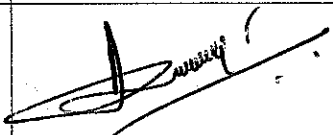




**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchanges.**

Pursuant to Clause 31(a) of the Listing Agreement

1.	Name of the Company	EsseL Propack Limited
2.	Annual Financial Statements for the year ended	March 31, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none"> <li>• Mr. Ashok Goel – Vice Chairman &amp; Managing Director.</li> <li>• Mr. A. V. Ganapathy – Chief Financial Officer (Global).</li> <li>• Mr. Mukund M. Chitale – Chairman of the Audit Committee</li> <li>• Mr. Hitendra Bhandari – Partner in MGB &amp; Co. LLP, Chartered Accountants</li> </ul>	  Ganapathy AV    

**Essel Propack Limited**



**Renewed Energy  
Expanded Playfield**

**Annual Report 2014-15**



## CONTENT

02	About Our New Logo
04	Chairman's Message
06	Vice-Chairman & Managing Director's Message
09	Expanded Playfield
10	Renewed Energy
12	Award Winning Tubes
13	Awards and Accolades
14	Board of Directors
15	Leadership Team
16	Financial Highlights
17	Corporate Information
18	Directors' Report
45	Management Discussion and Analysis
51	Corporate Governance Report
70	Financial Statements - Standalone
108	Financial Statements - Consolidated

Please refer Back Cover for our social media addresses

Energy is behind all Growth and Sustenance. The primordial energy unleashed by the Big Bang has been keeping this Universe in spiralling expansion over billions of years. The cover of our Annual Report is inspired by the potential of this unleashed energy.

**25**  
UNITS

The huge tube market beyond the oral care category, 22 billion a year in volume, has almost *tripled* Essel Propack's Playfield in volume terms and *multiplied it manifold* in value terms.

*The Innovative spirit of* the Company that so successfully changed an entire market for oral care packaging from aluminium to laminated tubes, is at play again introducing to the market an entire New Generation of laminated tubes.

**12**  
COUNTRIES

This is the Renewed Energy that is unleashed by Essel Propack from its 25 units spread over 12 countries, which is:

- driving Value growth across categories of **Beauty & Cosmetics**, **Pharma & Health**, **Food**, **Home** and **Oral**
- charming customers with **Extraordinary Packaging** solutions
- aligning its 2800 people behind an exciting Vision and Mission of

**2800**  
PEOPLE

Extraordinary *Value creation* for its shareholders

- exploding dynamically for securing leadership in newer playfields...

...captured in the  
**NEW LOGO**  
**ESSEL PROPACK**  
has given itself



# About Our New Logo

At Essel Propack we have always strived to deliver the extraordinary. Over the last three decades we have grown from being an Indian manufacturer to becoming a global leader; with a global outreach, international relationships and technological resources that make us number one. It is important that we express our unique position in the marketplace, verbally and visually.

Also, this image should be aligned with our global positioning, and is a key building block of a comprehensive, long-term business strategy. We, therefore, believe that the time is right to signal our extraordinary potential in the world of packaging through a revitalisation of our identity to the world – our logo.

All our 2800 employees actively participated in creating this new logo.

The new logo forms the letter 'e' using five petals representing each of the categories that we serve viz. Beauty & Cosmetics, Pharma & Health, Food, Home and Oral. We have given each of them a vibrant colour which are reproduced below.



This design is a revolutionary new approach and represents the renewed energy, commitment and aspirations for our Company. The space in between creates a 'star like halo' to represent the idea of 'extraordinary'.

Blue being the brand color of Essel Propack historically, is carried forward here. The typeface in this logo has been designed exclusively in lowercase to make us look modern, fresh and approachable.

## IT BETTER EXPRESSES WHAT WE STAND FOR

Our new identity better expresses what we stand for as a Company dedicated to bring to life extraordinary packaging in a more dynamic and relevant fashion than ever before.

## IT HAS A CONTEMPORARY LOOK FEEL

Fonts, shapes and colours need to be refreshed in order to keep with changing times and to provide a more contemporary and modern feel. Our new logo does just that.

## IT SIGNALS TRANSFORMATION

Since our inception, we have evolved to become world leaders with global facilities and an international workforce, spanning verticals. Our new identity projects our transformation and pre-eminent position in the world of laminated plastic tubes.

## IT TAKES CARE OF TECHNICAL CONSIDERATIONS

Complex logo designs often do not scale down well. Our new logo is technically superior, designed to work well across a wider range of applications with respect to print and digital media.

All in all, we have a new extraordinary logo, because we are just that.



A LOGO THAT **REMINDS** US WE ARE EXTRAORDINARY EVERY TIME WE SEE IT.



A LOGO THAT **EXPRESSES** WE ARE AHEAD OF TIME AND BETTER THAN EVER.



A LOGO THAT **INSPIRES** US TO GO THAT EXTRA-MILE, EACH AND EVERY TIME.



A LOGO THAT **SIGNIFIES** ESSEL PROPACk'S SAME VALUES AND SAME SPIRIT, WITH NEW POSSIBILITIES AND NEW THINKING !

# Chairman's Message



Dear Shareholders,

A year has flown by and it is my pleasure to once again share with you details of your Company's performance and the path we have carved going forward.

As most of you are aware, your Company has been delivering consistent returns over the last 4 years and is firmly on the growth path. For the financial year ended 31st March 2015, we have sold about 6.5 billion tubes; our Revenues are at ₹ 23.23 billion - a growth of 9.2 % over the last year and Net Profit is ₹ 1.4 billion, a growth of 30% over the last year.

As noted Russian-American writer Ayn Alissa Rand wrote "The ladder of success is best climbed by stepping on the rungs of opportunity."

At Essel Propack, we have tried and availed of every opportunity to retain our position as one of the top global players in the laminated tube space. Over the last 3 years, the Company's focus on "Multiplying the Products and Markets", the "Determination to Deliver" value to our Customers and stakeholders has led to the Company "Providing wings to FMCG brands globally." Yes, the

Success is contagious. For us at Essel Propack, it is renewed energy, renewed commitment and renewed effort to surpass the high standards we have

set for ourselves. The positive business scenario for us as a Company, in an economy where performance is currently sub-par, has only enthused our teams.

Company's evolution from an oral care packaging Company to an innovative packaging solutions provider to the high value non-oral care category is getting globally recognised.

Innovation is the key to your Company's growth. As Steve Jobs said "Innovation distinguishes between a leader and a follower." We have always tried to be one step ahead of the market in terms of our product range, constantly defining and evolving to meet the ever-changing market requirements – be it the quality of our products & processes, presenting of the "first moment of truth" to the consumer by way of attractive decoration, convenient dispensing systems and anti-counterfeit, eco friendly structures and processes that reduce carbon footprint. Your Company has applied for patents for over 100 products and processes globally and quite a few of them have been granted.

Our innovation has extended to working with our machinery supplier, to enhance machines, both in terms of speed as well as capabilities. Our latest achievement is the "SHOT" line, which is capable of actually producing 500 tubes per minute. Hitherto, we had machines which could produce maximum of 240 tubes per minute.

The other key to your Company's growth is fast decision making and timely implementation of decisions by business leaders. As Warren Bennis said "Leadership

is the capacity to translate vision into reality." Rightly so. When leadership is closely aligned with the organisation's vision, where Leaders and teams are aligned and work closely with complete understanding of the goals and relevant guidance and motivation is constantly provided, the organisation is bound to succeed. Leadership is also about being approachable to people down the line; about helping them remove road-blocks and resolve issues without delay. This would result in two good things happening in the organisation – (i) the leadership behaviour of being proactive will percolate down the line and (ii) the organisation will be strong, positive and motivated.

