assets	Useful Life
Tooling, Moulds, Dyes	7 Years
Hydraulic Works, Pipelines and Slucies (HWPS)	10 Years

b) Premium on Leasehold Land and Leasehold Improvements are amortised over the normal / extendable period of lease.

c) In case of revalued tangible fixed assets, the incremental depreciation attributable to the revaluation is recouped out of revaluation reserve.

d) Intangible assets are amortized on a straight-line basis over the economic useful life estimated by the management.

vii Government grants/subsidies

Grants and subsidies from Government are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant or subsidy will be received. Government grants in the nature of promoter's contribution are credited to capital reserve and treated as part of the Shareholder's funds.

viii. Investments

a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments including investment property are classified as long-term investments.

b) Current investments are stated at lower of cost and fair market value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.

ix. Foreign currency transactions

a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transaction. Foreign currency monetary assets and liabilities are translated using the exchange rate prevailing at the reporting date. Non-monetary foreign currency items are carried at cost.

b) Gains or losses arising on settlement / translation of foreign currency monetary assets and liabilities at the year-end rates are recognised in the Statement of Profit and Loss except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 31).

c) In case of foreign currency monetary assets and liabilities covered by forward contracts, the difference between the year-end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contract is recognised over the life of the contract. Profit or loss on settlement / cancellation of forward contract is recognised as an income or expense for the year in which they arise except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 31).

x. Revenue recognition

a) Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the customers. Gross sales include excise duty and is net of sales return, discount, value added tax / sales tax. Export sales are accounted for on the basis of date of bill of lading.

b) Income from royalty and service charges is recognised as per the agreed terms / completion of the service.

c) Export incentives / benefits are accounted on accrual basis.

d) Dividend income is recognised when the right to receive the dividend is established.

e) Interest income is recognised on a time proportion basis taking into consideration the amount outstanding and the applicable interest rate.

Notes forming part of the financial statements

xi. Inventories

a) Inventories are valued at lower of cost or estimated net realisable value.

b) Cost of raw materials, packing materials and store and spares are determined on moving average cost method.

c) Cost of finished goods and goods-in-process includes cost of direct materials, labour and other manufacturing overheads.

d) Excise liability is included in the valuation of inventory of finished goods.

xii. Retirement and other employee benefits

a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the service.

b) Post-employment and other long-term benefits are recognised as an expense in the Statement of Profit and Loss at the present value of the amounts payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.

c) Payments to defined contribution retirement benefit schemes are expensed as they fall due.

xiii. Accounting for taxes on income

a) Current tax is determined as the amount of tax payable in respect of taxable income for the year as per the provisions of the Income Tax Act, 1961.

b) Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

xiv. Lease

a) Finance Lease

Assets acquired on long-term leases, which in economic terms constitute investments financed on a long-term basis i.e. finance lease, are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to the lease are recognised with the asset under the lease.

b) Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on accrual basis in accordance with the respective lease agreements.

xv. Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

xvi. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
3. Share capital		
Authorised		
200,000,000 (200,000,000) equity shares of ₹ 2 each	**400,000,000**	**400,000,000**
Issued		
157,101,285 (157,101,285) equity shares of ₹ 2 each	**314,202,570**	**314,202,570**
Subscribed and paid up		
157,044,165 (157,044,165) equity shares of ₹ 2 each (Refer note (a) below)	314,088,330	314,088,330
Add: 57,120 equity shares of ₹ 2 each Forfeited (Refer note (h) below)	78,515	78,515
Total	**314,166,845**	**314,166,845**

a) Reconciliation of number of shares outstanding

	2016		2015	
	Number of equity shares	Amount in ₹ (at par value)	Number of equity shares	Amount in ₹ (at par value)
At the beginning of the year	157,044,165	314,088,330	157,101,285	314,202,570
Less: Shares forfeited during the year	-	-	57,120	114,240
Outstanding at the end of the year	157,044,165	314,088,330	157,044,165	314,088,330

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by holding company and ultimate holding company

Name of Shareholder	2016		2015	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited (Holding company)	88,917,843	56.60%	86,577,843	55.11%
Rupee Finance and Management Private Limited (Ultimate holding company)	100	0.00%	100	0.00%

d) Details of shareholder holding more than 5% equity shares

Name of Shareholder	2016		2015	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited	88,917,843	56.60%	86,577,843	55.11%

Notes forming part of the financial statements

e) Employees Stock Option Scheme (ESOPS):

During the previous year, the Company had instituted an Essel Employee Stock Option Scheme 2014 ("the Scheme") as approved by the Board of Directors for issuance of stock options to the eligible employees of the Company and of its subsidiaries, other than directors, promoters or person belonging to promoter group.

Pursuant to the said Scheme, stock options convertible into 176,535 (Previous year 2,953,000) equity shares of ₹ 2 each were granted to eligible employees at an exercise price of ₹ 161 (Previous year ₹ 121.65 per share), being the market price as defined in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (SEBI Regulation). In view of there being no intrinsic value on the date of the grant (being the excess of market price of share under the Scheme over the exercise price of the option), the Company is not required to account for the value of options as per the SEBI Regulations. Had the Company followed 'fair value' method of accounting of employee benefit expense, the reported profit after tax on proforma basis would be lower by ₹ 40,122,355; and the basic and diluted earnings per share for the year ended 31 March 2016 on proforma basis would have been ₹ 7.11.

Subject to terms and conditions of the Scheme, the said options will vest on each of 1 July 2016, 1 July 2017 and 1 July 2018 to the extent mentioned in the letter of grant and can be exercised within a maximum period of four years from the date of vesting.

f) No bonus shares have been issued and no shares bought back during five years preceding 31 March 2016.

g) 500,155 equity shares of ₹ 2 each fully paid up were allotted on 14 September 2012 for consideration other than cash, pursuant to the Scheme of Merger of Ras Propack Lamipack Limited and Ras Extrusions Limited with the Company.

h) Forfeited shares consist of 35,725 partly paid up equity shares and 21,395 fully paid up bonus shares forfeited during the previous year. The amount of ₹ 78,515 in relation to the forfeiture will be transferred to reserves upon cancellation of these shares.

(Amount in ₹)

	2016	2015
4. Reserves and surplus		
Capital reserve		
As per last balance sheet	398,287,882	398,287,882
Securities premium		
As per last balance sheet	1,089,327,000	3,842,983,298
Add/(less): Received during the year - Calls in arrears	-	1,041,825
Taken over pursuant to the Scheme of Amalgamation	-	903,908,360
Deficit adjusted pursuant to the Scheme of Amalgamation (Refer note 47)	-	(3,652,605,000)
Expenses adjusted pursuant to the Scheme of Amalgamation	-	(6,001,483)
	1,089,327,000	**1,089,327,000**
Debenture redemption reserve		
As per last balance sheet	75,000,000	-
Add: Transfer from the Statement of Profit and Loss	75,000,000	75,000,000
	150,000,000	**75,000,000**
Revaluation reserve		
As per last balance sheet	13,286,208	13,709,420
Less: Transfer to the Statement of Profit and Loss	-	(423,212)
	13,286,208	**13,286,208**
General reserve		
As per last balance sheet	1,254,057,039	1,254,057,039

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
Surplus in the Statement of Profit and Loss		
As per last balance sheet	1,654,398,473	1,501,818,248
Add: Profit for the year	1,157,066,363	565,298,391
Less: Taken over pursuant to the Scheme of Amalgamation	-	(275,081)
Less: Appropriations		
Adjustment as per transitional provisions of Schedule II to the Companies Act 2013 (net of tax)	-	(31,213,063)
Corporate Social Responsibility (CSR) expenditure (Refer note 42)	-	(4,720,000)
Debenture redemption reserve	(75,000,000)	(75,000,000)
Proposed equity dividend	(345,497,163)	(251,270,664)
Tax on proposed equity dividend (including ₹ 913,461 of earlier year)	(71,248,564)	(50,239,358)
General reserve	-	-
	2,319,719,109	**1,654,398,473**
Total	**5,224,677,238**	**4,484,356,602**

(Amount in ₹)

	Non-current		Current	
	2016	2015	2016	2015
5. Long-term borrowings				
Secured				
900 (900) units of redeemable non-convertible debentures of face value of ₹ 1,000,000 each (Refer note (a) below)	900,000,000	900,000,000	-	-
Term loan from banks (Refer note (b), (c), (d) below)	-	369,995,102	-	298,492,309
Term loan from others (Refer note (c) and (e) below)	-	517,361,111	-	236,111,111
Buyers credit from banks (Refer note (f) and (g) below)	265,246,163	557,542,711	133,345,238	62,292,788
Finance Lease Obligations (Refer note (h) below)	52,630,608	82,832,607	30,202,001	24,572,559
	1,217,876,771	**2,427,731,531**	**163,547,239**	**621,468,767**
Unsecured				
Buyers credit from banks (Refer note (i) below)	290,573,871	164,381,762	11,586,226	65,000,000
Term loan from Others (Refer note (j) below)	-	8,137,601	8,137,601	7,213,433
Deferred sales tax loan (Refer note (k) below)	113,918,695	149,424,881	35,506,187	47,956,284
	404,492,566	**321,944,244**	**55,230,014**	**120,169,717**
Current maturities disclosed under Other current liabilities (Refer note 10)			(218,777,253)	(741,638,484)
Total	**1,622,369,337**	**2,749,675,775**	**-**	**-**

Notes forming part of the financial statements

Nature of security and terms of repayments for long-term borrowings

<table>
<tr><td>a) Listed redeemable non-convertible debentures Series (A) of ₹ 500,000,000 (₹ 500,000,000) and Series (B) of ₹ 400,000,000 (₹ 400,000,000) are secured by pari-passu first charge on all fixed assets of the company (except all fixed assets situated at chakan and land and building situated at Goa and Murbad). These debentures are further secured by way of security provided by other related party*.</td><td>These debentures carry interest rate at SBI Base Rate + 145 bps p.a. and are redeemable at par in 3 annual installments commencing from 25 April 2019 in the ratio of 30:30:40 with an put/call option at the end of 3 years from date of issue in case of Series A and 3 1/2 years from the date of issue in case of series B, and on each anniversary thereafter untill redemption, and put option in the event of downgrade of credit rating to BBB+/ below.</td></tr>
<tr><td>b) Term loan from banks of ₹ Nil (₹ 103,636,366) are secured by pari-passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). These loans are further secured by way of security provided and guarantee issued by other related party*.</td><td rowspan="4">Term loan from banks and others are fully prepaid during the year.</td></tr>
<tr><td>c) Term loan from banks of ₹ Nil (₹ 355,754,545) and Term loan from others ₹ Nil (₹ 472,222,222) are secured by pari-passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). These loans are further secured by way of security provided by other related party*.</td></tr>
<tr><td>d) Term loan from bank of ₹ Nil (₹ 209,096,500) is secured by pari-passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari-passu second charge on current assets of the company. The loan is further secured by way of security provided by other related party*.</td></tr>
<tr><td>e) Term loan from others ₹ Nil (₹ 281,250,000) is secured by pari-passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari-passu second charge on current assets of the company. The loan is further secured by way of security provided and corporate guarantee issued by other related party*.</td></tr>
<tr><td>f) Buyers credit from bank of ₹ Nil (₹ 249,171,151) is secured by pari-passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari-passu second charge on current assets of the company. This loan is further secured by way of security provided by other related party*.</td><td rowspan="2">Buyers credit from banks carry interest rate ranging from 0.50% to 1.20% p.a. and are repayable in maximum period of three years from the date of transaction.</td></tr>
<tr><td>g) Buyers credit from bank of ₹ 398,591,401 (₹ 370,664,348) is secured by pari-passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). This loan is further secured by way of security provided by other related party*.</td></tr>
<tr><td>h) Finance lease obligations are secured by related leased assets.</td><td>Leases carry interest rate ranging from 12.36% to 13.50% p.a. and are repayable in monthly installments.</td></tr>
<tr><td>i) Buyers credit from banks ₹ 150,083,925 (₹ 42,350,874) are against security provided and guarantee issued by other related partly and ₹ 152,076,172 (₹ 187,030,888) are against security provided by other related party*.</td><td>Buyers credit from banks carry interest rate ranging from 0.50% to 1.31% p.a. and are repayable in maximum period of three years from the date of transaction.</td></tr>
<tr><td>j) Term loan from others ₹ 8,137,601 (₹ 15,351,034) are unsecured.</td><td>Term loan from others carry interest rate 12.24% p.a. and is repayable in quarterly installments by 2016-17.</td></tr>
<tr><td colspan="2">k) Deferred sales tax interest free loans are repayable after a period of 10 to 14 years from the date of loan upto 2024-25.</td></tr>
</table>

*Other related party i.e. Aqualand (India) Limited

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
6. Deferred tax liabilities (net)		
Deferred tax liabilities		
Depreciation on fixed assets	259,107,431	274,701,330
Unamortised ancillary borrowing costs	4,216,659	10,859,196
	263,324,090	**285,560,526**
Deferred tax assets		
Employee benefits / expenses allowable on payment basis	46,725,164	37,492,779
Provision for doubtful debts	18,700,808	20,231,325
Others	1,486,001	4,072,132
	66,911,973	**61,796,236**
Total	**196,412,117**	**223,764,290**

	Long-term		Short-term	
	2016	2015	2016	2015
7. Provisions				
Employee benefits	91,603,733	75,731,791	36,260,549	34,014,513
Others				
Provision for direct tax (net of advance tax)	-	-	3,420,132	-
Provision for Contingency	59,824,790	-	-	-
Proposed equity dividend	-	-	345,497,163	251,270,664
Tax on proposed equity dividend	-	-	70,335,103	50,239,358
Total	**151,428,523**	**75,731,791**	**455,512,947**	**335,524,535**

(Amount in ₹)

	2016	2015
8. Short-term borrowings		
Secured (Refer note (a) and (b) below)		
Working capital loan from banks	12,666,775	89,052,947
Buyers credit from banks	61,713,335	181,315,141
	74,380,110	**270,368,088**
Unsecured		
Working capital loan from banks	-	28,111,157
Buyers credit from banks	49,981,447	111,166,484
	49,981,447	**139,277,641**
Total	**124,361,557**	**409,645,729**

Of the total secured short-term borrowings

a) ₹ 73,101,115 (₹ 262,154,005) are secured by first pari-passu charge on current assets and second pari-passu charge on all fixed assets of the Company (except all fixed assets situated at chakan).

b) ₹ 1,278,995 (₹ 8,214,083) is secured by first pari-passu charge on current assets of the Company.

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
9. Trade payables		
Acceptances	213,663,753	144,492,644
Others (for Micro,Small and Medium Enterprises - Refer note 33)	236,998,793	185,854,794
Total	**450,662,546**	**330,347,438**

(Amount in ₹)

	2016	2015
10. Other current liabilities		
Current maturities of long-term borrowings (Refer note 5)	188,575,252	717,065,925
Current maturities of long-term finance lease obligations (Refer note 5)	30,202,001	24,572,559
Interest accrued but not due on borrowings	5,052,133	7,268,178
Interest accrued and due on borrowings	-	4,302,029
Unclaimed dividend (Refer note 41)	5,706,116	5,130,549
Payable for capital goods (for Micro,Small and Medium Enterprises - Refer note 33)	34,951,579	11,979,879
Trade advances and deposits received	10,046,188	7,849,590
Employee benefits payable	128,101,494	90,461,257
Statutory dues	41,595,196	32,373,656
Forward contract payables	-	5,202,510
Other payables	173,121,860	144,124,246
Total	**617,351,819**	**1,050,330,378**

Note 11 Fixed Assets

(Amount in ₹)

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1 April 2015	Additions	Deductions	As at 31 March 2016	Upto 31 March 2015	For the year	Deductions	Upto 31 March 2016	As at 31 March 2016	As at 31 March 2015
A. Tangible assets										
Freehold Land	51,641,838	-	-	51,641,838	-				51,641,838	51,641,838
Leasehold Land	2,076,595	-	-	2,076,595	545,180	-	-	545,180	1,531,415	1,531,415
Leasehold Improvements	7,669,460	-	-	7,669,460	7,565,008	-	-	7,565,008	104,452	104,452
Buildings	537,382,537	69,336,372	-	606,718,909	206,456,822	22,406,243	-	228,863,065	377,855,844	330,925,715
Plant and Machinery										
- Owned	7,353,067,065	368,410,823	22,932,366	7,698,545,522	4,842,456,578	409,687,006	3,616,854	5,248,526,730	2,450,018,792	2,510,610,487
- Leased	227,026,743	-	-	227,026,743	35,621,473	28,393,346	-	64,014,819	163,011,924	191,405,270
Equipments										
- Owned	172,398,238	43,455,110	-	215,853,348	126,510,790	17,554,974	-	144,065,764	71,787,584	45,887,448
- Leased	13,719,513	-	-	13,719,513	3,411,802	2,266,324	-	5,678,126	8,041,387	10,307,711
Furniture and Fixtures	64,133,585	14,860,508	-	78,994,093	34,320,024	6,056,138	-	40,376,162	38,617,931	29,813,561
Vehicles	600,803	-	-	600,803	585,587	-	-	585,587	15,216	15,216
TOTAL (A)	**8,429,716,377**	**496,062,813**	**22,932,366**	**8,902,846,824**	**5,257,473,264**	**486,364,031**	**3,616,854**	**5,740,220,441**	**3,162,626,383**	**3,172,243,113**
Previous Year (A)	7,782,691,204	674,064,363	27,039,190	8,429,716,377	4,798,878,460	437,031,330	25,708,656	5,257,473,264	3,172,243,113	
B. Intangible assets										
Software	158,356,305	2,948,355	-	161,304,660	99,361,562	19,713,297	-	119,074,859	42,229,801	58,994,743
Patents	-	4,185,118		4,185,118	-	257,967	-	257,967	3,927,151	-
TOTAL (B)	**158,356,305**	**7,133,473**	**-**	**165,489,778**	**99,361,562**	**19,971,264**	**-**	**119,332,826**	**46,156,952**	**58,994,743**
Previous Year (B)	151,866,047	6,490,258	-	158,356,305	77,798,778	20,876,456	-	99,361,562	58,994,743	
TOTAL (A+B)	**8,588,072,682**	**503,196,286**	**22,932,366**	**9,068,336,602**	**5,356,834,826**	**506,335,295**	**3,616,854**	**5,859,553,267**	**3,208,783,335**	**3,231,237,856**
Previous Year (A+B)	7,934,557,251	680,554,621	27,039,190	8,588,072,682	4,876,677,238	457,907,786	25,708,656	5,356,834,826	3,231,237,856	
C. Capital work-in-progress									113,679,063	34,210,464
D. Intangible assets under development									59,260,742	38,475,704

Notes:

1 Buildings include roads, residential flats, tubewell, water tanks and share in co-operative society.

2 Freehold land and building includes assets acquired pursuant to Scheme of Merger of Ras Propack Lamipack Limited ("RPLL") and Ras Extrusions Limited ("REL") on the appointed date 1 April 2011. The said assets were revalued on 30 June 1996 by ₹ 3,27,86,717 on the basis of valuation report of Chartered Engineers dated 13 August 1996.

3 Additions to plant and machinery and capital work in progress includes borrowing costs of ₹ Nil (₹64,08,814) and exchange difference of ₹6,05,20.350 (₹ 3,72,44,325) capitalised during the year as per Accounting Standards.

4 Depreciation for the year of ₹ Nil (₹ 423,212) is recouped out of revaluation reserve.

5 All fixed assets of the Company (except all fixed assets situated at Chakan and land at Murbad) are subject to further pari-passu first charge to secure loan of USD Nil (USD 9,000,000) availed by a subsidiary.

essel EXTRAORDINARY PACKAGING

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
12. Non-current investments		
(valued at cost unless stated otherwise)		
Trade investments - Unquoted		
(A) Equity shares in wholly owned subsidiary companies		
830,000 (830,000) of US$ 10 each of Lamitube Technologies Limited, Mauritius @	899,388,708	899,388,708
1,261 (1,261) of no par value of Arista Tubes Inc., USA * @	744,341,250	744,341,250
1,600 (1,600) of US$ 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus @	71,991,500	71,991,500
Nil (416,150) of ₹ 100 each of Packaging India Private Limited	-	636,240,638
	1,715,721,458	**2,351,962,096**
(B) Preference Shares in wholly owned subsidiary companies		
10,400 (10,400) Non-cumulative, Optionally Convertible Redeemable Preference Shares of US$ 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus with fixed rate of dividend of US$ 110 per share	453,486,250	453,486,250
Nil (1,025,000) 7% Cumulative Redeemable Preference Shares of ₹ 100 each of Packaging India Private Limited	-	102,500,000
	453,486,250	**555,986,250**
Total	**2,169,207,708**	**2,907,948,346**
Aggregate book value of unquoted investments	2,169,207,708	2,907,948,346
Aggregate provision for diminution in value of investments	-	-
(All the above securities are fully paid up)		

* 7.35% (7.35%) is held through Lamitube Technologies (Cyprus) Limited.

@ The Company has given an undertaking that it will continue to hold / control at least 51% of equity share capital and preference share capital during the tenure of credit facility availed by the subsidiaries from the banks.

(Amount in ₹)

	Long-term		Short-term	
	2016	2015	2016	2015
13. Loans and advances				
(unsecured considered good, unless otherwise stated)				
Capital advances	31,994,845	63,289,668	-	-
Deposits				
Related parties	155,010,000	155,010,000	-	-
Others	59,117,847	50,184,228	386,000	524,320
	214,127,847	**205,194,228**	**386,000**	**524,320**
Loans and advances to related parties				
Subsidiary	-	130,000,000	-	-
Others	-	-	960,666,940	960,666,940
	-	**130,000,000**	**960,666,940**	**960,666,940**

Notes forming part of the financial statements

(Amount in ₹)

	Long-term		Short-term	
	2016	2015	2016	2015
Other loans and advances				
Advances (recoverable in cash or kind)	-	-	11,995,600	26,309,125
Prepaid expenses	1,359,886	296,595	21,130,008	16,943,898
Loans and advances to employees	848,154	872,328	1,857,118	1,323,179
MAT credit entitlement	-	-	41,051,865	57,052,168
Balances with government authorities				
- Direct tax (net of provisions)	44,627,124	33,805,978	15,126,581	15,126,581
- Indirect tax	44,630,956	34,247,005	193,017,330	233,891,803
	91,466,120	**69,221,906**	**284,178,502**	**350,646,754**
Total	**337,588,812**	**467,705,802**	**1,245,231,442**	**1,311,838,014**

(Amount in ₹)

	Non-current		Current	
	2016	2015	2016	2015
14. Other assets				
Deposits with banks having original maturity period of more than twelve months* (Refer note 17)	238,858	2,906,600	-	-
Interest receivable from				
- Other related parties (Refer note 35)	-	-	259,735,389	129,690,037
- Others	-	-	1,549,331	1,195,995
	-	**-**	**261,284,720**	**130,886,032**
Other receivables from				
- Subsidiaries (Refer note 35)	-	-	36,062,148	21,970,579
- Other related parties (Refer note 35)	-	-	47,612	-
- Others	-	-	1,337,769	760,835
	-	**-**	**37,447,529**	**22,731,414**
Insurance claim receivable (Refer note 26A)	-	-	19,286,723	-
Export benefits receivable	-	-	5,000,492	12,785,541
Mark to market gain on foreign exchange forward contracts	-	-	168,126	-
Unamortised ancillary borrowing costs	9,585,902	20,078,225	2,598,158	11,299,480
Total	**9,824,760**	**22,984,825**	**325,785,748**	**177,702,467**

* Deposited with / lien in favour of various Government authorities / banks.

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
15. Inventories		
Raw material (Including goods-in-transit of ₹ 13,384,338 (₹ 16,743,209)	215,095,662	207,763,859
Goods-in-process	286,846,305	258,690,102
Finished goods (Including goods-in-transit of ₹ 3,073,853 (₹ 1,506,175)	3,073,853	13,967,981
Stores and spares	142,203,385	186,785,712
Packing materials	6,052,049	6,012,977
Total	**653,271,254**	**673,220,631**
Details of raw materials		
Granules	132,442,470	114,589,322
Foils	24,752,443	35,467,036
Caps	31,672,356	20,246,867
Others	26,228,393	37,460,634
Total	**215,095,662**	**207,763,859**
Details of goods-in-process		
Laminates	215,695,636	204,362,421
Film	35,317,217	20,187,360
Tubes	18,716,945	21,296,311
Others	17,116,507	12,844,010
Total	**286,846,305**	**258,690,102**
Details of finished goods		
Tubes	784,234	13,748,362
Laminates	2,289,619	219,619
Total	**3,073,853**	**13,967,981**

(Amount in ₹)

	2016	2015
16. Trade receivables (Unsecured)		
Over six months		
Considered good	8,816,504	19,671,056
Considered doubtful	54,036,083	58,458,520
	62,852,587	78,129,576
Less: Provision for doubtful debts	(54,036,083)	(58,458,520)
	8,816,504	19,671,056
Others*	995,640,031	1,073,627,002
Total	**1,004,456,535**	**1,093,298,058**

* Include ₹ 113,838,032 (121,303,766) due from subsidiary/ joint venture companies.

Notes forming part of the financial statements

(Amount in ₹)

	Non-current		Current	
	2016	2015	2016	2015
17. Cash and bank balances				
Cash and cash equivalents				
Balance with banks in				
Current accounts	-	-	11,325,885	8,999,943
Cheques on hand / Remittances in transit	-	-	9,918,257	525,358
Cash on hand	-	-	-	30,486
	-	**-**	**21,244,142**	**9,555,787**
Other bank balances				
Unclaimed dividend accounts	-	-	5,706,116	5,130,549
Deposits with bank having original maturity period of upto twelve months*			-	234,880
Deposits with bank having original maturity period of more than twelve months*	238,858	2,906,600	2,903,272	-
Disclosed under Other non-current assets (Refer note 14)	(238,858)	(2,906,600)	-	-
	-	**-**	**8,609,388**	**5,365,429**
Total	**-**	**-**	**29,853,530**	**14,921,216**

* Deposited with / lien in favour of various Government authorities / banks.

(Amount in ₹)

	2016	2015
18. Revenue from operations		
Sales of product	7,857,331,589	7,818,214,870
Other operating revenues		
Royalty/Service charges	245,290,546	23,706,406
Sale of scrap	36,497,157	33,209,820
Export and other incentives	17,357,944	18,301,596
Revenue from operations (gross)	8,174,477,236	8,093,432,692
Less: Excise duty	(745,356,605)	(547,297,915)
Revenue from operations (net)	**7,429,120,631**	**7,546,134,777**
Details of sales by products (net of excise duty)		
Tubes	6,294,779,993	6,577,482,713
Laminates	783,944,980	660,051,007
Others (includes sale of scrap)	89,240,994	67,710,882
Total	**7,167,965,967**	**7,305,244,602**

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
19. Other income		
Interest from		
- Subsidiaries	4,893,698	16,899,996
- Others *	149,343,271	148,035,897
Profit on sale / discard of fixed assets (net)	1,413,904	-
Miscellaneous income	46,313,345	43,903,770
Total	**201,964,218**	**208,839,663**

* Includes interest on loans, bank deposits, etc.

(Amount in ₹)

	2016	2015
20. Cost of materials consumed		
Inventory at the beginning of the year	207,763,859	249,050,631
Add: Purchases (net)	3,387,948,215	3,749,807,495
	3,595,712,074	**3,998,858,126**
Less: Inventory at the end of the year	215,095,662	207,763,859
Total	**3,380,616,412**	**3,791,094,267**
Details of materials consumed		
Granules	1,972,286,994	2,208,489,800
Foils	286,278,276	287,009,620
Caps	670,331,689	755,442,188
Others	451,719,453	540,152,659
Total	**3,380,616,412**	**3,791,094,267**

(Amount in ₹)

	2016	2015
21. Changes in inventories of finished goods and goods-in-process		
Inventory at the end of the year		
Finished goods	3,073,853	13,967,981
Goods-in-process	286,846,305	258,690,102
	289,920,158	**272,658,083**
Inventory at the beginning of the year		
Finished goods	13,967,981	26,489,819
Goods-in-process	258,690,102	273,805,621
	272,658,083	**300,295,440**
Total	**(17,262,075)**	**27,637,357**

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
22. Employee benefits expense		
Salaries, wages and bonus	648,537,794	544,030,194
Contribution to provident and other funds	34,037,951	30,050,037
Gratuity	20,945,908	12,911,891
Staff welfare expenses	66,418,881	53,195,555
Total	**769,940,534**	**640,187,677**

(Amount in ₹)

	2016	2015
23. Other expenses		
Stores and spares	233,879,630	204,630,685
Packing materials	203,672,518	217,773,642
Power and fuel	336,853,415	329,264,049
Job work / labour charges	277,671,199	261,584,144
Lease rental – Plant, Machinery and equipments	63,212,455	69,043,319
Other manufacturing expenses	18,474,112	16,104,895
Factory rent	22,049,315	19,478,904
Repairs and maintenance		
- Buildings	6,807,284	10,608,556
- Plant and machinery	40,635,589	31,776,402
- Others	10,103,916	4,914,109
Rent	43,374,252	41,216,248
Rates and taxes	13,589,197	23,859,848
Insurance	6,796,518	6,294,807
Directors' sitting fees	961,600	1,065,000
Travelling and conveyance expenses	24,908,717	22,805,997
Professional and consultancy charges	47,871,348	54,848,752
Communication charges	10,959,042	10,607,608
Miscellaneous expenses	156,331,884	145,908,556
Loss on sale/discard of fixed assets (net)	-	1,329,234
Donation	23,000	10,650
Exchange differences (net)	17,015,322	24,629,202
Payment to auditors (Refer details below)	7,379,103	6,009,185
Freight and forwarding expenses	144,596,089	161,033,393
Corporate social responsibility (Refer note 42)	6,253,467	-
Bad and doubtful debts (net of provision)	20,060,337	11,351,666
Total	**1,713,479,309**	**1,676,148,851**

Notes forming part of the financial statements

(Amount in ₹)

	2016	2015
Payment to auditors for:		
Audit fees	2,671,680	2,671,680
Tax audit	367,356	367,356
Tax representations and others	2,327,331	1,296,955
Certifications (including fees for limited review)	1,848,189	1,370,832
Reimbursement of expenses	164,547	302,362
Total	**7,379,103**	**6,009,185**

(Amount in ₹)

	2016	2015
24. Finance costs		
Interest expenses		
- Borrowings	198,894,747	346,241,687
- Others	7,257,631	756,086
Other financial charges	34,675,212	39,462,744
(includes amortisation of ancillary borrowing costs of ₹ 6,346,443 (₹ 19,919,595)		
Exchange difference on borrowings (net)	17,885,609	22,862,805
Total	**258,713,199**	**409,323,322**

25. Capital and other commitments

(Amount in ₹)

	2016	2015
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	208,231,012	252,713,655

26. Contingent liabilities not provided for

(Amount in ₹)

		2016	2015
i.	Unexpired letters of credit (net of liability provided)	-	122,511,606
ii.	Guarantees and counter guarantees given by the Company for loans taken by subsidiaries. Loans outstanding against these guarantees are ₹ 4,104,412,562 (₹ 4,015,510,115)	5,606,599,234	5,997,576,115
iii.	Disputed indirect taxes *	246,347,688	225,335,118
iv.	Disputed direct taxes ^	207,004,250	114,043,068
v.	Claims not acknowledged as debts	4,996,550	4,996,550
vi.	Deferred sales tax liability assigned	60,836,967	68,605,087
vii.	Duty benefit availed under EPCG scheme, pending export obligations	237,683,555	263,739,439

Notes forming part of the financial statements

* Does not include disputed excise duty of ₹ 115,428,779 (₹ 115,428,779) for alleged undervaluation in inter unit transfer of web, for captive consumption as it does not have significant impact on profits of the Company since excise duty paid by one unit is admissible as Cenvat credit at other unit. Further, the appeal filed by Excise Department against the decision (in Company's favour) of High Court is pending before the Hon'ble Supreme Court.

^ Without considering relief granted by the Appellate Authorities in favour of the Company, tax effect ₹ 37,078,269 (₹ 33,422,849) (approx.), which is pending with relevant authority.

26 A. This claim is in respect of transit damage to the plant equipment, which is under litigation before National Consumer Dispute Redressal Commission, New Delhi (Refer Note 14).

27. Managerial remuneration

a. Details of remuneration paid / payable to the managing director included in Employee benefits expense are as under:

(Amount in ₹)

		2016	2015
i.	Salaries, allowances and perquisites ^	43,519,200	40,440,000
ii.	Contribution to provident and other funds	3,484,800	3,240,000
iii.	Performance bonus *	24,170,000	20,000,000
	Total	**71,174,000**	**63,680,000**

^ Excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis.

* The performance bonus for the current year has been provided in the accounts as recommended by the nomination and remuneration committee and approved by the Board of Directors. The total remuneration to Managing Director on this basis as computed as per the Companies Act, 2013 is within limits prescribed u/s 197 of the Companies Act, 2013 and approval of shareholders as required therein.

b. Professional and consultancy charges include commission payable to Non-executive independent directors ₹ 6,000,000 for the year ended 31 March 2016 (Previous year included ₹ 4,474,521 provided for and ₹ 3,600,000 paid for the year ended 31 March 2015 and 31 March 2014 respectively).