Peter F. Drucker said "Leadership is lifting a person's vision to high sights; the raising of a person's performance to a higher standard; the building of a personality beyond its normal limitations."

If we succeed in achieving this with our Human Capital, we will have people of 25 different nationalities with varied cultural backgrounds, rallying around and working towards one single Corporate Vision. There will then be nothing to stop us on our growth path and delivering on our promises.

Success is contagious. For us at Essel Propack, it is renewed energy, renewed commitment and renewed effort to surpass the high standards we have set for ourselves. The positive business scenario for us as

a Company, in an economy where performance is currently sub-par, has only enthused our teams. We are therefore, eager and committed to take full advantage of the EXPANDED PLAYFIELD available to us in the non-oral care space, with RENEWED ENERGY and zest.

I am reminded of a comment by Tony Gwynn – a Hall of Fame baseball player "The minute you're satisfied with where you are, you aren't there anymore."

There are opportunities out there available to us for the asking; it might mean more work and untiring effort for us as a Company. I am sure that we can do it and together with all our stakeholders strive to reach greater heights.

I would like to thank our valued Customers for their continued faith and trust in us; our Suppliers, Shareholders, Bankers and all other stakeholders for their invaluable support in all our endeavours; the Board of Directors for their unstinted support and conscientious guidance to enhance the Company's performance in every aspect; last but not least, to the Leadership Team, Esselites who are the backbone of the Company; their enthusiasm and efforts have contributed to the growth of the Company.

With best wishes,

**Subhash Chandra**  
Chairman



# Vice-Chairman & Managing Director's Message



The Renewed Energy within us as a Company and the Expanded Playfield (market opportunity) that is available to us, will provide us with the momentum to sustain the growth.

Dear Shareholders,

The Financial Year 2015 for your Company was one of all round growth. During the year, we sold about 6.5 billion tubes. Our Sales Revenues grew 9.2% to ₹ 2323 Crore. Our Profit After Tax grew 30% to an all-time high of ₹ 140 Crore.

As has been shared before, the Beauty & Cosmetics sector offers an additional 12 billion tube opportunity globally. I am happy to inform you that on the back of continuous and new innovations, we have made good progress in getting business in Beauty & Cosmetics from local as well as MNC Customers in all regions. Americas, Egypt and Europe have made good progress in this area.

East Asia Pacific (EAP) has also made progress, although on a smaller base. We have built additional capacity and new capabilities in these regions and they are now fully equipped to handle requirements of the Customers in respective Regions. In China, your Company has made a strategic investment in a new site in South East China, where most Cosmetic Customers are located. The unit was inaugurated on 4th December, 2014 and is now fully commissioned.

The Pharma & Health sector offers an additional opportunity of 10 billion tubes globally. India has succeeded in Pharma business. Our efforts to equip one more of our facility with a clean room, in addition to the one we

already had, has helped in servicing the Pharma Customers. While we have made good progress, we are confident that we shall continue to push for more growth in the Pharma category going forward.

In Americas and Europe, the strategy to expand our presence in non-oral care offerings has taken off well and the impact is increasingly visible in the financial performance of these two vital regions over the last 2 years. The Poland unit is now a profitable operation and is a flag-bearer for expansion in Europe. India & China continue to present immense potential, albeit a slowdown in the short term due to macro-economic conditions. Your Company is addressing this by opening new market niches, both in non-oral care and oral care categories, including replacing other packaging forms with laminated tubes.

We continue to focus on geographical expansion of our markets whereby each of our units in every country is actively pursuing export of our products to the neighbouring countries. For example, Egypt has commenced servicing neighbouring countries in Gulf and Africa. America is servicing Brazil and so on.

In step with our strategy to expand in Beauty & Cosmetics and Pharma & Health in new geographies, we have positioned ourselves as a complete packaging solutions provider, engaging with the Customer from the concept stage to global rollout.

Your Company has undertaken training of its Human Capital, to enable them to contribute meaningfully to the new strategic thrust. Our efforts in this direction

have begun in right earnest and we are beginning to see the fruits of this effort in all geographies across the globe.

On the Human Capital front, conscious efforts have been made in engaging more and more with our people across the globe. The engagement levels are measured every year by an independent professional agency. Another motivational scheme "All Ideas Matter" was launched as a measure to involve employees to come up with ideas which challenges the status quo. We received tremendous response to this scheme from all our plants. We have also strengthened Functional Excellence in vital areas like Supply Chain and Quality & Process Improvement by deploying global lead positions.

With all this, we envision your Company to grow Net Profit @ 20% CAGR over the next 5 years and achieve ROE & ROCE of 20%+ in the next couple of years. We have also targeted 50% of our revenues to come from non-oral care.

In keeping with the new image of the Company as a one-stop provider of packaging solutions, we undertook a complete re-branding exercise, covering every area that comes into public arena, including our website and logo. Your Company is now present in social media - Twitter, Facebook etc. You may have read the write-up on the same, published in this report.

The noted American Motivational speaker, author and consultant Denis Waitley has said "Success is almost totally dependent on drive and persistence. The extra energy

required to make another effort or another approach is the secret of winning."

It is evident that our strategy to enter the non-oral care space is yielding the desired results. The Renewed Energy within us as a Company and the Expanded Playfield (market opportunity) that is available to us, will provide us with the momentum to sustain the growth.

With best wishes,

**Ashok Goel**

Vice-Chairman & Managing Director



PACKAGING, APART FROM MAINTAINING PRODUCT INTEGRITY, OFFERS THE “FIRST MOMENT OF TRUTH” FOR CONSUMERS OF FMCG BRANDS



FROM COSMETICS TO PHARMA TO FOOD, LAMINATED TUBES ARE INCREASINGLY EMERGING AS THE PREFERRED CHOICE OF PACKAGING, REPLACING BOTTLES, JARS AND ALUMINIUM TUBES.



# Expanded Playfield

## Beauty & Cosmetics

- Emerging products such as Anti Ageing Creams, BB Creams, CC Creams, Hair Colourants and Hair Care system are expanding the category
- Growing youth population with increasing aspirations is driving demand

## Pharma & Health

- Aluminium Tube as packaging form is on decline for ointments, gels and medicated creams
- Laminated Tubes offer superior barrier, safety and user friendly features

## Food

- Tubes are becoming increasingly popular for Condensed Milk, Wasabi Paste, Peanut Butter, Jams and Sauces
- Higher usage is being driven by lifestyle changes, convenience and hygiene benefits

## Home

- Expansion in home application products such as adhesives, glues, paint colours
- Convenience, ease-of-use and dispensers are driving tube as preferred packaging for home applications

## Oral

- Cosmetic and therapeutic toothpaste brands are rapidly expanding the category
- Premiumisation of toothpaste driving high value add laminated tubes

At Essel Propack, the EXPANDED PLAYFIELD is inspiring everything we do, from creating new applications to delivering superior solutions with

# Renewed Energy

## CREATIVITY AND INNOVATION

Our R&D is creating path-breaking innovations

- Structures with high look and feel, UHB / UVB technology to meet the requirements of sophisticated cosmetic creams and pharmaceutical products
- Advanced decorations and 360 degree printing
- Tamper-evident, anti-counterfeit features and dispensing systems for pharmaceutical products