28. Leases

a. Finance Lease

The Company has acquired plant and machinery and equipments under finance lease which are capitalized under tangible fixed assets. The minimum lease payments required under this finance lease that have initial or remaining non-cancelable lease terms in excess of one year as at 31 March 2016 and its present value are as follows:

(Amount in ₹)

	2016	2015
Minimum lease payment as at		
Not later than one year	39,524,457	36,536,980
Later than one year but not later than five years	58,368,003	97,892,460
	97,892,460	**134,429,440**
Less: Amount representing interest	15,059,851	27,024,274
Present value of Minimum lease payments	**82,832,609**	**107,405,166**
Not later than one year	30,202,001	24,572,559
Later than one year but not later than five years	52,630,608	82,832,607

Notes forming part of the financial statements

b. Operating Lease

The Company has taken premises, residential facilities, plant and machinery (including equipment) and vehicles under cancellable/ non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the leases varies from eleven to one hundred and eight months. The rental obligations are as follows:

(Amount in ₹)

	2016	2015
Lease rental charges for the year	139,493,672	145,283,384
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year	217,016,256	112,342,865
Later than one year but not later than five years	467,589,698	218,345,292
Later than five years	278,500,108	14,319,000
Total	**963,106,062**	**345,007,157**

29. Divestment of Packaging India private Limited

On 13 July 2015, the Company has divested its wholly owned subsidiary, Packaging India Private Limited for full cash consideration as part of its strategy to pursue growth opportunity in its tube packaging business which has great potential across the globe in the Beauty & Cosmetics, Pharma & Health and Food categories. Gain on divestment of ₹ 468,913,916 credited to the Statement of Profit and Loss for the year net off transaction costs and contingencies for any possible indemnity/claim.

30. Exceptional items (net) for the year include

(a) Gain of ₹ 468,913,916 on divestment of its wholly owned subsidiary (Refer Note 29) and (b) ₹ 16,007,877 write off of ancillary borrowing costs on account of pre-payment of long-term borrowings and related charges thereof.

31. Foreign exchange difference

The Companies (Accounting Standards) Amendment Rules, 2011 has amended provisions of AS-11 relating to "The Effect of Changes in Foreign Exchanges Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by The Ministry of Corporate Affairs (MCA). In terms of these amendments, exchange difference loss (net) of ₹ 60,520,350 (₹ 37,244,325) is capitalised to cost of fixed assets/capital work-in-progress.

32. Derivative instruments and unhedged foreign currency exposure

a. Derivative contracts (being foreign exchange forward contracts for hedging purposes) entered into by the Company and outstanding as at 31 March :

i. For payments to be received against exports and other receivables

Forward Contracts	2016		2015	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD / INR	USD 900,000	59,629,500	USD 1,000,000	62,500,000

Notes forming part of the financial statements

ii. For payments to be made against imports and other payables

Forward Contracts	2016		2015	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD / INR	USD 5,015,934	332,330,705	USD7,329,706	458,106,625
EUR / INR	EUR 467,062	35,214,139	Nil	Nil
CHF / INR	CHF 4,276,825	295,015,389	CHF 1,933,100	124,221,006

iii. Cross currency hedges

Forward Contracts	2016	2015
	Amount in Foreign Currency	Amount in Foreign Currency
In respect of payables		
CHF / USD	CHF 3,923,205	CHF 5,844,551

b. Outstanding foreign currency exposures not hedged by derivative instruments

(Amount in ₹)

	2016	2015
Foreign currency payables	415,624,039	699,493,130
Foreign currency receivables	110,006,545	136,086,236

33. Micro, Small and Medium Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 ("The Act") are given as follows:

(Amount in ₹)

		2016	2015
i.	Principal amount payable to suppliers under the Act		
	- For capital goods	2,387,809	158,335
	- For Others	19,493,627	9,123,812
ii.	Principal amount due to suppliers under the Act	-	-
iii.	Interest accrued and due to suppliers under the Act, on the above amount	-	-
iv.	Payment made to suppliers (Other than interest) beyond the appointed day, during the year	81,156,441	38,902,409
v.	Interest paid to suppliers under the Act	-	-
vi.	Interest due and payable to suppliers under the Act, for payments already made	376,263	229,491
vii.	Interest accrued and remaining unpaid at the end of the year under the Act	1,785,344	1,409,081

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

Notes forming part of the financial statements

34. Gratuity and other post employment benefit plans

As per Accounting Standard – 15 "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

a. The Company makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by LIC of India. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. Details of post retirement gratuity plan are as follows:-

i. Expenses recognised during the year

(Amount in ₹)

	2016	2015
Current service cost	5,680,392	5,585,232
Interest cost	7,786,624	8,072,136
Expected return on plan assets	(3,108,270)	(2,863,602)
Actuarial (gain) / loss	7,669,785	2,118,125
Benefits paid by employer	2,917,377	-
Net expenses	**20,945,908**	**12,911,891**

ii. Net liability recognised in the balance sheet

(Amount in ₹)

	2016	2015
Fair value of plan assets	35,301,225	38,708,216
Present value of obligation	110,519,975	99,563,860
Liability recognized in balance sheet	**75,218,750**	**60,855,644**

iii. Reconciliation of opening and closing balances of defined benefit obligation

(Amount in ₹)

	2016	2015
Defined benefit obligation as at the beginning	99,563,860	86,771,004
Current service cost	5,680,392	5,585,232
Interest cost	7,786,624	8,072,136
Actuarial (gain) / loss on obligation	6,939,762	2,141,496
Liability transferred in	1,234,767	-
Benefits paid	(10,685,430)	(3,006,008)
Defined benefit obligation at the closing	**110,519,975**	**99,563,860**

Notes forming part of the financial statements

iv. Reconciliation of opening and closing balance of fair value of plan assets

(Amount in ₹)

	2016	2015
Fair value of plan assets at beginning of the year	38,708,216	32,914,967
Expected return on plan assets	3,108,270	2,863,602
Actuarial gain / (loss)	(730,023)	23,371
Employer contribution	1,176,364	5,767,128
Benefits paid	(6,961,602)	(2,860,852)
Fair value of plan assets at year end	35,301,225	38,708,216
Actual return on plan assets	2,378,247	2,886,973

v. Investment details

(Amount in ₹)

	2016	2015
Insurer Managed Funds	35,301,225	38,708,216

vi. Actuarial assumptions

(Amount in ₹)

	2016	2015
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate
Discount rate(per annum)	7.96%	8.03%
Expected rate of return on plan assets (per annum)	7.96%	8.03%
Rate of escalation in salary (per annum)	4.00%	4.00%
Attrition rate	Service 4 years and below - 6%, others - 1%	Service 4 years and below - 6%, others - 1%

vii. Amounts recognised in current year and previous four years

(Amount in ₹)

Gratuity	As at 31 March				
	2016	2015	2014	2013	2012
Defined benefit obligation	110,519,975	99,563,860	86,771,004	86,127,437	75,767,535
Fair value of plan assets	35,301,225	38,708,216	32,914,967	33,339,405	33,272,540
(Surplus) / deficit in the plan	75,218,750	60,855,644	53,856,037	52,788,032	42,494,995
Actuarial (gain) / loss on plan obligation	6,939,762	2,141,496	(4,020,341)	7,047,960	(4,698,111)
Actuarial (gain) / loss on plan assets	730,023	(23,371)	336,090	275,042	(287,717)

Notes:

1. Amounts recognized as an expense and included in the Note 22 “Employee benefits expense” are gratuity ₹ 20,945,908 (₹ 12,911,891) and leave encashment ₹ 11,965,357 (₹ 14,516,595).
2. The estimate of future salary increases considered in the actuarial valuation, taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
3. “Contribution to provident and other funds” is recognized as an expense in Note 22 of the Statement of Profit and Loss.

Notes forming part of the financial statements

35. a. Related party disclosures

List of parties where control exists

i. Ultimate holding company

Rupee Finance and Management Private Limited

ii. Holding company

Whitehills Advisory Services Private Limited (Refer note 44)

iii. Subsidiary companies

Name of the subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)	Country of Incorporation
Direct subsidiary		
Arista Tubes Inc. *	100% (100%)	USA
Lamitube Technologies (Cyprus) Limited	100% (100%)	Cyprus
Packaging India Private Limited ^^	-- (100%)	India
Lamitube Technologies Limited	100% (100%)	Mauritius
Step down subsidiary		
The Egyptian Indian Company for Modern Packaging S.A.E.^	75% (75%)	Egypt
Essel Propack MISR for Advanced Packaging S.A.E.	75% (75%)	Egypt
Lamitube Hong Kong Trading Company Limited	100% (100%)	Hong Kong
Essel Packaging (Guangzhou) Limited	100% (100%)	China
Essel Packaging (Jiangsu) Limited	100% (100%)	China
Essel Propack Philippines, Inc	100% (100%)	Philippines
MTL de Panama S.A.	100% (100%)	Panama
Packtech Limited ^^^	100% (100%)	Mauritius
Arista Tubes Limited	100% (100%)	United Kingdom
Essel Propack UK Limited	100% (100%)	United Kingdom
Essel de Mexico, S.A. de C.V.	100% (100%)	Mexico
Tubo pack de Colombia S.A.	100% (100%)	Colombia
Essel Propack LLC	100% (100%)	Russia
Essel de Colombia S.A.S. #	100% (--)	Colombia
Essel Propack Polska Sp. Z.O.O.	100% (100%)	Poland
Essel Propack America, LLC	100% (100%)	USA

* 7.35% (7.35%) is held through Lamitube Technologies (Cyprus) Limited

^^ Divested on 13 July 2015 (Refer note 29)

^^^ Merged with Lamitube Technologies Limited during the year

^ Subsidiary has discontinued its operations and is under liquidation

Incorporated during the year

Notes forming part of the financial statements

iv. **Joint venture/Associate companies**

Name of Company	Nature	Extent of Holding	Country of Incorporation
P.T. Lamipak Primula	Associate	30.00% (30.00%)	Indonesia
Essel Deutschland GmbH & Co.,KG Dresden	Joint Venture	24.90% (24.90%)	Germany
Essel Deutschland Management GmbH,	Joint Venture	24.90% (24.90%)	Germany

b. Other related parties with whom transactions have taken place during the year and balances outstanding at the year-end.

i. Other related parties

Aqualand (India) Limited, Ayepee Lamitubes Limited, Ganjam Trading Company Private Limited, Pan India Paryatan Private Limited, Rama Associates Limited, Zee Entertainment Enterprises Limited, Sprit Textiles Private Limited, ITZ Cash Card Limited, Shrotra Enterprises Private Limited.

ii. Directors / Key Management Personnel

Non-executive Director	Dr. Subhash Chandra
Executive Director	Mr. Ashok Goel (Vice Chairman and Managing Director)
Chief Finance Officer	Mr. A. V. Ganapathy
Company Secretary	Mr. Suresh Savaliya (w.e.f. 29 October 2015)
	Mr. Ajay Thakkar (Resigned w.e.f. 4 August 2015)

c. Transactions with related parties

(Amount in ₹)

		2016		2015	
		Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
(I)	**Transactions**				
a)	**Sales to and recoveries from**				
	Subsidiaries	**351,437,349**		**377,346,037**	
	Essel Propack Polska Sp.Z.O.O.		49,052,894		43,656,524
	Essel de Mexico S.A. de C.V		3,391,529		41,882,599
	Essel Propack America, LLC		166,510,116		148,993,112
	Essel Propack MISR for Advanced Packaging S.A.E.		69,020,973		62,713,629
	Joint Venture	**78,410,846**		**75,238,946**	
	Essel Deutschland GmbH & Co., KG Dresden		78,410,846		75,085,623
	Other related parties	**2,347,034**		**1,976,161**	
	Shrotra Enterprises Private Limited		534,284		1,975,643
	Ganjam Trading Company Private Limited		1,812,750		-
b)	**Royalty/Service charges income**				
	Subsidiaries	**127,474,739**		**114,233,253**	
	Essel Packaging (Guangzhou) Limited		92,767,815		88,828,223
	Essel Propack MISR for Advanced Packaging S.A.E.		25,443,115		23,567,335

Notes forming part of the financial statements

(Amount in ₹)

		2016		2015	
		Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
	Joint venture	**22,681,426**		**24,159,468**	
	Essel Deutschland GmbH & Co., KG Dresden		22,681,426		24,159,468
c)	**Guarantee commission received or receivable**				
	Subsidiaries	**42,282,356**		**42,852,541**	
	Lamitube Technologies Limited		28,162,224		25,011,176
	Lamitube Technologies (Cyprus) Limited		3,057,094		6,360,982
	Essel Propack Polska Sp.Z.O.O.		9,862,842		9,016,014
d)	**Purchase of goods and services**				
	Subsidiaries	**2,993,678**		**1,384,191**	
	Essel Propack America, LLC		1,761,463		742,378
	Packaging India Private Limited		-		299,611
	Essel Propack Polska Sp. Z.O.O.		522,067		16,372
	Essel Packaging (Guangzhou) Limited		231,100		194,148
	Other related parties	**2,369,109**		**4,145,705**	
	ITZ Cash Card Limited		1,708,148		2,528,376
	Shrotra Enterprises Private Limited		267,430		1,379,387
e)	**Purchase of fixed assets**				
	Subsidiaries	**21,627,893**		**2,530,105**	
	Essel Propack Russia, LLC		21,627,893		-
	Arista Tubes, Inc.		-		484,270
	Essel Propack Polska Sp. Z.O.O.		-		2,045,835
f)	**Balance written off**				
	Joint venture	**-**		**1,768,364**	
	Essel Deutschland GmbH & Co., KG Dresden		-		1,768,364
g)	**Rent expenses**				
	Subsidiaries	**-**		**5,256,454**	
	Essel Propack Polska Sp. Z.O.O.		-		5,256,454
	Other related parties	**41,749,405**		**39,140,398**	
	Ayepee Lamitubes Limited		3,945,243		3,940,318
	Ganjam Trading Company Private Limited		37,804,163		35,100,000
h)	**Guarantee commission paid**				
	Other related parties	**13,695,459**		**-**	
	Aqualand (India) Limited		13,695,459		-
i)	**Repayment of Loans / advances / deposits taken**				
	Other related parties	**-**		**300,000**	
	Ayepee Lamitubes Limited		-		300,000
j)	**Interest income on Loans /advances / deposits / given**				
	Subsidiaries	**4,893,698**		**16,899,996**	
	Packaging India Private Limited		4,893,698		16,899,996
	Other related parties	**144,494,836**		**144,100,041**	
	Sprit Textiles Private Limited		144,494,836		144,100,041
k)	**Remuneration paid/provided**	**71,174,000**		**63,680,000**	
	Key management personnel				
	Managing Director #		71,174,000		63,680,000
	# Refer note 27				

Notes forming part of the financial statements

(Amount in ₹)

		2016		2015	
		Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
(II)	**Balances outstanding as at 31 March 2016**				
a)	**Trade receivables**				
	Subsidiaries	**101,510,764**		**105,032,321**	
	Essel Propack America, LLC		9,911,545		21,392,618
	Essel Packaging (Guangzhou) Limited		41,384,409		41,601,840
	Essel Propack MISR for Advanced Packaging S.A.E.		34,518,120		22,569,835
	Essel Propack Polska Sp. Z.O.O.		4,903,112		10,543,011
	Joint venture	**12,327,268**		**16,271,445**	
	Essel Deutschland Gmbh & Co., KG Dresden		12,327,268		16,271,445
	Other related parties	**74,495**		**2,352,623**	
	Shrotra Enterprises Private Limited		74,495		2,246,612
b)	**Loans / advances / deposits given**				
	Subsidiaries	**-**		**130,000,000**	
	Packaging India Private Limited		-		130,000,000
	Other related parties	**1,115,676,940**		**1,115,676,940**	
	Ayepee Lamitubes Limited		125,000,000		125,000,000
	Sprit Textiles Private Limited		960,666,940		960,666,940
c)	**Other receivables**				
	Subsidiaries	**36,062,147**		**21,970,579**	
	Essel Propack America, LLC		6,284,971		3,090,081
	Essel Propack MISR for Advanced Packaging S.A.E.		2,214,941		1,426,384
	Essel Packaging (Guangzhou) Limited		13,031,532		8,205,649
	Essel Propack Polska Sp.Z.O.O.		6,328,731		4,827,852
	Other related parties	**47,612**		**-**	
	Ayepee Lamitubes Limited		47,612		-
d)	**Interest receivable**				
	Other related parties	**259,735,389**		**129,690,037**	
	Sprit Textiles Private Limited		259,735,389		129,690,037
e)	**Trade and other payables**				
	Subsidiaries	**23,121,195**		**22,951**	
	Essel Propack America, LLC		22,603,375		22,951
	Other related parties	**938,213**		**121,756**	
	Ganjam Trading Company Private Limited		938,213		-
	Ayepee Lamitubes Limited		-		121,756
f)	**Investments in shares / debentures**				
	Subsidiaries	**2,169,207,708**		**2,907,948,346**	
	Lamitube Technologies Limited		899,388,708		899,388,708
	Lamitube Technologies (Cyprus) Limited		525,477,750		525,477,750

Notes forming part of the financial statements

(Amount in ₹)

		2016		2015	
		Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
	Arista Tubes Inc.		744,341,250		744,341,250
	Packaging India Private Limited		-		738,740,638
g)	**Guarantees, counter guarantees, standby letter of credit and letter of comfort provided for loans raised by subsidiaries**				
	Subsidiaries	**5,606,599,234**		**5,997,576,115**	
	Lamitube Technologies Limited		3,881,880,450		3,462,500,000
	Essel Propack Polska Sp. Z.O.O.		1,575,645,034		1,613,201,115
	Essel Propack America, LLC		149,073,750		140,625,000
	Lamitube Technologies (Cyprus) Limited		-		781,250,000
h)	**Guarantees / securities provided on our behalf**				
	Other related parties	**2,540,000,000**		**4,972,500,000**	
	Aqualand (India) Limited		2,540,000,000		4,972,500,000
	Loan Outstanding ₹ 1,792,789,641 (₹ 3,551,176,894)				
i)	**Remuneration Payable**				
	Key Management Personnel	**31,169,857**		**26,999,857**	
	Managing Director		31,169,857		26,999,857
	"Major Parties" denotes who account 10% or more of the aggregate for that category of transaction.				

36. Information required under Section 186(4) of the Companies Act, 2013

a. Loans given

(Amount in ₹)

Name of the Party	2015	Given	Repaid	2016
Packaging India Private Limited	130,000,000	70,000,000	200,000,000	-
Sprit Textiles Private Limited	960,666,940	-	-	960,666,940

b. Investments made

There are no investments other than disclosed in Note 12 - Non-current investments.

c. Corporate guarantees given on behalf of subsidiaries

(Amount in ₹)

Name of the Subsidiary		2016	2015
i.	Lamitube Technologies Limited , Mauritius	3,881,880,450	3,462,500,000
ii.	Essel Propack Polska Sp. Z.O.O., Poland	1,575,645,034	1,613,201,115
iii.	Essel Propack LLC, USA	149,073,750	140,625,000
iv.	Lamitube Technologies (Cyprus) Limited, Cyprus	-	781,250,000
		5,606,599,234	**5,997,576,115**

Notes forming part of the financial statements

d. Security provided for loan availed by the subsidiary

(Amount in ₹)

Name of the Subsidiary	Sanctioned loan Amount as at 31 March 2016	Sanctioned loan Amount as at 31 March 2015
Lamitube Technologies Limited, Mauritius	-	750,000,000

Notes

i. All the loans/guarantees and security given are for general business purposes.

ii. The loans are interest bearing and at arm's length.

iii. Loans given to Sprit Textiles Private Limited is repayable on demand.

iv. The outstanding loan amount availed by the subsidiaries against the corporate guarantees/security given by the Company as at 31 March 2016 is ₹ 4,104,412,562 (₹ 4,015,510,115).

v. Amounts disclosed in (c) and (d) are translated at respective year-end foreign exchange rates.

37. a. Disclosure as required by Schedule V (A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans to Subsidiary/Associate companies:

(Amount in ₹)

Loanee	Balances as at		Maximum amount outstanding during the year	
	2016	2015	2016	2015
Packaging India Private Limited	-	130,000,000	200,000,000	130,000,000

Note: Loans to others are repayable on demand and hence not considered in the above disclosure requirements. However, interest is charged on terms not prejudicial to the interests of the company.

b. Investments by Loanee in the equity shares of the Company as at 31 March 2016

Loanee	Number of fully paid up equity shares	
	2016	2015
Sprit Textiles Private Limited	784,025	784,025

Notes forming part of the financial statements

38. Value of imported and indigenous raw materials, stores and spares and packing materials consumed and percentage of each to the total consumption

	2016		2015	
	Percentage (%)	Amount (₹)	Percentage (%)	Amount (₹)
a. Raw materials				
i. Imported	59	1,992,731,899	58	2,209,474,548
ii Indigenous	41	1,387,884,513	42	1,581,619,719
b. Stores and spares				
i. Imported	26	61,342,205	33	68,510,997
ii Indigenous	74	172,537,425	67	136,119,688
c. Packing materials				
i. Indigenous	100	203,672,518	100	217,773,642

39. Earnings per share

(Amount in ₹)

	2016	2015
Profit after tax	1,157,066,363	565,298,391
Weighted average number of Basic and diluted Equity Shares (Nos.)	157,044,165	157,044,165
Nominal value of equity shares	2.00	2.00
Basic and diluted earnings per share	7.37	3.60

40. Other information

(Amount in ₹)

	2016	2015
C.I.F. value of imports		
Raw materials	1,844,278,539	2,012,651,723
Stores and spares	43,922,993	76,289,014
Capital goods	318,217,787	453,791,070
Expenditure in foreign currency (on accrual basis)		
Financial charges (Gross)	15,019,255	25,546,809
Travelling expenses	195,989	1,168,434
Others (Gross)	1,836,182	8,109,484
FOB value of exports		
Sales including deemed exports	973,710,219	997,508,887
Income in foreign currency (on accrual basis)		
Royalty / service charges	164,289,184	159,065,907
Miscellaneous income	42,282,356	42,852,541

41. Dividend of ₹ 747,569 (₹ Nil) unclaimed for a period of more than seven years is transferred to Investor Education and Protection Fund during the year. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2016.

Notes forming part of the financial statements

42. Corporate Social Responsibility (CSR)

The Company has towards various CSR initiatives spent ₹ 6,253,467 (₹ 4,720,000) as against ₹14,071,399 (₹ 13,100,454) as required by Section 135 read with Schedule VII of the Companies Act 2013. CSR spend during the year has been charged to the Statement of Profit and Loss under "Other Expenses" in line with ICAI guidance note issued in May 2015. In the previous year, the CSR spend had been appropriated out of Reserves and Surplus as permitted under then prevailing ICAI guidelines.

43. Research & Development Expenditure

During the year, the Company has received recognition for In-house Research & Development (R&D) unit from the Department of Scientific and Industrial Research (DSIR) w.e.f. 30 September 2015. The Company has incurred total R&D expenditure of ₹ 63,419,077 (₹ 95,086,135) including Capital expenditure of ₹ 12,500,839 (₹ 13,440,000), out of which the Company has considered weighted tax deduction on eligible R&D expenditure of ₹ 37,302,989 (₹ Nil) including Capital expenditure of ₹ 12,500,839 (₹ Nil) under Section 35 (2AB) of the Income Tax Act 1961.

44. Amalgamation of Whitehills Advisory Services Private Limited (Whitehills) with the Company

The Board Directors of the Company at its meeting held on October 29, 2015, have approved the Scheme of Amalgamation of Whitehills Advisory Services Private Limited (Whitehills), its holding company, with the Company. There would be neither any change in the capital structure nor any change in the promoter shareholding of the Company and there will be no dilution for any public shareholders. The Company is in the process of obtaining requisite approvals of Statutory / Regulatory authorities. A court convened meeting in this respect is being scheduled on 11 May 2016, as directed by the Hon'ble High Court of Judicature at Mumbai.

45. Segment information

The financial statements of the Company contain both the consolidated financial statements as well as the separate financial statements of the parent Company. Hence, the Company has presented segment information on the basis of the Consolidated Financial Statements as permitted by Accounting Standard -17.

46. Taxation

Provision for tax has been computed considering the impact of prescribed Income Computation and Disclosure Standards (ICDS).

47. The Scheme of Amalgamation ("the Scheme") of EP Lamitubes Limited ("Transferor company") with the Company w.e.f. 1 April 2014, was sanctioned by the Hon'ble High Court of Judicature at Mumbai and accounted for as per "Pooling of Interest" method prescribed under Accounting Standard 14 "Accounting for Amalgamations", in the financial statements for the year ended 31 March 2015, the difference of ₹ 3,652,605,000 between net assets taken over, extinguishment of Company's investments in transferor company and other reserves taken over being adjusted to Securities Premium in terms of the Scheme.

48. Prior period comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classifications / disclosures. Figures in brackets pertain to previous year.

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 28 April 2016

For and on behalf of the Board

Subhash Chandra
Chairman

Ashok Goel
Vice Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel
Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Cash flow statement for the year ended 31 March 2016

(Amount in ₹)

		2016	2015
A	**Cash flow from operating activities**		
	Profit before tax	1,472,168,214	753,098,391
	Adjustments for:		
	Depreciation and amortisation expense	506,335,295	457,484,575
	Interest expense	206,152,378	346,997,773
	Interest Income	(154,236,969)	(164,935,893)
	Excess receipt over book value of investment	-	(214,230)
	Loss/ (gain) on sale of fixed assets (net)	(1,421,211)	1,329,234
	Gain on divestment of subsidiary (net off provision for contingencies)	(475,651,104)	-
	Provision for doubtful debts written back (net)	(4,422,438)	(9,283,997)
	Amortisation of ancillary borrowing costs	19,631,144	19,919,595
	Exchange adjustments (net)	(5,856,481)	(35,792,181)
	Operating profit before working capital changes	**1,562,698,828**	**1,368,603,266**
	Adjustments for:		
	(Increase) / decrease in trade and other receivables	129,037,159	(174,274,053)
	(Increase) / decrease in inventories	19,949,377	54,585,431
	Increase / (decrease) in trade and other payables	216,489,076	(131,598,830)
	Cash generated from operations	**1,928,174,440**	**1,117,315,814**
	Corporate social responsibility expenditure incurred (refer note 42)	-	(4,720,000)
	Direct taxes paid (net of refunds)	(333,854,734)	(166,239,681)
	Net cash from operating activities (A)	**1,594,319,706**	**946,356,133**
B	**Cash flow from investing activities**		
	Purchase of fixed assets (including capital work-in-progress)	(507,365,850)	(725,915,990)
	Sale of fixed assets	1,450,000	1,300
	Decrease in other bank balances	(576,217)	(2,421,037)
	Loans given to subsidiaries	(70,000,000)	-
	Repayment of loan given to subsidiary	200,000,000	-
	Sale of investments in subsidiary	1,274,216,532	1,217,608
	(Increase)/decrease in other receivables of subsidiaries (net)	(14,139,181)	23,684,955
	Expenses incurred pursuant to the scheme of amalgamation	-	(6,001,483)
	Interest received	23,838,281	292,847,488
	Net cash from/(used in) investing activities (B)	**907,423,565**	**(416,587,159)**
C	**Cash flow from financing activities**		
	Proceeds from calls in arrears (including securities premium)	-	1,077,750
	Proceeds from issue of non-convertible debentures	-	900,000,000
	Proceeds from long-term borrowings	456,503,954	867,650,352
	Repayment of long-term borrowings	(2,123,916,614)	(1,895,297,098)
	Repayment of short-term borrowings	(25,940,813)	(12,428,524)

Cash flow statement for the year ended 31 March 2016

(Amount in ₹)

	2016	2015
Increase / (decrease) in other borrowings (net)	(257,173,015)	148,514,572
Principal payment under finance lease	(24,572,559)	(25,014,349)
Interest paid	(212,670,452)	(347,456,244)
Dividend paid (including tax)	(301,847,917)	(228,264,653)
Ancillary borrowing costs incurred	(437,500)	(23,822,350)
Net cash used in financing activities (C)	**(2,490,054,916)**	**(615,040,544)**
Net changes in cash and cash equivalents (A+B+C)	11,688,355	(85,271,570)
Cash and cash equivalents received pursuant to the Scheme of Amalgamation	-	43,478,419
Cash and cash equivalents at the beginning of the year	9,555,787	51,348,938
Cash and cash equivalents at the end of the year	**21,244,142**	**9,555,787**
Earmarked balances with banks	8,609,388	5,365,429
Cash and bank balances at the end of the year	**29,853,530**	**14,921,216**
Notes: Previous year figures are regrouped / reclassified wherever necessary.		

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 28 April 2016

For and on behalf of the Board

Subhash Chandra
Chairman

Ashok Goel
Vice Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel
Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Independent Auditors' Report

To,
The Members of
Essel Propack Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Essel Propack Limited** ("the Holding Company"), its subsidiaries, associate and jointly controlled entities (collectively referred to as "the Group") comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

   We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

   We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

   We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 5 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

5. a) We did not audit the financial statements of subsidiaries and jointly controlled entities of the Group, whose financial statements reflect revenue of ₹ 14,436,536,301, total assets of ₹ 13,893,987,657 and net cash outflows amounting to ₹ 328,663,756 for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it

relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

b) The consolidated financial statements include revenue of ₹ 500,329,854, total assets of ₹ 1,142,782,754 and net cash inflows amounting to ₹ 1,216,789 for three months ended 30 June 2015, in respect of a subsidiary divested during the year, whose financial statements are approved by the Board of Directors of the subsidiary and have been reviewed by other auditor, whose report has been furnished to us, and our report in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on such reviewed unaudited financial statements.

c) The consolidated financial statements also include the Group's share of profit of ₹ 27,449,023 for the year ended 31 March, 2016, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been presented to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

6. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) The consolidated balance sheet, the consolidated Statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March 2016 from being appointed as a director of the Holding Company in terms of Section 164(2) of the Act;

   f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer Note 29 to the consolidated financial statements;

      ii. The Group did not have any long-term contracts including derivative contracts having any material foreseeable losses; and

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **MGB & Co. LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 28 April 2016

Consolidated Balance Sheet as at 31 March 2016

(Amount in ₹)

	Notes	2016	2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	314,166,845	314,166,845
Reserves and surplus	4	9,443,536,456	7,515,498,947
		9,757,703,301	**7,829,665,792**
Minority interests		**81,438,162**	**80,753,898**
NON-CURRENT LIABILITIES			
Long-term borrowings	5	5,668,963,715	6,434,274,035
Deferred tax liabilites (net)	12 (a)	269,291,991	313,079,953
Other long-term liabilities	6	-	11,719,082
Long-term provisions	7	195,401,601	132,710,976
		6,133,657,307	**6,891,784,046**
CURRENT LIABILITIES			
Short-term borrowings	8	697,445,481	1,414,140,120
Trade payables	9	1,306,239,329	1,611,210,911
Other current liabilities	6	2,209,121,808	2,946,175,183
Short-term provisions	7	555,472,778	501,502,213
		4,768,279,396	**6,473,028,427**
Total		**20,741,078,166**	**21,275,232,163**
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
- Tangible assets	10	9,280,701,572	8,703,835,823
- Intangible assets	10	124,256,169	168,492,184
- Capital work in progress	10	511,491,981	843,440,202
- Intangible assets under development	10	59,582,263	44,197,970
		9,976,031,985	**9,759,966,179**
Non-current investments	11	475,933,863	457,523,864
Deferred tax assets (net)	12 (b)	153,160,286	175,758,502
Long-term loans and advances	13	626,794,373	565,939,918
Other non-current assets	14	98,900,273	85,497,179
		11,330,820,780	**11,044,685,642**
CURRENT ASSETS			
Inventories	15	2,070,396,519	2,317,570,192
Trade receivables	16	3,354,721,491	3,757,552,256
Cash and bank balances	17	850,410,349	1,164,141,791
Short-term loans and advances	13	2,791,695,255	2,782,848,826
Other current assets	14	343,033,772	208,433,456
		9,410,257,386	**10,230,546,521**
Total		**20,741,078,166**	**21,275,232,163**
Notes forming part of the Consolidated Financial Statements	1-42		

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 28 April 2016

For and on behalf of the Board

Subhash Chandra
Chairman

Ashok Goel
Vice Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel
Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31 March 2016

(Amount in ₹)

	Notes	2016	2015
REVENUE			
Revenue from operations (gross)	18	22,627,675,388	23,946,271,756
Less: Excise duty		(781,210,431)	(716,706,184)
Revenue from operations (net)		21,846,464,957	23,229,565,572
Other income	19	237,411,263	209,615,616
Total		**22,083,876,220**	**23,439,181,188**
EXPENSES			
Cost of materials consumed	20	9,621,055,453	11,368,329,779
Changes in inventories of finished goods and goods-in-process	21	(64,256,738)	(6,075,329)
Employee benefits expense	22	3,788,033,783	3,628,305,077
Other expenses	23	4,330,111,126	4,331,399,189
Total		**17,674,943,624**	**19,321,958,716**
Profit before depreciation, amortisation, finance costs and tax		**4,408,932,596**	**4,117,222,472**
Less:			
Depreciation and amortisation expense	10	1,269,798,329	1,317,938,471
Finance costs	24	623,422,088	793,565,210
Profit before exceptional items and tax		**2,515,712,179**	**2,005,718,791**
Less: Exceptional items (net)	32	(23,455,336)	(55,191,644)
Profit before tax		**2,539,167,515**	**2,060,910,435**
Less: Tax expense			
Current Tax - Current year		712,844,425	475,252,719
- Earlier years		6,270,350	38,453,953
Deferred tax		(3,368,096)	96,826,316
Profit after tax before minority interest and share of profit of associate		**1,823,420,836**	**1,450,377,447**
Add: Share of profit from associate		27,449,023	3,154,063
Less: Minority interests		30,171,329	47,215,353
Profit for the year		**1,820,698,530**	**1,406,316,157**
Earnings per equity share of ₹ 2 each fully paid up	34		
Basic and Diluted		11.59	8.95
Notes forming part of the Consolidated Financial Statements	1-42		