- Green Maple-Leaf structure offering "Sustainable" packaging solutions



## CUSTOMER ENGAGEMENT

We remain focused on delivering our best to the customer

- We go beyond sale of products and support their innovation and

provide high class service to build long term relations

- We partner customers to seamlessly roll-out their launches across the globe
- We operate global Key Account process to provide customised single-point service to large MNC customers
- We reach out through trade shows and focused road shows for different categories



## NEW PRODUCT OFFERINGS

We are creating a varied range of products for our customers working closely with them from concept to launch

- Replacing traditional bottle, jar and aluminium tube formats to new generation laminated tubes for enhanced shelf appeal and novelty for the consumer
- Using Egnite laminate for high-end cosmetic brands
- Pioneering packaging solution for Flavored Vodka is an award winning innovation



## OPERATIONS

Strong and disciplined operations continue to remain the core of Essel Propack in delivering superior customer experience

- Today, we have the capability to handle diverse SKU's running into thousands with flexible production runs and aggressive lead times

- Our manufacturing process is geared to meet the more stringent manufacturing standards of Pharma and Food products
- We have successfully pioneered COCO model in India for a large customer
- We have commissioned a greenfield factory in East China to locate closer to cosmetic manufacturers



## PEOPLE

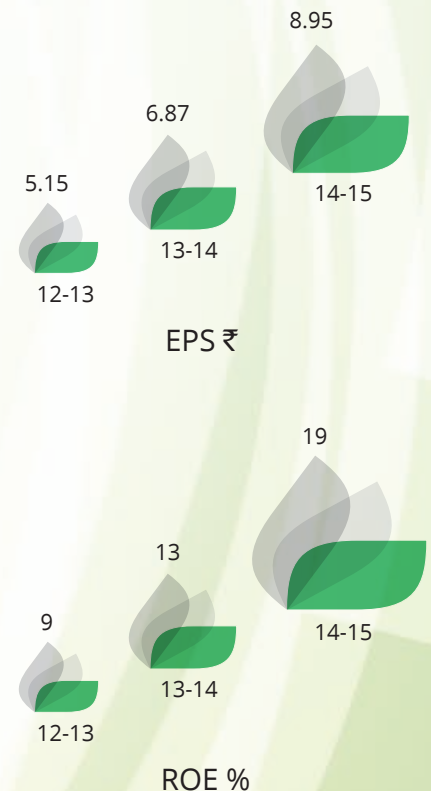
A number of modern people initiatives empower and enable employees to achieve and sustain a culture of excellence

- Focused employee engagement activities align personal and business goals
- Involvement and participation by employees in improvement oriented initiatives ensures successful implementation
- Targeted competency building and skill development programmes based on specific individual development plans

## CREATING VALUE TO STAKEHOLDERS

We are committed to creating superior value for our stakeholders

- Driving growth in the non-oral categories to achieve 50% share of Revenue in the next couple of years
- Pursue 20/20/20 vision of growing profits by 20% CAGR over the next 5 years and improving ROCE & ROE to 20%+ in the next couple of years
- Sustaining highest level of professionalism, governance compliance and social responsibilities in all our operations



# Award Winning Tubes



## TruAge AGE Therapy Gel (US)

The decoration on the AGE Therapy Gel tube is what makes it intriguing. The artwork is simple and classic but it is with the combination of gloss and matte coatings that we are able to achieve a checkerboard look. This decoration process really sets the brand apart from others because it is something that isn't often seen on many other tube packages. The gloss and matte checkerboard technique also gives the tube some tactility that adds a unique and appealing feel in the hands of consumers.



## Medline Phytoplex HydraGuard (US)

This tube is skillfully extruded through state of the art machines and shoulders are molded onto the sleeves to create the stunning base for decorating. Rich blue colors that are offset printed were used to achieve this shelf standout. The deep blues and greens on this tube easily grab the attention of consumers passing through the aisle. The spot lacquer with matte gives a wonderful depth to the graphics creating contrast.



## Glo Whitening & Antioxidant Toothpaste Citrus Twist (US)

This tube is extruded with a perfectly mixed masterbatch then goes to the silk screener for the first part of the decoration. After it makes a trip through the silk screen process it heads over to the hot foil stamper where it receives its signature green metallic stamp to highlight the citrus twist flavor. This brings an elegant look to the tube, as well as eye appeal to the consumer.



## Axe Peace Tube (Europe)

The first place in the Laminate Tube category went to the AXE Peace tube from Essel Propack Deutschland for Unilever's European product launch. Here, the jury was impressed by the transparent window at the end of the tube, the absence of any disruptive side seam (thanks to 360° invisium technology), the high covering power of the inks in the non-transparent areas and the unusual design of the welded tube end. The tube was manufactured from a transparent laminate with a plastic barrier.

# Awards and Accolades



Beauty & Cosmetics



Oral Care



Pharma & Health



# Board of Directors

**CHAIRMAN**



SUBHASH CHANDRA

**INDEPENDENT DIRECTOR**



TAPAN MITRA

**INDEPENDENT DIRECTOR**



BOMAN MORADIAN

**INDEPENDENT DIRECTOR**



MUKUND M. CHITALE

**INDEPENDENT DIRECTOR**



RADHIKA PEREIRA

**DIRECTOR**



ATUL GOEL

**VICE CHAIRMAN &  
MANAGING DIRECTOR**



ASHOK GOEL

# Leadership Team



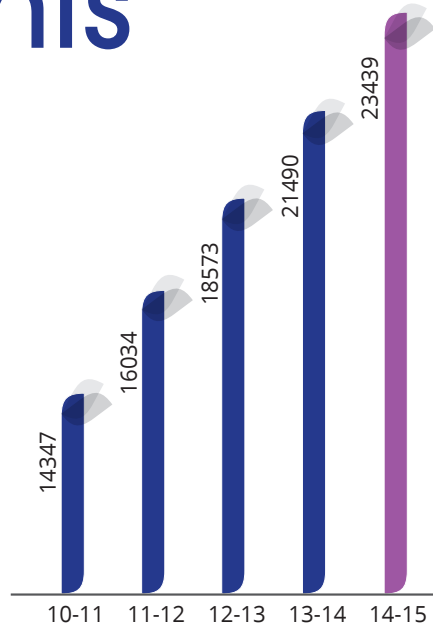
## **Standing Left to Right:**

Ajay N. Thakkar - Company Secretary and Head-Legal  
Alex Cheng - Global Supply Chain Head  
Edward Luo - Regional Vice President - EAP  
Ted Sojourner - Regional Vice President – AMERICAS  
Prakash Dharmani - Chief Information Officer (Global)  
Vinay Mokashi - Financial Controller (Global)  
Parag Chaturvedi - Head - Global Quality & Process Improvement  
Roy Joseph - Regional Vice President - AMESA  
Cherian K. Thomas - Whole Time Director and Chief Executive officer (PIPL)