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 28 April 2016

For and on behalf of the Board

Subhash Chandra
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Atul Goel
Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Notes forming part of the Consolidated financial statements

1. Basis of preparation of Consolidated financial statements

These consolidated financial statements have been prepared under the historical cost convention on going concern basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

2. Principles of Consolidation

i) The Consolidated Financial Statements (CFS) relate to Essel Propack Limited and its subsidiary Companies, associate and jointly controlled entities.

ii) The financial statements of the parent company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating Intra- group balances, intra-group transactions and the unrealised profits. Minority interest in subsidiaries represents the minority shareholders' proportionate share of the net assets and net income.

iii) The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies.

iv) The CFS include the financial statements of the parent company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of the Subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)	Country of Incorporation
Direct Subsidiary		
Arista Tubes Inc. *	100% (100%)	USA
Lamitube Technologies (Cyprus) Limited	100% (100%)	Cyprus
Packaging India Private Limited **	--- (100%)	India
Lamitube Technologies Limited	100% (100%)	Mauritius
Step down Subsidiary		
The Egyptian Indian Company for Modern Packaging S.A.E. #	75% (75%)	Egypt
Essel Propack MISR for Advanced Packaging S.A.E.	75% (75%)	Egypt
Lamitube Hongkong Trading Company Limited	100% (100%)	Hong Kong
Essel Packaging (Guangzhou) Limited	100% (100%)	China
Essel Packaging (Jiangsu) Limited	100% (100%)	China
Essel Propack Philippines, Inc	100% (100%)	Philippines
MTL de Panama S.A.	100% (100%)	Panama
Packtech Limited ^	--- (100%)	Mauritius
Arista Tubes Limited	100% (100%)	United Kingdom
Essel Propack UK Limited	100% (100%)	United Kingdom
Essel de Mexico, S.A. de C.V.	100% (100%)	Mexico
Tubo pack de Colombia S.A.	100% (100%)	Colombia
Essel de Colombia S.A.S.^^	100% (---)	Colombia

Notes forming part of the Consolidated financial statements

Name of the Subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)	Country of Incorporation
Essel Propack LLC	100% (100%)	Russia
Essel Propack Polska Sp. Z.O.O.	100% (100%)	Poland
Essel Propack America, LLC	100% (100%)	USA

* 7.35% (7.35%) is held through Lamitube Technologies (Cyprus) Limited

** Divested on 13 July, 2015

Subsidiary has discontinued its operations and is under liquidation

^ Merged with Lamitube Technologies Limited during the year

^^ Incorporated during the year

v) **Associate**

The Group has adopted and accounted for Investment in Associate using the "Equity Method" as per AS-23.

Name of the Associate	Extent of holding	Country of Incorporation
P.T. Lamipak Primula ^	30% (30%)	Indonesia

^ No adjustment is made for difference in accounting policy of inventories valued on First In First Out (FIFO) basis.

vi) **Jointly controlled entities**

The Group has adopted and accounted for interest in the Jointly controlled entities using the "Proportionate Consolidation Method" as per AS-27.

Name of the Joint Venture	Extent of holding	Country of Incorporation
Essel Deutschland Management GmbH	24.90% (24.90%)	Germany
Essel Deutschland GmbH & Co. KG, Dresden	24.90% (24.90%)	Germany

2.1. Significant Accounting Policies

a. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses for the year. Actual results could differ from these estimates. Any revision to such accounting estimate is recognised prospectively in current and future periods.

b. Tangible and Intangible fixed assets

i) Goodwill / Capital Reserve on Consolidation

Goodwill represents the difference between the group's share in the net worth of the subsidiary / associate and the cost of acquisition at the date on which the investment in the subsidiary / associate is made / acquired. Capital reserve represents negative goodwill arising on consolidation.

Notes forming part of the Consolidated financial statements

ii) Tangible and intangible assets

a) Tangible fixed assets (excluding freehold land which is carried at cost) are stated at original cost of acquisition / installation (net of cenvat credit availed) and includes amounts added on revaluation less accumulated depreciation and impairment loss, if any. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of income) and borrowing costs incurred during pre-operational period.

b) Capital work-in-progress comprises cost of tangible fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

c) Intangible assets acquired are measured on initial recognition at cost and stated at cost less accumulated amortization and impairment loss, if any.

c. Depreciation / amortisation on tangible and intangible assets

i) In case of Parent Company -

Depreciation on tangible fixed assets (including on assets acquired under finance lease) is provided on straight line method based on the useful lives specified in Schedule II of the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased / sold during the year. Based on the management estimate, the depreciation on the following assets is provided at lower useful life as compared to Schedule II useful life.

Assets	Useful Life
Tooling, Moulds, Dyes	7 Years
Hydraulic Works, Pipelines and Slucies (HWPS)	10 Years

ii) In case of Subsidiaries, Associate and Jointly controlled entities -

Depreciation on tangible assets (including an asset acquired under finance lease) is provided at the rates adopted in the accounts of respective subsidiaries, associate and jointly controlled entities as permissible under local laws on straight line basis from the time they are available for use, so as to write off their cost over the estimated useful life of the assets.

iii) Premium on Leasehold Land and Leasehold improvements are amortised over the normal / extendable period of lease.

iv) Intangible assets are amortised on a straight-line basis over the economic useful life estimated by the management.

v) No part of goodwill arising on consolidation is amortized.

d. Impairment of tangible and intangible assets

At each Balance Sheet date, the Group reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

e. Borrowing costs

i) Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. All other borrowing costs are expensed in the period they occur.

ii) Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of such borrowings.

Notes forming part of the Consolidated financial statements

f. Investments

Investments intended to be held for more than one year, from the date of acquisition, are classified as long-term and are carried at cost. Provision for diminution in value of long-term investments is made to recognise a decline other than temporary. Current investments are carried at cost or fair value, whichever is lower.

g. Retirement and other employee benefits

i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the employee renders the service.

ii) Post-employment and other long-term benefits are recognised as an expense in the Statement of Profit and Loss at the present value of the amounts payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.

iii) Payments to defined contribution retirement benefit schemes are expensed as they fall due.

h. Revenue Recognition

i) Revenue from sale of goods is recognised on transfer of significant risks and rewards of ownership to the customers. Gross sales include excise duty and is net of sales return, discount, value added tax / sales tax. Export sales are accounted for on the basis of date of bill of lading.

ii) Income from royalty and service charges is recognised as per the agreed terms / completion of the service.

iii) Export incentives / benefits are accounted on accrual basis.

iv) Dividend income is recognised when the right to receive the dividend is established.

v) Interest income is recognised on a time proportion basis taking into consideration the amount outstanding and the applicable interest rate.

i. Government grants / subsidies

Grants and subsidies from Government are recognised when all the conditions relating to the grants / subsidies are complied and there is a reasonable assurance that the grant/subsidy will be received. Grant / subsidy is credited to capital reserve. Revenue grants are recognised in Statement of Profit and Loss upon complying with conditions attached to such grants.

j. Inventories

i) Inventories are valued at lower of cost or estimated net realisable value.

ii) Cost of raw materials, packing materials and stores and spares are determined on moving average cost method.

iii) Cost of finished goods and goods-in-process includes cost of direct materials, labour and other manufacturing overheads.

iv) Excise liability is included in the valuation of inventory of finished goods.

k. Foreign currency transactions

i) Accounting of Transactions

a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transaction. Foreign currency monetary assets and liabilities are translated using the exchange rate prevailing at the reporting date. Non-monetary foreign currency items are carried at cost.

b) Gains or losses arising on settlement / translation of foreign currency monetary assets and liabilities at the year-end rates are recognised in the Statement of Profit and Loss except treatment as per amendment to AS-11 effective till 31 March 2020. (Refer note 25)

c) In case of foreign currency monetary assets and liabilities covered by forward contracts, the difference between the year-end rate and rate on the date of the contract is recognised as exchange difference and the premium

Notes forming part of the Consolidated financial statements

paid on forward contract is recognised over the life of the contract. Profit or loss on settlement / cancellation of forward contract is recognised as an income or expense for the year in which they arise except treatment as per amendment to AS-11 effective till 31 March 2020. (Refer note 25).

ii) Translation and exchange rates

Financial statements of overseas non-integral operations are translated as under:

a) Assets and Liabilities at the rate prevailing at the end of the year. Depreciation is accounted at the same rate at which assets are converted.

b) Revenue and expenses at average rates prevailing during the year. Off Balance Sheet items are translated into Indian Rupees at year-end rates.

c) Exchange differences arising on translation are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

l. Accounting for taxes on income

i) Current income tax is calculated on the income of individual companies in accordance with local tax regulations.

ii) Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

iii) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

m. Leases

i) Finance Lease

Assets acquired on long-term leases, which in economic terms constitute Investments financed on a long term basis i.e. finance lease, are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to the lease are recognised with the asset under the lease.

ii) Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on accrual basis in accordance with the respective lease agreements.

n. Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

o. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	2016	2015
3. Share capital		
Authorised		
200,000,000 (200,000,000) equity shares of ₹ 2 each	**400,000,000**	**400,000,000**
Issued		
157,101,285 (157,101,285) equity shares of ₹ 2 each	314,202,570	314,202,570
Subscribed and paid up		
157,044,165 (157,044,165) equity shares of ₹ 2 each (Refer note (a) below)	314,088,330	314,088,330
Add: 57,120 equity shares of ₹ 2 each Forfeited (Refer note (h) below)	78,515	78,515
Total	**314,166,845**	**314,166,845**

a) Reconciliation of number of shares outstanding

	2016		2015	
	Number of equity shares	Amount in ₹ (at par value)	Number of equity shares	Amount in ₹ (at par value)
At the beginning of the year	157,044,165	314,088,330	157,101,285	314,202,570
Less: Share forfeited during the year	-	-	57,120	114,240
Outstanding at the end of the year	157,044,165	314,088,330	157,044,165	314,088,330

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by holding company and ultimate holding company

Name of Shareholder	2016		2015	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited (Holding company)	88,917,843	56.60%	86,577,843	55.11%
Rupee Finance and Management Private Limited (Ultimate holding company)	100	0.00%	100	0.00%

d) Details of shareholder holding more than 5% equity shares

Name of Shareholder	2016		2015	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited	88,917,843	56.60%	86,577,843	55.11%

Notes forming part of the Consolidated financial statements

e) Employees Stock Option Scheme (ESOS):

During the previous year, the Company had instituted an Essel Employee Stock Option Scheme 2014 ("the Scheme") as approved by the Board of Directors for issuance of stock options to the eligible employees of the Company and of its subsidiaries, other than directors, promoters or person belonging to promoter group.

Pursuant to the said Scheme, stock options convertible into 176,535 (Previous year 2,953,000) equity shares of ₹ 2 each were granted to eligible employees at an exercise price of ₹ 161 (Previous year ₹ 121.65 per share), being the market price as defined in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (SEBI Regulation). In view of there being no intrinsic value on the date of the grant (being the excess of market price of share under the Scheme over the exercise price of the option), the Company is not required to account for the value of options as per the SEBI Regulations. Had the Company followed 'fair value' method of accounting of employee benefit expense, the reported profit after tax on proforma basis would be lower by ₹ 72,458,362; and the basic and diluted earnings per share for the year ended 31 March 2016 on proforma basis would have been ₹ 11.13

Subject to terms and conditions of the Scheme, the said options will vest on each of 1 July 2016, 1 July 2017 and 1 July 2018 to the extent mentioned in the letter of grant and can be exercised within a maximum period of four years from the date of vesting.

f) No bonus shares have been issued and no shares bought back during five years preceding 31 March 2016.

g) 500,155 equity shares of ₹ 2 each fully paid up were allotted on 14 September 2012 for consideration other than cash, pursuant to the Scheme of Merger of Ras Propack Lamipack Limited and Ras Extrusions Limited with the Company.

h) Forfeited shares consist of 35,725 partly paid up equity shares and 21,395 fully paid up bonus shares forfeited during the previous year. The amount of ₹ 78,515 in relation to the forfeiture will be transferred to reserves upon cancellation of these shares.

(Amount in ₹)

	2016	2015
4. Reserves and surplus		
Capital reserve		
As per last balance sheet	401,219,702	401,219,702
Capital reserve on Consolidation		
As per last balance sheet	5,829,238,216	3,080,541,576
Add: Adjustment as per Scheme of Amalgamation (Refer note 40)	-	2,748,696,640
	5,829,238,216	**5,829,238,216**
Less : Goodwill on Consolidation	(297,801,347)	(859,980,976)
	5,531,436,869	**4,969,257,240**
Securities premium		
As per last balance sheet	1,089,327,000	3,842,983,298
Less: Adjustment as per Scheme of Amalgamation (Refer note 40)	-	(2,748,696,640)
Less: Expenses adjusted pursuant to the Scheme of Amalgamation	-	(6,001,483)
Add : Received during the year - Calls in arrears	-	1,041,825
	1,089,327,000	**1,089,327,000**
Debenture redemption reserve		
As per last balance sheet	75,000,000	-
Add: Transferred from Statement of Profit and Loss	75,000,000	75,000,000
	150,000,000	**75,000,000**
Revaluation reserve		
As per last balance sheet	13,286,208	13,709,420
Less: Transfer to the Statement of Profit and Loss	-	(423,212)
	13,286,208	**13,286,208**
Legal reserve		
As per last balance sheet	99,331,239	31,378,283
Add: Appropriated during the year	60,464,292	67,952,956
	159,795,531	**99,331,239**

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	2016	2015
Deferred Government Grant		
As per last balance sheet	7,112,071	24,759,535
Add: Received during the year	22,433,454	-
Add/(Less): Transfer to the translation adjustment	4,353,022	(7,464,527)
Less: Transfer to the Statement of Profit and Loss	(22,641,126)	(10,182,937)
	11,257,421	**7,112,071**
Foreign currency translation reserve		
As per last balance sheet	(1,065,625,118)	(866,410,712)
Add : Addition during the year	12,547,426	(199,214,406)
	(1,053,077,692)	**(1,065,625,118)**
General reserve		
As per last balance sheet	54,489,270	54,489,270
Surplus in the Statement of Profit and Loss		
As per last balance sheet	1,872,101,335	1,021,691,104
Add: Profit for the year	1,820,698,530	1,406,316,157
Less: Appropriations		
Adjustment as per transitional provisions of Schedule II to the Companies Act, 2013 (net of tax)	-	(38,616,271)
Corporate Social Responsibility (CSR) expenditure (Refer note 38)	-	(4,720,000)
Proposed equity dividend	(345,497,163)	(251,270,664)
Tax on proposed equity dividend	(126,036,263)	(118,346,035)
Debenture Redemption Reserve	(75,000,000)	(75,000,000)
Legal reserve	(60,464,292)	(67,952,956)
	3,085,802,147	**1,872,101,335**
Total	**9,443,536,456**	**7,515,498,947**

(Amount in ₹)

	Non-current		Current	
	2016	**2015**	**2016**	**2015**
5. Long-term borrowings				
Secured				
900 (900) units of Redeemable Non-convertible debentures of ₹ 1,000,000 each (Refer note [a (i)] below)	900,000,000	900,000,000	-	-
Term loan from banks {Refer note [a (ii),(iii),(iv)] and [b (i)] below}	3,539,716,152	3,543,593,963	582,660,929	1,266,266,360
Term loan from others {Refer note [a (iii)and(v)]}	-	517,361,111	-	236,111,111
Buyers credit from banks (Refer note [(a) (vi) and (vii)] and [b (i)] below)	265,246,163	568,603,615	133,345,238	62,292,788
Finance lease obligations [Refer note [a (viii)] and [b (ii)] below]	498,984,024	541,456,183	70,617,045	60,931,768
	5,203,946,339	**6,071,014,872**	**786,623,212**	**1,625,602,027**

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	Non-current		Current	
	2016	2015	2016	2015
Unsecured				
Term loan from banks (Refer note [b (iii)] below)	60,524,810	41,314,919	83,272,019	24,400,000
Term loan from Others (Refer note [a (x)] below)	-	8,137,601	8,137,601	7,213,433
Buyers credit from banks (Refer note [a (ix)] below)	290,573,871	164,381,762	11,586,226	65,000,000
Deferred sales tax loan (Refer note [a (xi)] below)	113,918,695	149,424,881	35,506,187	47,956,284
	465,017,376	**363,259,163**	**138,502,033**	**144,569,717**
	5,668,963,715	**6,434,274,035**	**925,125,245**	**1,770,171,744**
Current maturities disclosed under "Other liabilities" (Refer note 6)	-	-	(925,125,245)	(1,770,171,744)
Total	**5,668,963,715**	**6,434,274,035**	**-**	**-**

Nature of security and terms of repayments for long-term borrowings

a) In Parent Company

i)	Listed redeemable non-convertible debentures Series (A) of ₹ 500,000,000 (₹ 500,000,000) and Series (B) of ₹ 400,000,000 (₹ 400,000,000) are secured by pari-passu first charge on all fixed assets of the company (except all fixed assets at Chakan and land and building situated at Goa and Murbad). These debentures are further secured by way of security provided by other related party*.	These debentures carry interest rate at SBI Base Rate + 145 bps p.a. and are redeemable at par in 3 annual installments commencing from 25 April 2019 in the ratio of 30:30:40 with an put/call option at the end of 3 years from date of issue in case of Series A and 3 1/2 years from the date of issue in case of series B, and on each anniversary thereafter until redemption, and put option in the event of downgrade of credit rating to BBB+/below.
ii)	Term loan from banks of ₹ Nil (₹ 103,636,366) are secured by pari-passu first charge on all fixed assets of the company (except all fixed assets at Chakan). These loans are further secured by way of security provided and guarantee issued by other related party*.	Term loan from banks and others are fully prepaid during the year.
iii)	Term loan from banks of ₹ Nil (₹ 355,754,545) and Term loan from others ₹ Nil (₹ 472,222,222) are secured by pari-passu first charge on all fixed assets of the company (except all fixed assets at Chakan). These loans are further secured by way of security provided by other related party*.	
iv)	Term loan from bank of ₹ Nil (₹ 209,096,500) is secured by pari-passu first charge on all fixed assets of the company (except all fixed assets situated at Chakan) and pari-passu second charge on current assets of the company. The loan is further secured by way of security provided by other related party*.	
v)	Term loan from others ₹ Nil (₹ 281,250,000) is secured by pari-passu first charge on all fixed assets of the company (except all fixed assets at Chakan) and pari-passu second charge on current assets of the company. The loan is further secured by way of security provided and corporate guarantee issued by other related party*.	
vi)	Buyers credit from bank of ₹ Nil (₹ 249,171,151) is secured by pari-passu first charge on all fixed assets of the company (except all fixed assets at Chakan) and pari-passu second charge on current assets of the company. This loan is further secured by way of security provided by other related party*.	Buyers credit from banks carry interest rate ranging from 0.50% to 1.20% p.a. and are repayable in maximum period of three years from the date of transaction.
vii)	Buyers credit from bank of ₹ 398,591,401 (₹ 370,664,348) is secured by pari-passu first charge on all fixed assets of the company (except all fixed assets at Chakan). This loan is further secured by way of security provided by other related party*.	