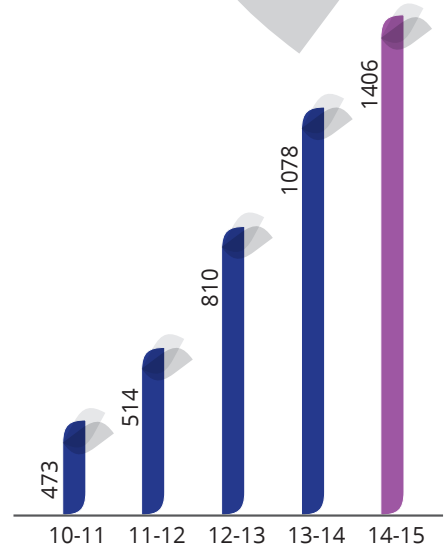
## **Sitting Left to Right:**

Alan Conner - Regional Vice President – EUROPE  
A. V. Ganapathy - Chief Financial officer (Global)  
M. R. Ramasamy - President - International Business  
Ashok Goel - Vice Chairman & Managing Director  
M. K. Banerjee - Director - Creativity & Innovation (Global)  
Dileep Joshi - Director - Human Capital (Global)

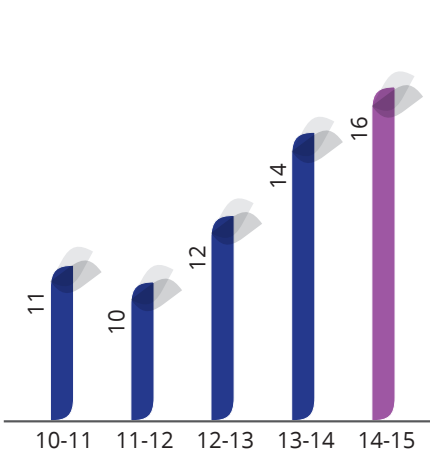
# Financial Highlights



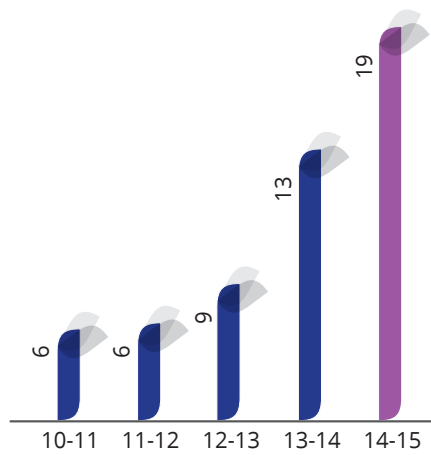
Total Revenue (₹ Million)



Profit After Tax (₹ Million)



Return on Capital Employed %



Return on Equity %

## Corporate Information

### BOARD OF DIRECTORS

**Subhash Chandra**  
Chairman

**Tapan Mitra**

**Boman Moradian**

**Mukund M. Chitale**

**Radhika Pereira** (Appointed as Independent Director on July 09, 2014)

**Atul Goel** (Appointed as Additional Director on November 05, 2014)

**Ashok Goel**  
Vice Chairman & Managing Director

**A. V. Ganapathy**  
Chief Financial Officer - Global

**Ajay N. Thakkar**  
Company Secretary & Head – Legal

### AUDITORS

MGB & Co., LLP  
Chartered Accountants

### BANKERS

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

### DEBENTURE TRUSTEE

Axis Trustee Services Limited

### REGISTERED OFFICE

P.O. Vasind, Taluka: Shahapur, District: Thane,  
Maharashtra - 421 604, India.

### CORPORATE OFFICE

Top Floor, Times Tower, Kamala City,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400 013, India.

### UNITS - INDIA

Vasind, Murbad, Wada, Chakan, Goa, Silvassa and Nalagarh

### SUBSIDIARIES / JOINT VENTURES / ASSOCIATES

India, China, Colombia, Egypt, Germany, Indonesia,  
Mexico, Philippines, Poland, Russia, Hongkong, UK and USA

### WEBSITE

[www.esselpropack.com](http://www.esselpropack.com)

### CORPORATE IDENTITY NUMBER (CIN)

L74950MH1982PLC028947

## Directors' 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 March 31, 2015.

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

### RESULTS OF OPERATIONS

#### CONSOLIDATED GLOBAL RESULTS:

The summary results are set out below:

	(₹ in million)	
	Year ended 31.03.2015	Year ended 31.03.2014
Total Revenue (excluding Excise duty)	23439	21490
Profit Before Depreciation, Finance and Tax (PBDIT) inclusive of other income	4117	3765
<i>PBDIT exclusive of other income</i>	3908	3541
Finance cost	(793)	(814)
Depreciation	(1318)	(1257)
Profit before Tax and exceptional items	2006	1694
Exceptional items	55	(8)
Tax	(611)	(569)
Share of profits from associates	3	
Minority interest	(47)	(39)
Net profit	1406	1078

Total revenue increased by a healthy 9.1% with all the four regions contributing to this achievement. Productivity gains helped the operating margin to expand by 60 bps over the previous year. Further helped by 2.6% reduction in the finance cost, lower effective tax rate and exceptional items, your Company's Net profit expanded 30.4% over the previous year, to post an all-time high of ₹ 1406 mio. The exceptional items ₹ 55 mio represent profit on sale during the year of certain surplus land and building by subsidiaries which were not required for business operations. Even after adjusting for the exceptional items, the Net profit on underlying basis has grown a healthy 24.4% over the previous year. 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 31.03.2015	Year ended 31.03.2014
Total Revenue (excluding Excise duty)	7755	6922
Total expenditure	(6135)	(5362)
Profit Before Depreciation, Interest and Tax (PBDIT) inclusive of other income	1620	1560
<i>PBDIT exclusive of other income</i>	1411	1298
Finance cost	(409)	(450)
Depreciation	(457)	(367)
Profit before Tax and exceptional items	753	743
Exceptional items	0	13
Tax	(188)	(211)
Profit after Tax	565	545
Appropriations:		
Dividend recommended (inclusive of tax thereon)	302	230
Transfer to Debenture Redemption Reserve	75	0
Transfer to General Reserve	0	55

Total revenue grew by 12% over the previous year, with Sales and Operating income growing by 13.3% year over year. In fact, the Sales and Operating income grew by a high 18% during the first half year, which was partly offset by a weak 8% growth during the second half in the wake of a sluggish Indian economy. New capacity investment made early in the year thus could not ramp up as envisaged. With a higher operating cost and the depreciation charge attributable to new capacity which could not be ramped up on account of weakness in demand beginning middle of the year, the India Standalone posted Net profit for the year of ₹ 565 mio as against ₹ 545 mio in the previous year.

### REVIEW OF BUSINESS AND OPERATIONS

Your Company is a leading manufacturer globally of Laminated and Plastic Collapsible 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 your Company's products has been a high growth industry and

is expected to sustain growth in future. In the so called mature markets of Europe, USA and Japan, the FMCG 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 of India, China, Latin America, Middle and Far East. The FMCG usage is expanding helped by increasing disposable income, growing youth population, expansion of modern retail/etail and increasing awareness and demand to look and feel good in the emerging markets. 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 embedded in the FMCG / Pharma space. In addition to benefitting from growth in the brands traditionally in the tube form, your Company is also actively involved in replacing packaging forms such as bottles, jars and aluminum tubes for a number of brands, leveraging the inherent advantage of laminated tubes and the technological improvement your Company has been able to bring about.

#### **INDIA STANDALONE**

India Standalone accounts for 32.5% of your Company's Consolidated Sales. Your Company enjoys a massive franchise in India, having pioneered the laminated tubes over three decades. The Customer portfolio encompassing reputed FMCG and Pharma brands - Indian and MNC, mass and niche, established and new, continues to grow. The second half of the year witnessed a distinct slow down in customer off-take reflective of the state of economy. This impacted the ramp up of new capacity invested early in the year impacting the operating margin. Your Company continued to pursue opportunity in Pharma packaging and help change of other packaging form to laminated tube. Several efficiency improvement measures too were implemented at the factories. A new clean room for pharma packaging was commissioned in another unit. The unit at Nallagarh is undergoing expansion to support new customers located nearby. Exports to markets in South Asia, Middle East and Africa continue to be a focus area. Your Directors are of the view that India growth story remains intact, notwithstanding the recent sluggishness. The oral care category in the country, even though large, is far from mature even in comparison to ASEAN or China, and therefore will continue to drive growth for your Company. The non oral care category powered by increasing aspirations of growing young population and expanding modern retail, presents your Company with exciting opportunity to pursue growth. Your Company already derives 52.38% of its sales from the non oral care category. Your

Directors are of the view that as the country's per capita GDP increases to mid to high range, demand for sophisticated packaging will drive medium to long term value growth.

#### **SUBSIDIARY, JOINT VENTURES, AND ASSOCIATES**

Being a global player in the laminated and plastic tubes, your Company has active manufacturing and marketing presence in twelve other countries through its direct and step down subsidiaries, joint ventures and associates. Your Company also has a wholly owned subsidiary in India to manufacture and market flexible packaging used in the packing of home care, personal care and food products. All these subsidiaries / joint ventures/associates continue to work closely with the customers and grow their business with product offerings relevant to their respective markets. During the year, all the operating subsidiaries have improved their financial performance over the previous year, with the exception of the Chinese subsidiary whose profit was impacted by reduced off-take from couple of existing Oral care customers. This subsidiary is actively developing new business in the non-oral care category and in the high value niche tooth paste packaging. As part of this strategy, this subsidiary also commissioned a new Unit in the East of China where the major part of the Cosmetic Industry of China is located. Your Directors are pleased to report that your Company's subsidiary in Poland turned profitable during the year and underpinned the strong growth in the Europe region Sales and Operating profit. Your Company's joint venture in Germany and associate company in Indonesia continued to be profitable. The affairs of the subsidiaries are reviewed throughout the year by the Board. The development at these subsidiaries and the markets they operate in are further discussed in the Management Discussion and Analysis (MDA) forming part of this Report. The performance and the financial position of each of the subsidiaries, associates and joint ventures is set out in the statement in the prescribed form attached to the Financial statements.

During the year, as part of simplifying the holding structure, EP Lamitubes Ltd., a wholly owned Indian subsidiary was amalgamated with your Company with effect from the appointed date April 1, 2014, pursuant to a Scheme approved by the Hon'ble High Court of Mumbai at its hearing held on December 19, 2014, accordingly, this subsidiary has ceased to exist.

Also completed during the year was the liquidation of your Company's overseas subsidiary Essel Packaging (Nepal) Pvt Ltd under the Company regulations of Nepal. Following the distribution of balance cash, representing a small gain of ₹ 3.33 lakhs, over the book value of investment in your Company's books, this subsidiary has since ceased to exist.

With a few to exploring opportunity to trade in raw material and finished products , a new step down subsidiary Lamitube Hongkong Trading Company Ltd was incorporated during the year in the Hongkong Autonomous Region. Further as stated elsewhere, to gain entry into the cosmetic packaging market in China, a step down subsidiary Essel Packaging (Jiangsu) Ltd was incorporated in China

The Consolidated Financial Statements presented by the Company include financial results of all its subsidiaries joint ventures and associates. The Audited Financial Statements of the Subsidiary Companies have been reviewed by the Audit Committee and the Board.

The Board of Directors at its Meeting held on March 05, 2015 has formulated a policy for determining material subsidiaries pursuant to the provisions of the Listing Agreement with the stock exchanges. The same is displayed on the website of the Company ([www.esselpropack.com](http://www.esselpropack.com)).

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report of the operations of your Company and all of its subsidiaries, associates and joint ventures is provided in a separate section of this Annual Report and forms part of the Directors' Report.

## DIVIDEND

Your Directors are satisfied that with various initiatives undertaken over the last few years, your Company has got back to 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, your Directors 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. Your Directors believe this will serve the interests of the shareholders especially those dependent on regular income. Accordingly, your Directors recommend a dividend of ₹ 1.60 per share of face value of ₹ 2 each, for the financial year ending on March 31, 2015 [previous financial year: ₹ 1.25 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 reporting transferred a sum of ₹ 75 mio to DRR to the issue of listed debt securities. In view of the commencement of the Companies Act 2013 there is no requirement to transfer

any sum to General Reserve in relation to the payment of dividend. Accordingly, the entire undistributed Net Profit is taken to Surplus in the Profit and Loss account

## SHARE CAPITAL

At the beginning of the year, there were 71650 partly paid shares on which the allottees had not paid the call money alongwith premium and interest on the said shares. After issuing a final reminder to the 129 allottees to pay the call money together with premium and interest, the Board, during the year under review, forfeited 35725 partly paid up equity shares belonging to 116 allottees who failed to respond to the final reminder, together with the bonus entitlement thereon of 21395 fully paid equity shares. These shares have not been re-issued. Consequently, the paid up capital of the Company stands reduced by 57120 equity shares at 157,044,165 equity shares of ₹ 2 each fully paid. During the year under the review, the Company has not issued shares with differential voting rights. As on March 31, 2015, Mr. Ashok Goel, Vice Chairman & Managing Director holds 3,20,760 equity shares of face value of ₹ 2 each and Dr. Subhash Chandra, Chairman holds 89,305 equity shares of face value of ₹ 2 each in the Company.

## EMPLOYEE STOCK OPTION SCHEME

During the year under review, Members of the Company had approved the Essel Employee Stock Option Scheme 2014 ("ESOS-2014"/"Scheme") for granting options to the eligible employees of the Company and its subsidiaries through postal ballot, the results of which were declared on January 30, 2015. Pursuant to this, the Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on March 19, 2015, has granted 29,53,000 (Twenty Nine Lakhs Fifty Three Thousand) Stock Options to the eligible employees of the Company and its subsidiaries under the ESOS-2014 not being directors or promoters. 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 ₹121.65 per share being the closing market price of the equity shares of the Company on the National Stock Exchange of India Limited as on March 18, 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. The options will vest in a phased manner over a period of 3 years from 2016, subject to performance targets being met for the respective years and may be exercised within maximum 4 years from the date of vesting, subject to terms and conditions of the said Scheme. 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.

Your Company's Auditors, M/s. MGB & Co, LLP, Chartered Accountants, have certified that the Company's Employee Stock Option Schemes have been implemented in accordance with the SEBI Regulations and the resolutions passed by the Members in this regard.

## FINANCE

Your Company continues to focus on reducing financial leverage and finance costs through enhancing capital productivity and improving cash generation. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring. Cash and cash equivalent as at March 31, 2015 was ₹ 9.56 mio.

During the year, the Company has issued 900 Rated, Listed, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 10,00,000 each for ₹ 900 mio for cash at par to the face value on private placement basis to further optimize the debt portfolio and finance costs. Finance cost during the year was thus lower by 9.1% as compared to previous year, despite prevailing high interest regime in India.

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 A and Short term Bank facilities from CARE A2 to CARE A2+.

Forex exposures were closely reviewed and appropriately hedged in order to minimize risk to the results during a year when the Indian rupee depreciated to record lows against USD during the previous year.