Notes forming part of the Consolidated financial statements

viii)	Finance lease obligations of ₹ 82,832,609 (₹ 107,405,166) are secured by related leased assets.	Leases carry interest rate ranging from 12.36% to 13.50% p.a and are repayable in monthly installments.
ix)	Buyer's credit from bank of ₹ 150,083,925 (₹ 42,350,874) are against security provided and guarantee issued by other related party and ₹152,076,172 (₹ 187,030,888) are against security provided by other related party*.	Buyers credit from banks carry interest rate ranging from 0.50% to 1.31% p.a. and are repayable in maximum period of three years from the date of transaction.
x)	Term loan from others ₹ 8,137,601 (₹ 15,351,034) are unsecured.	Term loan from others carry interest rate 12.24% p.a. and is repayable in quarterly installments by 2016-17.
xi)	Deferred sales tax interest free loans are repayable after a period of 10 to 14 years from the date of loan upto 2024-25.	

*Other related party i.e. Aqualand (India) Limited

b) In Subsidiaries and Joint Ventures

i)	Term loans from Banks of ₹ 4,122,377,081 (₹ 4,141,372,912) and Buyers credit from Banks of ₹ Nil (₹ 11,060,904) in different currencies are variously secured by way of charge over fixed assets excluding leased assets, inventory, book debts and other current assets of the respective subsidiary company, dividend escrow account, pledge of shares of the overseas subsidiaries, corporate guarantee/ letter of comfort of the parent Company.	Repayable in specified installment (Monthly, Quarterly, Half yearly and Yearly) repayable by 2021-22. Interest rate ranging from 1.55 % to 11.25% p.a.
ii)	Finance lease obligations of ₹ 486,768,460 (₹ 494,982,785) are secured by related leased assets.	Leases carry interest rate ranging from 4.48% to 6.00% and are repayable in monthly installments.
iii)	Term loan from banks ₹ 143,796,829 (₹ 65,714,919) are unsecured.	Term loan from banks carry interest rate 1.40% to 10.41% p.a. and is repayable in quarterly / half yearly installments by 2020-21.

(Amount in ₹)

	Long-term		Short-term	
	2016	**2015**	**2016**	**2015**
6. Other liabilities				
Current maturities of long-term borrowings (Refer note 5)	-	-	854,508,200	1,709,239,976
Current maturities of long term finance lease obligations (Refer note 5)	-	-	70,617,045	60,931,768
Interest accrued but not due on borrowings	-	-	28,246,675	56,636,562
Interest accrued and due on borrowings	-	-	1,573,097	4,302,029
Unclaimed dividend (Refer note 37)	-	-	5,706,115	5,130,549
Payable for capital goods	-	-	22,048,774	18,896,312
Trade advances and deposits received	-	11,719,082	23,563,690	45,754,189
Employee benefits payable	-	-	245,081,988	118,420,116
Statutory dues	-	-	119,688,774	83,595,646
Forward contract payable	-	-	-	5,877,621
Other payables	-	-	838,087,450	837,390,415
Total	**-**	**11,719,082**	**2,209,121,808**	**2,946,175,183**

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	Long-term		Short-term	
	2016	2015	2016	2015
7. Provisions				
Employee benefits	95,576,811	92,710,976	62,712,481	62,784,517
Others				
Provision for direct tax (net of advances)	-	-	76,928,031	137,207,674
Provision for Contingencies	99,824,790	40,000,000	-	-
Proposed equity dividend	-	-	345,497,163	251,270,664
Tax on proposed equity dividend	-	-	70,335,103	50,239,358
Total	**195,401,601**	**132,710,976**	**555,472,778**	**501,502,213**

(Amount in ₹)

	2016	2015
8. Short-term borrowings		
Secured {Refer note [(a) and (b) below}		
Short-term loan from banks	-	141,984,720
Working capital loan from banks	305,124,588	721,433,571
Buyers credit from banks	61,713,335	218,638,464
	366,837,923	**1,082,056,755**
Unsecured		
Short-term loan from banks {Refer note (b) below}	261,913,437	192,526,304
Working capital loan from banks	18,712,674	28,390,577
Buyers credit from banks	49,981,447	111,166,484
	330,607,558	**332,083,365**
Total	**697,445,481**	**1,414,140,120**

Nature of security:

a) In Parent Company

Of the total secured short-term borrowings

₹ 73,101,115 (₹ 262,154,005) are secured by first pari-passu charge on current assets and second pari-passu charge on all fixed assets of the Company (except all fixed assets situated at Chakan).

₹ 1,278,995 (₹ 8,214,083) is secured by first pari-passu charge on current assets of the company.

b) In Subsidiaries and Joint Ventures

Short term loans from Banks of ₹ Nil (₹ 141,984,720), Working capital loan from Banks of ₹ 292,457,813 (₹ 632,380,624) and Buyers credit from Banks of ₹ Nil (₹ 37,323,323) are secured variously by way of charge over current assets of the companies, corporate guarantee/ letter of comfort of the parent Company, Fixed Assets (excluding leased asset) and security provided and guarantee issued by other related party*.

*Other related party i.e. Aqualand (India) Limited

(Amount in ₹)

	2016	2015
9. Trade payables		
Acceptances	225,468,782	170,022,843
Others	1,080,770,547	1,441,188,068
Total	**1,306,239,329**	**1,611,210,911**

10. Fixed assets

(Amount in ₹)

Description of assets	Gross Block					Depreciation / Amortisation / Impairment					Net Block	
	As at 1 April 2015	Additions	Deductions	Translation adjustment	As at 31 March 2016	Upto 31 March 2015	For the year	Deductions	Translation adjustment	Upto 31 March 2016	As at 31 March 2016	As at 31 March 2015
a) Tangible assets												
Freehold land	105,220,131	-	4,123,950	3,699,643	104,795,824	-	-	-	-	-	104,795,824	105,220,131
Leasehold land	76,464,371	-	32,886,245	212,985	43,791,111	21,753,335	1,328,263	8,607,206	113,352	14,587,744	29,203,367	54,711,036
Leasehold improvements	83,833,025	94,053,673	-	242,747	178,129,445	51,326,724	27,128,716	-	(51,529)	78,403,911	99,725,534	32,506,301
Buildings												
Owned	1,926,404,669	80,205,894	262,334,111	52,744,428	1,797,020,880	689,152,391	64,122,442	79,093,575	17,507,542	691,688,800	1,105,332,080	1,237,252,278
Taken on lease	468,750,000	-	-	28,162,500	496,912,500	45,090,475	12,588,658	-	2,862,409	60,541,542	436,370,958	423,659,525
Plant and Machinery												
Owned	21,567,245,008	1,950,849,702	1,402,389,004	262,143,524	22,377,849,230	15,115,481,417	1,018,856,036	1,055,420,291	189,480,399	15,268,397,561	7,109,451,669	6,451,763,591
Taken on lease	344,479,068	-	-	7,056,536	351,535,604	103,473,709	52,995,380	-	4,376,304	160,845,393	190,690,211	241,005,359
Equipments												
Owned	397,193,130	77,192,889	31,135,552	6,188,207	449,438,674	296,202,089	34,725,289	27,576,144	4,034,375	307,385,609	142,053,065	100,991,041
Taken on lease	13,719,513	-	-	-	13,719,513	3,411,803	2,266,324	-	-	5,678,127	8,041,386	10,307,710
Furniture and fixtures	143,839,202	24,983,648	17,663,095	2,081,539	153,241,294	98,485,936	10,493,705	12,250,016	1,929,778	98,659,403	54,581,891	45,353,266
Vehicles	6,205,867	-	2,100,553	(229,901)	3,875,413	5,140,282	547,363	2,090,170	(177,649)	3,419,826	455,587	1,065,585
Total (A)	**25,133,353,984**	**2,227,285,806**	**1,752,632,510**	**362,302,208**	**25,970,309,488**	**16,429,518,161**	**1,225,052,176**	**1,185,037,402**	**220,074,981**	**16,689,607,916**	**9,280,701,572**	**8,703,835,823**
Previous year	**24,020,009,850**	**1,567,400,138**	**266,652,789**	**(187,403,215)**	**25,133,353,984**	**15,276,844,028**	**1,275,451,441**	**120,996,269**	**(1,781,039)**	**16,429,518,161**	**8,703,835,823**	
b) Intangible assets												
Software	390,768,792	16,436,968	30,201,708	4,746,177	381,750,229	222,277,074	44,487,772	8,531,966	3,188,367	261,421,247	120,328,982	168,491,718
Patents	3,041,299	4,185,117	-	320,354	7,546,770	3,040,833	258,381	-	320,369	3,619,583	3,927,187	466
Total (B)	**393,810,091**	**20,622,085**	**30,201,708**	**5,066,531**	**389,296,999**	**225,317,907**	**44,746,153**	**8,531,966**	**3,508,736**	**265,040,830**	**124,256,169**	**168,492,184**
Previous year	**364,763,457**	**34,017,821**	**407,919**	**(4,563,268)**	**393,810,091**	**185,354,748**	**42,910,242**	**407,918**	**(2,539,165)**	**225,317,907**	**168,492,184**	
Grand Total (A+B)	**25,527,164,075**	**2,247,907,891**	**1,782,834,218**	**367,368,739**	**26,359,606,487**	**16,654,836,068**	**1,269,798,329**	**1,193,569,368**	**223,583,717**	**16,954,648,746**	**9,404,957,741**	**8,872,328,007**
Previous year	**24,384,773,307**	**1,601,417,959**	**267,060,708**	**(191,966,483)**	**25,527,164,075**	**15,462,198,776**	**1,318,361,683**	**121,404,187**	**(4,320,204)**	**16,654,836,068**	**8,872,328,007**	
c) Capital work in progress											511,491,981	843,440,202
d) Intangible assets under development											59,582,263	44,197,970

Notes:

(i) Buildings include roads, residential flats, tubewell, water tanks and share in co-operative society.

(ii) Freehold land and building includes assets acquired pursuant to Scheme of Merger of Ras Propack Lamipack Limited ("RPLL") and Ras Extrusions Limited ("REL") on the appointed date 1 April 2011. The said assets were revalued on 30 June 1996 by ₹ 3,27,86,717 on the basis of valuation report of Chartered Engineers dated 13 August 1996.

(iii) Additions to Plant and Machinery and Capital work in progress includes borrowing costs of ₹ Nil (₹ 6,408,814) and exchange difference of ₹ 54,680,424 (₹ 37,985,580) capitalised during the year as per Accounting Standards.

(iv) Depreciation for the year of ₹ Nil (₹ 423,212) is recouped out of revaluation reserve.

(v) Deductions for the year include ₹ 1,448,604,860 in Gross Block and ₹ 912,090,877 in accumulated depreciation, resulting from the divestment of a Subsidiary company.

essel EXTRAORDINARY PACKAGING

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	2016	2015
11. Non-current investments		
(A) Trade investments		
i) In Associate Company - Unquoted		
2100 (2100) Equity Shares of USD 350 each of		
PT Lamipak Primula Indonesia (Extent of holding 30%)	50,812,215	50,812,215
Add: Unamortised goodwill	320,009,310	320,009,310
Add: Share of accumulated profits	85,966,594	82,812,531
Add: Share of profit for the year	27,449,023	3,154,063
Less: Dividend received	(8,303,279)	-
	475,933,863	**456,788,119**
ii) In Others - Quoted		
Nil (200) Equity Shares of ₹ 10 each in Cosmo Films Limited	-	1,760
Nil (100) Equity Shares of ₹ 10 each in Orient Press Limited	-	1,360
(B) Other investments		
i) Quoted		
Nil (700) Equity Shares of ₹ 10 each in State Bank of Travancore	-	42,000
	-	**45,120**
ii) Unquoted		
Obligatory investments in Government securities	-	690,625
(All the above securities are fully paid up)		
Total	**475,933,863**	**457,523,864**
Aggregate book value of quoted investments	-	45,120
Aggregate book value of unquoted investments	475,933,863	457,478,744
Aggregate market value of quoted investments	-	329,220

(Amount in ₹)

	2016	2015
12 a) Deferred tax liabilities (net)		
Deferred tax liabilities		
Depreciation on fixed assets	280,778,415	379,109,195
Others	78,349,778	10,859,197
Less: Deferred tax assets		
Disallowances under tax laws	54,881,221	45,631,866
Provision for doubtful debts	19,081,111	20,102,387
Others	15,873,870	11,154,186
Total (A)	**269,291,991**	**313,079,953**
b) Deferred tax liabilities (net)		
Deferred tax assets		
Disallowances under tax laws	115,900,687	124,512,347
Provision for doubtful debts	3,137,146	1,777,600
Unabsorbed tax losses	35,634,499	58,383,396
Less: Deferred tax liabilities		
Depreciation on fixed assets	132,510	7,435,063
Others	1,379,536	1,479,778
Total (B)	**153,160,286**	**175,758,502**
Total (A-B)	**116,131,705**	**137,321,451**

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	Long-term		Short-term	
	2016	2015	2016	2015
13. Loans and advances				
(Unsecured, considered good, unless otherwise stated)				
Capital advances	191,375,050	147,074,661	-	-
Deposits				
- Related Parties (Refer note 36)	155,010,000	155,010,000	-	-
- Others	137,756,567	129,987,804	6,374,537	10,959,383
	292,766,567	**284,997,804**	**6,374,537**	**10,959,383**
Loans and advances to related parties (Refer note 36)	-	-	960,666,940	960,666,940
Other loans and advances				
Advances (recoverable in cash or kind)	22,307,079	25,355,376	1,390,468,183	1,303,315,864
Prepaid expenses	1,359,886	296,595	66,622,532	56,715,590
Loans and advances to employees	848,154	872,328	4,699,224	5,097,613
MAT Credit entitlement	-	-	41,051,865	57,052,168
Balances with government authorities				
- Direct tax (net of provision)	73,506,681	73,096,150	16,656,575	15,140,453
- Indirect tax	44,630,956	34,247,004	305,155,399	373,900,815
Total	**626,794,373**	**565,939,918**	**2,791,695,255**	**2,782,848,826**

(Amount in ₹)

	Non-current		Current	
	2016	2015	2016	2015
14. Other assets				
Deposits with banks having original maturity period of more than twelve months* (Refer note 17)	238,858	2,906,600	-	-
Interest receivable from				
- Related parties (Refer note 36)	-	-	259,735,389	129,690,037
- Others	-	-	1,549,331	1,195,995
Other receivables from				
- Related party (Refer note 36)	-	-	47,612	-
- Others	-	-	1,337,769	1,656,249
Export benefits receivable	-	-	8,804,954	22,034,257
Insurance claim receivable (Refer note 29 (b))	-	-	38,543,777	746,347
Unamortised ancillary borrowing costs	98,661,415	82,590,579	33,014,940	53,110,571
Total	**98,900,273**	**85,497,179**	**343,033,772**	**208,433,456**

* Deposited with / lien in favour of various Government authorities / banks.