## ACCOUNTS

The merger of EP Lamitubes Ltd with your Company approved by the Shareholders and confirmed by the Hon'ble Bombay High court has been given effect as provided in the Approved Scheme under the Pooling of interests method from the appointed date of April 1, 2014. A sum of ₹ 2750 mio being the difference between the net assets taken over after cancellation of inter-company investment and the merger expenses has been charged to the Share premium account as provided by the approved Scheme and explained in the note 30 to the accounts. The Companies Act 2013 has mandated depreciation to be provided with reference to useful life for various assets as detailed in Schedule 2. The same has been given effect to in the year's accounts as detailed in note 11 to the Stand alone accounts in accordance with the provisions of the Act.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

## MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There has been no material changes and commitment affecting the financial position of the Company which have occurred between the end of the Financial year of the Company to which the Financial statements relate and the date of the Report.

## 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, 2015.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Retirement by rotation

In accordance with the provisions of Section 152(6) and the Articles of Association of the Company, Dr Subhash Chandra (DIN 00031458) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

### Appointments / Resignations from the Board of Directors

During the year under review, the Company appointed Mr Tapan Mitra (DIN 00101574), Mr Boman Moradian (DIN 00242123), Mr Mukund M Chitale (DIN 00101004) and Ms Radhika Pereira (DIN 00016712) as Independent Directors of the Company on July 09, 2014 for a period of five years. All Independent Directors have given declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the stock exchanges.



The Board of Directors on the recommendation of Remuneration and Nomination Committee appointed Mr. Atul Goel (DIN 00013157) as an Additional Director (Non Independent) in accordance to Section 161 of the Companies Act, 2013 w.e.f November 05, 2014. Mr. Atul Goel is a graduate from The American Graduate School of International Management at Thunderbird, USA. He leads E-City Ventures and has pioneering experience in developing and managing malls & multiplexes on a PAN India scale. As an Additional Director, Mr Atul Goel holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013, from a Member proposing his candidature as Director. The Board of Directors recommends his appointment as Director at the ensuing Annual General Meeting.

Further details about the above Directors are given in the Corporate Governance Report as well as in the Notice of the ensuing Annual General Meeting being sent to the Members along with the Annual Report.

There was no resignation of Directors during the year.

#### **Appointments / Resignations of the Key Managerial Personnel**

Mr Ashok Goel, Vice Chairman & Managing Director; Mr A V Ganapathy, Chief Financial Officer – Global and Mr Ajay N Thakkar, Company Secretary & Head- Legal of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and were already in office before the commencement of the Companies Act, 2013.

None of the Key Managerial Personnel has resigned or was appointed during the year under review.

#### **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:

- i. that in the preparation of the annual financial statements for the year ended March, 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. that such accounting policies as mentioned in note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgement 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, 2015 and of the profit of the Company for the year ended on that date;

- iii. 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;
- iv. that the annual financial statements have been prepared on a going concern basis;
- v. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **MEETINGS OF THE DIRECTORS**

A calendar of meetings to be held in the forthcoming financial year is prepared and circulated in advance to the Directors to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, at times decisions are taken by the Board also by means of resolutions circulated among the Directors,

During the year Eight (8) Board Meetings and Seven (7) Audit Committee Meetings were convened and held. Detailed information on the meetings of the Board and all its Committees are included in the report on Corporate Governance, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the listing agreement entered into with the stock exchanges.

#### **COMPOSITION OF AUDIT COMMITTEE**

The Board has constituted the Audit Committee which comprises of Mr Mukund Chitale, Independent Director as Chairman and Mr Tapan Mitra, Independent Director, Mr. Boman Moradian, Independent Director, as the members. More details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the stock exchanges, the Board has carried out an annual performance evaluation of its own performance, and of the directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance 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 had conducted various sessions during the financial year to familiarize Independent Directors with the Company, their roles, responsibilities in the Company, and the technology and the risk management systems of the Company. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions on above matters. The details of such familiarization programmes are displayed on the website of the Company ([www.esselpropack.com](http://www.esselpropack.com)).

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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 those 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 audits 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 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.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note 37 to the Standalone Financial Statements.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All contracts / arrangements / transactions with related parties are placed before the Audit Committee as also the Board, as may be required, for approval.

The policy on the materiality of the Related Party Transactions and also on dealing with the Related Party Transactions as approved by the Audit Committee and the Board of Directors is displayed on the Company's website ([www.esselpropack.com](http://www.esselpropack.com)).

Details of contracts / arrangements / transactions with related parties are given in the note 36 to the Standalone Financial Statements.

## **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, an extract of the Annual Return as at March 31, 2015 in the prescribed format is given in Annexure 1 and forms part of this Report.

## **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also displayed on the website of the Company ([www.esselpropack.com](http://www.esselpropack.com)).

## **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## **RISK AND AREAS OF CONCERN**

The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor the principal risks that can impact its ability to achieve its strategic 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.

In line with the new regulatory requirements, 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. A Risk Management Committee under the Chairmanship of Mr. Boman Moradian, Independent Director, has also been constituted to oversee the risk management process in the Company.

## CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013, and the relevant rules, the Board has constituted the Corporate Social Responsibility (CSR) Committee under the chairmanship of, Mr. Ashok Goel. The other members of the Committee are Mr. Boman Moradian and Mr. Mukund Chitale. A detailed CSR policy has been framed which is placed on the Company's website. As a part of its initiative under the CSR drive, the Company has undertaken CSR activities through registered trust or registered society and other permissible entities by giving donations and contributions to various permitted entities. The Company has also undertaken CSR initiatives on its own and has started with the project of providing benches and toilets to schools in the vicinity of the plants of the Company. The said project could not be completed before the end of the financial year under review since the Company was doing some research in this regard. The project is at advanced stage and will be completed during the current financial year.

These CSR projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. Details of the CSR activities as required under Section 135 of the Companies Act, 2013 and rules framed thereunder are given in the CSR Report as Annexure 2 forming part of this Report.

Apart from the above CSR activities, the Company's subsidiary companies in India and overseas are also involved in CSR activities in their respective geographies as per their respective CSR policies and regulations applicable to the said subsidiaries.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has been employing women employees in various cadres within its office and factory premises. The Company has in place a policy against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committees are set up at shop floor level to redress any complaints received and are monitored by women line supervisors. All employees are covered under the policy. There was no complaint received from any employee during the financial year 2014-15 and hence no complaint is outstanding as on 31.03.2015 for redressal.

## AUDITORS

### STATUTORY AUDITORS

The Members at the 31st Annual General meeting held on July 09, 2014 appointed M/s. MGB & Co, Chartered Accountants 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. During the year under review, M/S MGB & Co, informed the Board of Directors of having converted themselves into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 under the name and title M/S MGB & Co. LLP, Chartered Accountants. In terms of the Ministry of Company Affairs, Government of India, General circular No 9/2013 dated April 30, 2013, if a firm of Chartered Accountants, being an auditor of the Company is converted into an LLP, then such LLP would be deemed as an Auditor of the Company. Accordingly, the audit of the Company for the year under reporting was conducted by M/s MGB & Co.LLP, Chartered Accountants

Section 139 of the Companies Act, 2013 read along with the Companies (Audit and Auditors) Rules, 2014, states that the appointment of the Auditor shall be subject to ratification by the Members at every Annual General Meeting till the expiry of the term of the Auditor.

M/s. MGB & Co, LLP, Chartered Accountants have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 41 of the Listing Agreement with the stock exchanges, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. As required under the Companies Act, 2013, appointment of Auditors is required to be placed before the Members in the General Meeting for their approval. 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 2015-16.

### COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 read along with the Companies (Cost Records and Audit) Rules, 2014 notified by the Ministry of Corporate Affairs (MCA) on June 30, 2014 and further to its amendment on December 31, 2014, the cost audit records maintained by the Company is required to be audited in respect of the year ending March 2016. Your Directors have, on the recommendation of the Audit Committee, appointed M/s R Nanabhoy & Co., Cost Accountants to audit the cost accounts of the Company for the financial year 2015-16 at a remuneration of ₹ 1,00,000/- (plus service tax and out of pocket expenses). As required under Section 148 of the Companies Act, 2013 and read alongwith the Companies (Audit & Auditors) Rules 2014, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their approval. Accordingly, a Resolution

seeking Member's approval for the remuneration payable to M/s R Nanabhoy & Co., Cost Accountants is included as item no. 6 of the Notice convening the Annual General Meeting.

#### **SECRETARIAL AUDIT:**

Pursuant to Section 204 of the Companies Act, 2013 the Board of Directors had appointed Mr. Dharmesh Zaveri of M/s. D.M. Zaveri & Co, Practicing Company Secretary (C. P. No. 4363) as Secretarial Auditor to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed herewith as Annexure 3 and forms part of this Report.

There is no secretarial audit qualification for the year under review.

#### **HUMAN CAPITAL & PARTICULARS OF EMPLOYEES**

Your Company had 2858 employees globally as of March 31, 2015, of which 945 employees are in India.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read along with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure 4(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 4(b) and forms part of this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated

under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure 5 and forms part of this Report.

#### **CORPORATE GOVERNANCE**

Your Company has complied with the Corporate Governance requirements as per the revised Clause 49 of the Listing Agreement with the stock exchanges. A separate report on Corporate Governance along with a Certificate of Compliance from the Auditors forms a part of this Annual Report.

#### **CAUTIONARY STATEMENT**

Statements in the Directors' 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 appreciation for the cooperation and support received from banks and financial institutions, customers, suppliers, members and employees towards the growth and prosperity of your Company and look forward to their continued support.

For and on behalf of the Board of Directors  
ESSEL PROPACK LIMITED

Subhash Chandra  
Chairman

Mumbai, April 28, 2015

## Annexure 1 to Director's Report

### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2015

[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. No.: +91-22-2481 9000
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	Sharepro Services (I) Private Limited 13/AB, 2nd Floor, Samhita Warehousing Complex, Near Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Andheri East, Mumbai - 400072, India. Tel. No.: +91-22-67720300 Fax No.: 022-28591568 / 022-28508927 Email id: sharepro@shareproservices.com

#### 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	42213/17	87.2%

### 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
<b>HOLDING COMPANY</b>					
1.	Whitehills Advisory Services Private Limited (w.e.f April 28, 2014) New Prakash Cinema, N.M. Joshi Marg, Lower Parel, Mumbai – 400011, India	U74120MH2013PTC241290	Holding	55.11	2(46)
<b>DIRECT SUBSIDIARIES</b>					
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)
3.	Packaging India Private Limited No 57, Nungambakkam High Road, 2nd Floor, Nungambakkam, Chennai – 600 034, India	U74950TN1989PTC046718	Wholly owned Subsidiary	100	2(87)
4.	Arista Tubes Inc.*, USA 187 Cane Creek Blvd, Danville, VA – 24540	Foreign Company	Wholly owned Subsidiary	100	2(87)
<b>STEP DOWN SUBSIDIARIES</b>					
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.	Packtech Limited, Mauritius St. James Court, Suit 308, St. Denis Street, Port Luis, Mauritius,	Foreign Company	Subsidiary	100	2(87)
8.	Arista Tubes Ltd, United Kingdom Castle Court, 41 London Road, Reigate, Surrey, RH2 9RJ	Foreign Company	Subsidiary	100	2(87)



Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
9.	Essel Propack UK Limited Castle Court, 41 London Road, Reigate, Surrey, RH2 9RJ	Foreign Company	Subsidiary	100	2(87)
10.	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)
11.	Lamitube Hong Kong Trading Company Limited, Mauritius Unit No 1601, 16th Floor, Comweb Plaza, 12 Cheung Yue Street, Lai Chi Kok, Kowloon, Hong Kong	Foreign Company	Subsidiary	100	2(87)
12.	Essel Propack LLC (Russia) Russia Ul., Shosseinaya, 40, Malakhovka – 2, Luberetsky Raion, Moskovskaya Oblast – 140032, Russian Federation	Foreign Company	Subsidiary	100	2(87)
13.	Essel Propack MISR for Advanced Packaging (S.A.E.), Egypt Plot No 6 & 7, Bloxk – 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)
15.	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)
<b>ASSOCIATE COMPANIES</b>					
1.	Essel Deutschland Gmbh & Co. KG, Dresden, Germany KG, Dresden, Germany. Manfred-von-Ardenne-Ring 10, 01099 Dresden, Germany Handelsregister: Amtsgericht Dresden, HRA 5605	Foreign Company	Associate	24.90	2(6)
2.	Essel Deutschland Management GmbH, Germany Manfred-von-Ardenne-Ring 10, 01099 Dresden, Germany Handelsregister: Amtsgericht Dresden, HRA 5605 .	Foreign Company	Associate	24.90	2(6)
3.	P.T Lamipak Primula, Indonesia JI, Sawunggaling No 26, Gilang, Taman, Sidoarjo, Indonesia.	Foreign Company	Associate	30	2(6)

\* 7.35% is held through 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	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
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.	0	0	0	0.00	0	0	0	0.00	-
d) Bodies Corp.	92165335	-	92165335	58.67	88593243	0	88593243	56.39	-2.28
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	-
<b>Sub-total (A) (1):-</b>	<b>92500085</b>	<b>0</b>	<b>92500085</b>	<b>58.88</b>	<b>88927993</b>	<b>0</b>	<b>88927993</b>	<b>56.61</b>	<b>-2.27</b>
<b>(2) Foreign</b>									
a) NRIs Individuals	89305	-	89305	0.06	0	0	0	0.00	-0.06
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	-
<b>Sub-total (A) (2):-</b>	<b>89305</b>	<b>0</b>	<b>89305</b>	<b>0.06</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>-0.06</b>
<b>#Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>92589390</b>	<b>0</b>	<b>92589390</b>	<b>58.94</b>	<b>88927993</b>	<b>0</b>	<b>88927993</b>	<b>56.61</b>	<b>-2.33</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	2788047	20906	2808953	1.79	5179322	20770	5200092	3.31	1.52
b) Banks/ Financial Institutions	39557	2867	42424	0.03	100675	2802	103477	0.07	0.04
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	0.00	0	0	0	0.00	-
f) Insurance Companies	1850150	0	1850150	1.18	1702679	0	1702679	1.08	-0.10
g) Foreign Institutional Investors	14843521	2000	14845521	9.45	9631346	2000	9633346	6.13	-3.32
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	-
Foreign Portfolio Corporation	0	0	0	0.00	4898024	0	4898024	3.12	3.12
<b>Sub-total (B)(1)</b>	<b>19521275</b>	<b>25773</b>	<b>19547048</b>	<b>12.44</b>	<b>21512046</b>	<b>25572</b>	<b>21537618</b>	<b>13.71</b>	<b>1.27</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	17674476	8577	17683053	11.26	22565730	8402	22574132	14.37	3.11
ii) Overseas	0	0	0	0.00	0	0	0	0.00	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	16422277	1800851	18223128	11.60	14551462	1661594	16213056	10.32	-1.28