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	2016	2015
15. Inventories		
Raw material	801,318,793	1,078,498,924
Goods-in-process	524,518,163	462,288,024
Finished goods	265,472,264	263,445,665
Stores and spares	449,069,129	486,887,266
Packing materials	30,018,170	26,450,313
Total	**2,070,396,519**	**2,317,570,192**

(Amount in ₹)

	2016	2015
16. Trade receivables (Unsecured)		
Over six months		
Considered good	32,004,116	32,263,356
Considered doubtful	70,905,115	64,006,374
	102,909,231	**96,269,730**
Less: Provision for doubtful debts	70,905,115	64,006,374
	32,004,116	**32,263,356**
Others	3,322,717,375	3,725,288,900
Total	**3,354,721,491**	**3,757,552,256**

(Amount in ₹)

	Non-current		Current	
	2016	2015	2016	2015
17. Cash and bank balances				
Cash and cash equivalents				
Balance with banks in Current accounts	-	-	656,318,818	650,772,997
Cheques/drafts on hand	-	-	14,850,925	43,480,130
Deposits with bank having original maturity period upto three months	-	-	23,342,170	49,959,008
Cash on hand	-	-	1,852,130	4,397,680
	-	**-**	**696,364,043**	**748,609,815**
Other bank balances				
Unclaimed dividend accounts	-	-	5,706,116	5,130,549
Deposits with banks having original maturity period of more than twelve months *	238,858	2,906,600	148,340,190	410,401,427
	238,858	**2,906,600**	**154,046,306**	**415,531,976**
Disclosed under "Other non-current assets" (Refer note 14)	(238,858)	(2,906,600)	-	-
Total	**-**	**-**	**850,410,349**	**1,164,141,791**

* Deposited with / lien in favour of various Government authorities / banks.

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	2016	2015
18. Revenue from operations		
Sales of products	22,321,363,950	23,642,302,657
Other operating revenues		
Royalty / Service charges	151,642,259	120,440,081
Sale of scrap	133,160,890	155,030,705
Export and other incentives	21,508,289	28,498,313
Revenue from operations (gross)	**22,627,675,388**	**23,946,271,756**
Less: Excise duty	(781,210,431)	(716,706,184)
Revenue from operations (net)	**21,846,464,957**	**23,229,565,572**

(Amount in ₹)

	2016	2015
19. Other income		
Interest income*	154,442,802	162,699,557
Liability written back	20,553,523	700,610
Miscellaneous income	62,414,938	46,215,449
Total	**237,411,263**	**209,615,616**

* includes interest on loans, bank deposits, income tax refunds etc.

(Amount in ₹)

	2016	2015
20. Cost of materials consumed **Raw materials consumed**		
Inventory at the beginning of the year	1,078,498,924	1,041,684,817
Add: Purchases (net)	9,343,875,322	11,405,143,886
	10,422,374,246	**12,446,828,703**
Less: Inventory at the end of the year	801,318,793	1,078,498,924
Total	**9,621,055,453**	**11,368,329,779**

(Amount in ₹)

	2016	2015
21. Changes in inventories of finished goods and goods-in-process		
Inventory at the end of the year		
Finished goods	265,472,264	263,445,665
Goods-in-process	524,518,163	462,288,024
	789,990,427	**725,733,689**
Inventory at the beginning of the year		
Finished goods	263,445,665	248,654,425
Goods-in-process	462,288,024	471,003,935
	725,733,689	719,658,360
Total	**(64,256,738)**	**(6,075,329)**

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	2016	2015
22. Employee benefits expense		
Salaries, wages and bonus	3,143,061,140	3,014,215,302
Contribution to provident and other funds	292,560,363	292,280,903
Gratuity	20,945,908	15,991,343
Staff welfare expenses	331,466,372	305,817,529
Total	**3,788,033,783**	**3,628,305,077**

(Amount in ₹)

	2016	2015
23. Other expenses		
Stores and spares	526,127,467	506,662,123
Packing materials	702,007,239	685,906,102
Power and fuel	645,431,985	691,626,342
Job work / Labour charges	369,452,289	369,895,724
Lease rent		
- Buildings	91,049,675	86,641,259
- Plant, machinery and equipment	66,875,840	63,532,525
Other manufacturing expenses	138,881,817	142,403,862
Repairs and maintenance		
- Buildings	25,041,388	25,926,920
- Plant and machinery	188,213,055	184,436,479
- Others	86,743,226	73,213,847
Rent	85,434,536	84,004,561
Rates and taxes	89,277,712	106,185,736
Insurance	32,847,826	31,632,634
Directors' sitting fees	961,600	1,315,000
Travelling and conveyance expenses	129,048,515	123,380,651
Advertisement expenses	2,910,866	5,345,980
Professional and consultancy charges	116,276,540	113,336,081
Communication charges	44,076,875	45,249,495
Miscellaneous expenses	217,391,770	221,800,716
Loss on sale /discard of fixed assets (net)	5,013,067	8,455,319
Donation	2,176,552	377,230
Exchange difference (net)	60,807,821	54,836,069
Payments to auditors:		
- Audit fees	2,671,680	2,671,680
- Tax audit fees	367,356	367,356
- Tax representations and others	2,327,331	1,296,955

Notes forming part of the Consolidated financial statements

(Amount in ₹)

	2016	2015
- Certifications (including fees for limited review)	1,848,189	1,370,832
- Reimbursement of expenses	164,546	302,362
Freight and forwarding expenses	652,746,527	649,971,208
Discount and rebate	-	20,376,851
Commission	14,561,796	16,547,425
Bad and doubtful debts (net of provision)	23,122,573	12,329,865
Corporate social responsibility expense (Refer note 38)	6,253,467	-
Total	**4,330,111,126**	**4,331,399,189**

(Amount in ₹)

	2016	2015
24. Finance costs		
Interest expenses		
- Borrowings	480,723,649	656,291,304
- Others	7,257,631	756,086
- Other financial charges {includes amortisation of ancillary borrowing costs ₹ 59,579,109 (₹69,807,837)}	117,555,199	113,655,015
Exchange difference on borrowings (net)	17,885,609	22,862,805
Total	**623,422,088**	**793,565,210**

25. Foreign exchange difference

The Companies (Accounting Standards) Amendment Rules, 2011 has amended provisions of AS-11 relating to "The Effect of Changes in Foreign Exchange Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by The Ministry of Corporate Affairs (MCA). In terms of these amendments, exchange difference loss (net) of ₹ 54,680,424 (₹ 37,985,580) is capitalised to cost of fixed assets / capital work in progress.

26. Derivative instruments and unhedged foreign currency exposure

a. Derivative contracts (being foreign exchange forward contracts for hedging purposes) entered into by the Group and outstanding as at 31 March :

i. For payments to be received against exports and other receivables

Forward Contracts	2016		2015	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD / CNY	-	-	USD 1,700,000	106,250,000
MXN / USD	MXN 12,165,626	46,674,641	MXN 10,196,280	41,892,435
USD / INR	USD 900,000	59,629,500	USD 1,000,000	62,500,000

Notes forming part of the Consolidated financial statements

ii. For payments to be made against imports and other payables

Forward Contracts	2016		2015	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD / INR	USD 5,015,934	332,330,705	USD 7,926,016	495,429,948
EUR / INR	EUR 467,062	35,214,139	-	-
CHF / INR	CHF 4,276,825	295,015,389	CHF 1,933,100	124,221,006
CNY / PHP	CNY 1,138,925	11,686,627	-	-
USD / COP	USD 600,000	39,753,000	-	-
MXN / USD	MXN 1,487,002	5,705,033	-	-

iii. Cross currency hedges

Forward Contracts	2016 Amount in Foreign Currency	2015 Amount in Foreign Currency
In respect of payables		
CHF/USD	CHF 3,923,205	CHF 5,844,551

b. Outstanding foreign currency exposures not hedged by derivative instruments

(Amount in ₹)

	2016	2015
Foreign currency payables	1,221,329,243	1,111,357,582
Foreign currency receivables	1,146,981,330	1,681,614,118

27. Finance Lease

The Company has acquired plant and machinery and equipments under finance lease which are capitalized under tangible fixed assets. The minimum lease payments required under this finance lease that have initial or remaining non-cancellable lease terms in excess of one year as at 31 March 2016 and its present value are as follows:

(Amount in ₹)

	2016	2015
Minimum lease payment as at		
Not later than one year	107,482,043	100,809,910
Later than one year but not later than five years	217,114,775	275,485,369
Later than five years	595,568,603	598,056,687
	920,165,421	**974,351,966**
Less: Amount representing interest	350,564,352	371,964,015
Present value of Minimum Lease Payments	**569,601,069**	**602,387,951**
Not later than one year	70,617,044	60,931,829
Later than one year but not later than five years	112,143,848	162,941,245
Later than five years	386,840,177	378,514,877

Notes forming part of the Consolidated financial statements

28. Operating Lease

The Group has taken premises, residential facilities, plant and machinery (including equipments) and vehicles under cancellable/ non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the leases varies from eleven to one hundred and eight months. The rental obligations are as follows:

(Amount in ₹)

	2016	2015
Lease rental charges for the year (Including ₹ 1,455,456 (₹ 1,561,171) of Joint Ventures)	157,268,584	248,990,143
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year (Including ₹ 1,369,505 (₹ 872,714) of Joint Ventures)	222,478,643	115,841,103
Later than one year but not later than five years (Including ₹ 2,028,495 (₹ 782,235) of Joint Ventures)	472,901,745	219,127,527
Later than five years	278,500,108	14,319,000
Total	**973,880,496**	**349,287,630**

29. a) Contingent liabilities not provided for

(Amount in ₹)

		2016	2015
i.	Unexpired letters of credit (net of liability provided)	-	123,559,606
ii.	Disputed indirect taxes*	246,347,688	237,534,835
iii.	Disputed direct taxes ^	207,004,250	114,043,068
iv.	Claims not acknowledged as debts	4,996,550	4,996,550
v.	Deferred sales tax liability assigned	60,836,967	68,605,087
vi.	Duty benefit availed under EPCG scheme, pending export obligations	237,683,555	263,739,439

* Does not include disputed excise duty of ₹ 115,428,779 (₹ 115,428,779) for alleged undervaluation in inter unit transfer of web, for captive consumption as it does not have significant impact on profits of the Group, since excise duty paid by one unit is admissible as Cenvat credit at other unit. Further, the appeal filed by Excise Department against the decision (in Group's favour) of High Court is pending before the Hon'ble Supreme Court.

^ Without considering relief granted by the Appellate Authorities in favour of the Company, tax effect ₹ 37,078,269 (₹ 33,422,849) (approx.), which is pending with relevant authority.

b) Insurance claim of ₹ 19,286,723 (₹ Nil) in respect of transit damage to the plant equipment, is under litigation before National Consumer Dispute Redressal Commission, New Delhi (Refer Note 14).

c) **Commitments**

(i) Capital commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹ 500,667,084 (₹ 675,820,408).

(ii) Other commitments #

Estimated amount of contracts remaining to be executed on other than capital account, not provided for (net of advances) ₹ 45,561,308 (₹ 60,270,174).

includes Share in Joint Venture Companies (Refer Note 33)

Notes forming part of the Consolidated financial statements

30. Managerial remuneration

a. Details of remuneration paid / payable to the managing director included in "Employee benefits expense" are as under:

(Amount in ₹)

		2016	2015
i.	Salaries, allowances and perquisites ^	43,519,200	40,440,000
ii.	Contribution to provident and other funds	3,484,800	3,240,000
iii.	Performance bonus *	24,170,000	20,000,000
	Total	**71,174,000**	**63,680,000**

^ Excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis.

* The performance bonus for the current year has been provided in the accounts as recommended by the nomination and remuneration committee and approved by the board of directors. The total remuneration to Managing Director on this basis as computed as per the Companies Act, 2013 is within limits prescribed u/s 197 of the Companies Act, 2013 and approval of shareholders as required therein.

b. Professional and consultancy charges include commission to Non-executive independent directors ₹ 6,000,000 (₹ 4,474,521) for the year ended 31 March 2016.

31. Amalgamation of Whitehills Advisory Services Private Limited (Whitehills) with the Company

The Board of Directors of the Company at its meeting held on October 29, 2015, have approved the Scheme of Amalgamation of Whitehills Advisory Services Private Limited (Whitehills), its holding company with the Company. There would be neither any change in the capital structure nor any change in the promoter shareholding of the Company and there will be no dilution for any public shareholders. The Company is in the process of obtaining requisite approvals of Statutory / Regulatory authorities. A court convened meeting in this respect is being scheduled on 11 May 2016, as directed by the Hon'ble High Court of Judicature at Mumbai.

32. Exceptional items

Exceptional item includes:

I) For year ended 31 March 2016,

a) ₹ 51,915,613 gain on divestment of wholly owned subsidiary, Packaging India Private Limited

b) Write off of ₹ 16,007,868 being amortised ancillary borrowing costs upon pre-payment of long term borrowings and related charges thereof

c) Write off of ₹ 12,452,409 relating to closure of Plastic Tubes manufacturing operations in USA.

II) For year ended 31 March 2015,

Gain on sale of fixed assets amounting to ₹ 55,191,644.

33. Disclosure in respect of Joint Venture Companies

In Compliance with Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures", the Group's share of each of the assets, liabilities, income and expenses, etc. in respect of jointly controlled entities are as follows:

Name of the Joint Ventures	Country of Incorporation	Ownership Interest
Essel Deutschland Management GmbH	Germany	24.90% (24.90%)
Essel Deutschland GmbH & Co. KG, Dresden	Germany	24.90% (24.90%)

Notes forming part of the Consolidated financial statements

Group's Share of Interest in Joint Ventures

(Amount in ₹)

	2016	2015
Assets	353,136,992	330,681,260
Liabilities	353,136,992	330,681,260
Income	631,672,774	638,555,114
Expenses	609,624,707	607,251,087
Other commitments	45,561,308	60,270,174

34. Earnings per share

(Amount in ₹)

	2016	2015
Profit for the year (₹)	1,820,698,530	1,406,316,157
Weighted average number of Basic and Diluted Equity Shares (Nos.)	157,044,165	157,044,165
Nominal value of equity shares (₹)	2.00	2.00
Earnings per share		
Basic and Diluted	11.59	8.95

35. Additional Information pursuant to Para 2 of General instructions for the preparation of Consolidated Financial Statements

(Amount in ₹)

Sr. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss	
		% of consolidated net assets	Amount	% of consolidated Profit	Amount
(I)	**Parent -**				
	Essel Propack Limited	57%	5,538,844,083	64%	1,157,066,363
(II)	**Subsidiaries -**				
	b) Foreign				
	1 Essel Propack America, LLC.	27%	2,611,586,586	22%	406,993,330
	2 Lamitube Technologies Ltd	53%	5,139,233,454	19%	351,528,507
	3 Lamitube Technologies Cyprus Ltd	2%	228,135,842	-27%	(487,783,595)
	4 Essel Packaging (Guangzhou) Ltd	41%	4,029,154,165	32%	578,021,899
	5 Essel Propack Philippines, Inc	1%	143,570,996	2%	44,119,587
	6 MTL de Panama S.A	2%	200,066,049	-1%	(12,438,300)
	7 Arista Tubes Limited	-2%	-229,936,387	0%	5,838,873
	8 Essel Propack UK Limited	0%	40,191,680	0%	6,082,800
	9 Essel de Mexico, S.A. de C.V.	2%	164,615,134	-1%	(21,412,304)
	10 Tubopack de Columbia S.A.	2%	206,899,103	2%	34,572,612
	11 Essel De Colombia, S.A.S.	0%	1,130,503	0%	(1,075,032)
	12 Essel Propack LLC (Russia)	1%	102,099,394	0%	(2,426,049)

Notes forming part of the Consolidated financial statements

(Amount in ₹)

Sr. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss	
		% of consolidated net assets	Amount	% of consolidated Profit	Amount
	13 Essel Propack Polska	12%	1,190,100,173	9%	155,214,039
	14 Arista Tubes Inc	16%	1,525,058,981	22%	399,052,157
	15 Essel Packaging (Jiangsu) Ltd	7%	654,055,056	2%	29,529,655
	16 Lamitube Hongkong Trading Company Limited	0%	7,510	0%	(1,265)
	17 The Egyptian Indian Company for Modern Packaging S.A.E (75%)	1%	65,253,436	0%	(1,756,844)
	18 Essel Propack Misr for Advanced Packaging S.A.E (75%)	2%	218,565,785	6%	116,842,611
(III)	**Minority Interests**				
	1 The Egyptian Indian Company for Modern Packaging S.A.E (25%)	0%	21,751,145	0%	(585,615)
	2 Essel Propack Misr for Advanced Packaging S.A.E (25%)	1%	72,855,262	2%	38,947,537
(IV)	**Associate**				
	Foreign				
	PT Lamipack Primula (30%)	2%	243,904,909	2%	27,449,023
(V)	**Joint Ventures**				
	Foreign				
	1 Essel Deutschland Management Gmbh (24.9%)	1%	138,623,190	1%	21,885,787
	2 Essel Deutschland Gmbh & Co. KG, Dresden (24.9%)	0%	1,204,012	0%	11,845

Note: Net assets / Share of Profit or Loss of subsidiaries, associate and joint ventures are considered based on the respective audited standalone financial statements without considering elimination / consolidation adjustments.

36. Related Party Disclosures

a. List of parties where control exists

i. Ultimate holding company

Rupee Finance and Management Private Limited.

ii. Holding company

Whitehills Advisory Services Private Limited (Refer note 31)

iii. Joint venture/Associate companies

Essel Deutschland GmbH & Co. KG (Dresden), Essel Deutschland Management GmbH, P.T. Lamipak Primula.

iv. Other Related Parties with whom transactions have taken place during the year and balances outstanding at the year-end.

Aqualand (India) Limited, Ayepee Lamitubes Limited, Rama Associates, Ganjam Trading Company Private Limited, Zee Entertainment Enterprises Limited, Sprit Textiles Private Limited, Shrotra Enterprises Private Limited, ITZ Cash Card Limited, Pan India Paryatan Private Limited.

Notes forming part of the Consolidated financial statements

b. Directors / Key management personnel of the Company

Non-executive Director	Dr. Subhash Chandra
Executive Director	Mr. Ashok Goel (Vice Chairman and Managing Director)
Chief Finance Officer	Mr. A. V. Ganapathy
Company Secretary	Mr. Suresh Savaliya (w.e.f. 29 October 2015)
	Mr. Ajay Thakkar (upto 4 August 2015)

c. Transactions with related parties

(A) Transactions during the year

(Amount in ₹)

		2016		2015	
		Total Amount	**Amount for Major Parties**	**Total Amount**	**Amount for Major Parties**
a)	**Sales to and recoveries from**				
	Joint Venture / Associates	**120,526,103**		**86,232,893**	
	Essel Deutschland GmbH & Co., KG Dresden		120,526,103		86,232,893
	Other Related Parties	**2,347,034**		**1,976,161**	
	Shrotra Enterprises Private Limited		534,284		1,975,643
	Ganjam Trading Company Private Limited		1,812,750		-
b)	**Royalty/Service income**				
	Joint Venture / Associates	**17,033,751**		**18,143,760**	
	Essel Deutschland GmbH & Co., KG Dresden		17,033,751		18,143,760
c)	**Purchase of Goods and Services**				
	Other Related Parties	**2,369,109**		**4,145,705**	
	ITZ Cash Card Limited		1,708,148		2,528,376
	Shrotra Enterprises Private Limited		267,430		1,379,387
d)	**Balances written off**				
	Joint Venture / Associates	**-**		**1,328,041**	
	Essel Deutschland GmbH & Co., KG Dresden		-		1,328,041
e)	**Rent Expenses**				
	Other Related Parties	**41,749,405**		**39,140,398**	
	Ayepee Lamitubes Limited		3,945,243		3,940,318
	Ganjam Trading Company Private Limited		37,804,163		35,100,000
f)	**Guarantee commission paid**				
	Other Related Parties	**13,695,459**		**-**	
	Aqualand (India) Limited		13,695,459		-
g)	**Repayment of Loans / Advances / Deposits taken**				
	Other Related Parties	**-**		**300,000**	
	Ayepee Lamitubes Limited		-		300,000
h)	**Interest Income on Loans /Advances / Deposits given**				
	Other Related Parties	**144,494,836**		**144,100,041**	
	Sprit Textiles Private Limited		144,494,836		144,100,041
i)	**Remuneration paid/provided**	**71,174,000**		**63,680,000**	
	Managing Director (Refer note 30)		71,174,000		63,680,000

Notes forming part of the Consolidated financial statements

(B) Balance Outstanding as at 31 March

(Amount in ₹)

		2016		2015	
		Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
a.	**Trade Receivables**				
	Joint Venture / Associates	**27,864,997**		**29,118,641**	
	Essel Deutschland Gmbh & Co., KG Dresden		27,864,997		29,118,641
	Other Related Parties	**74,495**		**2,352,623**	
	Shrotra Enterprises Private Limited		74,495		2,246,612
b.	**Loans / Advances / Deposits given**				
	Other Related Parties	**1,115,676,940**		**1,115,676,940**	
	Ayepee Lamitubes Limited		125,000,000		125,000,000
	Sprit Textiles Private Limited		960,666,940		960,666,940
c.	**Other Receivables**				
	Joint Venture / Associates	**20,826**		**-**	
	Essel Deutschland Gmbh & Co., KG Dresden		20,826		-
	Other Related Parties	**47,612**		**-**	
	Ayepee Lamitubes Limited		47,612		-
d.	**Interest Receivable**				
	Other Related Parties	**259,735,389**		**129,690,037**	
	Sprit Textiles Private Limited		259,735,389		129,690,037
e.	**Trade Payables / Other Liabilities**				
	Joint Venture / Associates	**-**		**309,224**	
	Essel Deutschland Gmbh & Co., KG Dresden		-		309,224
	Other Related Parties	**938,213**		**121,755**	
	Ayepee Lamitubes Limited		-		121,755
	Ganjam Trading Company Private Limited		938,213		-
f.	**Guarantees / security provided on our behalf**				
	Other Related Party	**2,540,000,000**		**4,972,500,000**	
	Aqualand (India) Limited		2,540,000,000		4,972,500,000
	Loan Outstanding ₹ 1,792,789,641 (₹ 3,551,176,894)				
g.	**Remuneration Payable**				
	Key Management Personnel	**31,169,857**		**26,999,857**	
	Managing Director		31,169,857		26,999,857

Transactions with Joint Venture has been reported at proportionate value.

"Major Parties" denotes entries who account 10% or more of the aggregate for that category of transaction.

37. Dividend of ₹ 747,569 (₹ Nil) unclaimed for a period of more than seven years is transferred to Investor Education and Protection Fund during the year. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2016.

38. Corporate Social Responsibility (CSR)

The Company has towards various CSR initiatives spend ₹ 6,253,467 (₹ 4,720,000) as against ₹14,071,399 (₹ 13,100,454) as required by Section 135 read with Schedule VII of the Companies Act 2013. CSR spend during the year has been charged to the Statement of Profit and Loss under "Other Expenses" in line with ICAI guidance note issued in May 2015. In the previous year, the CSR spend had been appropriated out of Reserves and Surplus as permitted under then prevailing ICAI guidelines.

Notes forming part of the Consolidated financial statements

39. Research & Development Expenditure

During the year, the Company has received recognition for In-house Research & Development (R&D) unit from the Department of Scientific and Industrial Research (DSIR) w.e.f. 30 September 2015. The Company has incurred total R&D expenditure of ₹ 63,419,077 (₹ 95,086,135) including Capital expenditure of ₹12,500,839 (₹ 13,440,000).

40. The Scheme of Amalgamation ("the Scheme") of EP Lamitubes Limited ("Transferor company") with the Parent Company w.e.f. 1 April 2014, was sanctioned by the Hon'ble High Court of Judicature at Mumbai and accounted for as per "Pooling of Interest" method prescribed under Accounting Standard 14 "Accounting for Amalgamations", in the financial statements for the year ended 31 March 2015, the difference of ₹ 3,652,605,000 between net assets taken over, extinguishment of Company's investments in transferor company and other reserves taken over being adjusted to Securities Premium of Parent company in terms of the Scheme. Further, as a consequence of implementing the scheme, the group has re-classified ₹ 2,748,696,640 from securities premium account to capital reserve on consolidation.

41. Prior period comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classifications/ disclosures. Figures in brackets pertain to previous year.

42. Segment Information

The Group considers geographical segment as the primary segment in the context of AS-17. The geographical segments have been identified and reported taking into account, the differing risk and returns, the organization structure and the internal financial reporting systems. The Group operates only in one Segment viz. 'Plastic Packaging Material' and hence business segment disclosures as per AS-17 are not applicable.

Geographical segmentation:

(a) Africa, Middle East and South Asia (AMESA) include operations in India and Egypt.

(b) East Asia Pacific (EAP) includes operations in China, Philippines and Hong Kong.

(c) Americas includes operations in United States of America, Mexico and Colombia.

(d) Europe includes operations in Germany, United Kingdom, Poland and Russia.

Segment reporting for the year ended 31 March 2016

Primary segment disclosure - Geographical segment

(Amount in ₹)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
Revenue							
External Sales and Services	8,515,044,494	4,599,069,153	4,719,039,245	4,013,312,065	-	-	21,846,464,957
Inter-segment Sales and Services	326,947,448	860,180,529	-	32,355,129	7,702,948	(1,227,186,054)	
Total Revenue	8,841,991,942	5,459,249,682	4,719,039,245	4,045,667,194	7,702,948	(1,227,186,054)	21,846,464,957
Segment Result	1,337,081,350	867,195,805	593,975,738	227,799,887	(44,192,282)	(13,076,206)	2,968,784,292
Add: Other income (net of foreign exchange gain or loss)							176,603,442
Less: Finance costs							623,422,088
Less: Corporate social responsibility expense							6,253,467
Profit before tax and exceptional items							**2,515,712,179**
Less: Exceptional items							(23,455,336)
Profit before tax							**2,539,167,515**
Less: Tax expense							
Current Tax - Current year							712,844,425
- Earlier years							6,270,350
Deferred Tax							(3,368,096)
Profit after tax before minority interest and share of profit of associate							**1,823,420,836**
Add : Share of profit from associate							27,449,023
Less: Minority Interests							30,171,329
Profit for the year							**1,820,698,530**

Notes forming part of the Consolidated financial statements

Other Segment Information:

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. **Segment Assets**	8,242,397,368	5,037,085,089	3,254,304,903	3,334,777,575	1,410,541,487	(446,680,008)	**20,832,426,414**
2. **Segment Liabilities**	1,638,474,022	798,285,256	584,368,059	531,745,609	7,751,992,835	(230,142,668)	**11,074,723,113**
3. **Capital Expenditure**	694,305,067	492,796,412	389,490,188	553,273,164	-	(157,372,939)	**1,972,491,892**
4. **Depreciation and amortisation expense**	579,081,074	306,443,879	200,546,878	189,735,665	-	(6,009,165)	**1,269,798,331**

Segment reporting for the year ended 31 March 2015

Primary segment disclosure - Geographical segment

(Amount in ₹)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
Revenue							
External Sales and Services	10,606,109,862	4,259,874,280	4,781,169,250	3,582,412,180	-	-	23,229,565,572
Inter-segment Sales and Services	367,425,593	1,078,325,057	286,893	2,592,488	6,943,378	(1,455,573,409)	
Total Revenue	10,973,535,455	5,338,199,337	4,781,456,143	3,585,004,668	6,943,378	(1,455,573,409)	23,229,565,572
Segment Result	1,332,958,081	687,539,081	486,060,095	185,818,213	(41,098,305)	(6,772,711)	2,644,504,454
Add: Other income (net of foreign exchange gain or loss)							154,779,547
Less: Finance costs							793,565,210
Profit before tax and exceptional items							**2,005,718,791**
Less: Exceptional items							(55,191,644)
Profit before tax							**2,060,910,435**
Less: Tax expense							
Current Tax - Current year							475,252,719
- Earlier years							38,453,953
Deferred Tax							96,826,316
Profit after tax before minority interest and share of profit of associate							**1,450,377,447**
Add : Share of profit from associate							3,154,063
Less: Minority Interests							47,215,353
Profit for the year							**1,406,316,157**

Other Segment Information:

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. Segment Assets	7,871,284,972	4,966,964,934	3,311,711,678	2,838,719,165	2,964,296,319	(591,999,531)	21,360,977,537
2. Segment Liabilities	1,637,532,397	882,964,190	741,612,877	460,357,299	10,223,657,400	(414,812,418)	13,531,311,745
3. Capital Expenditure	869,430,576	640,162,159	521,227,696	143,967,952	-	(2,413,828)	2,172,374,555
4. Depreciation and amortisation expense	575,620,386	287,482,653	262,129,235	207,204,614	-	(14,498,417)	1,317,938,471

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 28 April 2016

For and on behalf of the Board

Subhash Chandra
Chairman

Ashok Goel
Vice Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel
Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Consolidated Cash flow statement for the year ended 31 March 2016

(Amount in ₹)

		2016	2015
A	**Cash flow from operating activities**		
	Profit before tax	2,539,167,515	2,060,910,435
	Adjustments for:		
	Depreciation and amortisation expense	1,269,798,329	1,317,938,471
	Interest expense	487,981,280	657,047,390
	Interest income	(154,442,802)	(162,699,557)
	Exceptional items (net)	-	(55,191,644)
	Gain on divestment of subsidiary (net off provision for contingencies)	(51,915,613)	-
	Loss on sale/discard of fixed assets (net)	5,013,067	8,455,319
	Loss on sale/disposal of Investments	690,625	-
	Provision for doubtful debts (net)	6,898,741	(8,716,100)
	Amortisation of ancillary borrowing costs	59,579,109	69,807,837
	Capital subsidy transferred to Statement of Profit and Loss	(22,641,126)	(10,182,937)
	Exchange adjustments (net)	(161,520,687)	(49,011,123)
	Operating profit before working capital changes	**3,978,608,438**	**3,828,358,091**
	Adjustments for:		
	Decrease/(Increase) in trade and other receivables	377,217,265	(93,469,105)
	Decrease/(Increase) in inventories	247,173,673	(68,613,941)
	Increase in trade and other payables	(165,356,337)	(171,416,331)
	Cash generated from operations	4,437,643,039	3,494,858,714
	Corporate social responsibility expenditure incurred (Refer note 38)	-	(4,720,000)
	Direct taxes paid (net of refunds)	(783,142,418)	(360,649,070)
	Net cash from operating activities (A)	**3,654,500,621**	**3,129,489,644**
B.	**Cash flow from investing activities**		
	Purchase of fixed assets (including capital work-in-progress)	(1,943,196,802)	(2,185,757,440)
	Sale of fixed assets	28,451,077	192,392,846
	Sale of long-term investments	-	24,679
	Divestment of subsidiary	1,171,716,532	-
	Decrease in other bank balances	264,153,412	254,020,016
	Interest received	24,044,114	290,611,152
	Dividend received from associate	8,303,279	-
	Government grant and capital subsidies received	22,433,454	-
	Net cash used in investing activities (B)	**(424,094,934)**	**(1,448,708,747)**
C.	**Cash flow from financing activities**		
	Proceeds from calls in arrears (including securities premium)	-	1,077,750
	Proceeds from issue of non-convertible debentures	-	900,000,000
	Proceeds from long-term borrowings	3,651,755,832	2,001,566,397
	Repayment of long-term borrowings	(5,229,325,768)	(2,328,782,869)

Consolidated Cash flow statement for the year ended 31 March 2016

(Amount in ₹)

	2016	2015
Proceeds from short term borrowings	81,217,215	29,649,616
Repayment of short term borrowings	(153,814,802)	(401,712,935)
Decrease in other borrowings (net)	(644,097,053)	(715,236,426)
Principal payment under finance lease	(32,786,882)	(111,107,852)
Interest paid	(519,100,099)	(653,037,000)
Dividend paid (including tax)	(356,635,615)	(296,371,328)
Contribution from Minority Interests	14,905,600	-
Dividend paid to Minority Interests	(39,215,573)	(36,421,980)
Ancillary borrowing costs incurred	(55,554,314)	(67,780,479)
Net cash used in financing activities (C)	**(3,282,651,459)**	**(1,678,157,106)**
Net changes in cash and cash equivalents (A+B+C)	**(52,245,772)**	**2,623,791**
Cash and cash equivalents at the beginning of the year	748,609,815	745,986,024
Cash and cash equivalents at the end of the year	**696,364,043**	**748,609,815**
Earmarked balances with banks	154,046,306	415,531,976
Cash and bank balances at the end of the year	**850,410,349**	**1,164,141,791**
Note: Previous year figures are regrouped / reclassified wherever necessary.		

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 28 April 2016

For and on behalf of the Board

Subhash Chandra
Chairman

Ashok Goel
Vice Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel
Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

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"A customer is the most important visitor on our premises.

He is not dependent on us.

We are dependent on him.

He is not an interruption on work.

He is the purpose of it.

He is not an outsider to our business.

He is part of it.

We are not doing him a favor by serving him.

He is doing us a favor by giving us the opportunity to serve him."

- MAHATMA GANDHI

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