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	
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh.	7853690	-	7853690	5.00	6582456	57120	6639576	4.23	-0.77
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	-
i) Overseas Corporate Bodies	-	1170	1170	0.00	-	940	940	0.00	0.00
ii) Non Resident Individuals	948595	231481	1180076	0.75	962309	224603	1186912	0.76	0.01
iii) Trusts	23730	-	23730	0.02	21058	-	21058	0.01	-0.01
<b>Sub-Total (B) (2):-</b>	<b>42922768</b>	<b>2042079</b>	<b>44964847</b>	<b>28.62</b>	<b>44683015</b>	<b>1952659</b>	<b>46635674</b>	<b>29.69</b>	<b>1.07</b>
<b>Total Public Shareholding (B) = (B) (1) + B(2)</b>	<b>62444043</b>	<b>2067852</b>	<b>64511895</b>	<b>41.06</b>	<b>66195061</b>	<b>1978231</b>	<b>68173292</b>	<b>43.39</b>	<b>2.33</b>
Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	-
<b>*GRAND TOTAL (A)+(B)+(C)</b>	<b>155033433</b>	<b>2067852</b>	<b>157101285</b>	<b>100.00</b>	<b>155123054</b>	<b>1978231</b>	<b>157101285</b>	<b>100.00</b>	<b>-</b>

# During the Financial year 2014-2015, there was re-classification of few of the Promoters / Promoter Group Companies and the same were moved to Public Category. Shareholders classified as Promoters / Promoter Group Companies as on March 31, 2015, are considered for the purpose of providing above information.

\* 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 cancelled / 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	
<b>PROMOTERS -INDIVIDUALS</b>								
1	Ashok Goel	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	-
	<b>Total</b>	<b>334750</b>	<b>0.21</b>	<b>0</b>	<b>334750</b>	<b>0.21</b>	<b>0</b>	<b>-</b>
<b>PROMOTERS -DOMESTIC COMPANIES</b>								
1.	Whitehills Advisory Services Private Limited	-	-	-	86577843	55.11	1.27	55.11
2.	Ganjam Trading Company Private Limited	2000100	1.27	1.27	1990100	1.27	0	-
3.	Rupee Finance And Management Private Limited	82779160	52.69	0	100	0.00	0	-52.69
4.	Pan India Paryatan Private Limited	25200	0.02	0	25200	0.02	0	-
	<b>Total</b>	<b>84804460</b>	<b>53.98</b>	<b>1.27</b>	<b>88593243</b>	<b>56.40</b>	<b>1.27</b>	<b>2.42</b>
<b>NON RESIDENT - PROMOTER</b>								
		0	0	0	0	0	0	0

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

Sr #	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 (01.04.2014)	% of total shares of the company				No. of shares	% of total shares of the company
1	Rupe Finance and Management Pvt. Ltd.	82779160	52.69	28.04.2014	-82779060	Transfer (inter se-transfers)	100	0.00
				30.04.2014	3798783	Transfer (inter se-transfers)	3798883	2.42
				09.05.2014	-3798783	Transfer (inter se-transfers)	100	0.00
				31.03.2015	-	-	100	0.00
2	Ganjam Trading Co. Pvt. Ltd.	2000100	1.27	02.04.2014	160113	Transfer	2160213	1.38
				03.04.2014	495670	Transfer	2655883	1.69
				04.04.2014	1143000	Transfer	3798883	2.42
				30.04.2014	-3798783	Transfer (inter se-transfers)	100	0.00
				06.06.2014	710000	Transfer	710100	0.45
				09.06.2014	930000	Transfer	1640100	0.59
				24.03.2015	350000	Transfer	1990100	1.27
				31.03.2015	-	-	1990100	1.27
3	Whitehills Advisory Services Pvt. Ltd.	0	0.00	28.04.2014	82779060	Transfer (inter se-transfers)	82779060	52.69
				09.05.2014	3798783	Transfer (inter se-transfers)	86577843	55.11
				31.03.2015	-	-	86577843	55.11

## During the Financial year 2014-2015, there was re-classification of few of the Promoters / Promoter Group Companies and the same were moved to Public Category. Shareholders classified as Promoters / Promoter Group Companies as on March 31, 2015, are considered for the purpose of providing above information.

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

Sr #	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 (01.04.2014)	% of total shares of the company				No. of shares	% of total shares of the company
1	WARBURG VALUE FUND	8250000	5.25	02.05.2014	-164895	Transfer	8085105	5.15
				09.05.2014	-85105	Transfer	8000000	5.09
				23.05.2014	-28000	Transfer	7972000	5.07
				30.05.2014	-194695	Transfer	7777305	4.95
				06.06.2014	-277305	Transfer	7500000	4.77
				01.08.2014	-26317	Transfer	7473683	4.76
				08.08.2014	-47535	Transfer	7426148	4.73
				15.08.2014	-54155	Transfer	7371993	4.69
				22.08.2014	-79722	Transfer	7292271	4.64
				29.08.2014	-45969	Transfer	7246302	4.61
				05.09.2014	-74637	Transfer	7171665	4.56
				12.09.2014	-315975	Transfer	6855690	4.36
				19.09.2014	-105690	Transfer	6750000	4.30
				21.11.2014	-84000	Transfer	6666000	4.24

Sr #	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 (01.04.2014)	% of total shares of the company				No. of shares	% of total shares of the company
				28.11.2014	-72340	Transfer	6593660	4.20
				05.12.2014	-125259	Transfer	6468401	4.12
				12.12.2014	-32083	Transfer	6436318	4.10
				31.12.2014	-186318	Transfer	6250000	3.98
				09.01.2015	-7208	Transfer	6242792	3.97
				16.01.2015	-44714	Transfer	6198078	3.95
				23.01.2015	-114983	Transfer	6083095	3.87
				30.01.2015	-38229	Transfer	6044866	3.85
				06.02.2015	-21	Transfer	6044845	3.85
				20.03.2015	-125381	Transfer	5919464	3.77
				31.03.2015	0		5919464	3.77
2	CLAREVILLE CAPITAL OPPORTUNITIES MASTER FUND LIMITED	4786948	3.05	31.03.2015	0		4786948	3.05
3	GAGANDEEP CREDIT CAPITAL PVT LTD	3476686	2.21	31.03.2015	0		3476686	2.21
4	UTI - CHILDRENS CAREER BALANCED PLAN	2782393	1.77	04.04.2014	-240773	Transfer	2541620	1.62
				23.05.2014	-75774	Transfer	2465846	1.57
				06.06.2014	-101631	Transfer	2364215	1.50
				04.07.2014	-164215	Transfer	2200000	1.40
				09.01.2015	-22000	Transfer	2178000	1.39
				23.01.2015	-21780	Transfer	2156220	1.37
				06.02.2015	-33124	Transfer	2123096	1.35
				31.03.2015	0		2123096	1.35
5	SUDARSHAN SECURITIES PRIVATE LIMITED	2376329	1.51	31.03.2015	0		2376329	1.51
6	ERP INFRASTRUCTURES PROJECTS PRIVATE LIMITED	2209410	1.41	11.04.2014	-565000	Transfer	1644410	1.05
				25.04.2014	-610000	Transfer	1034410	0.66
				09.05.2014	-800000	Transfer	234410	0.15
				06.06.2014	-46133	Transfer	188277	0.12
				31.03.2015	0		188277	0.12
7	VEENA INVESTMENT PVT LTD	1884255	1.20	31.03.2015	0		1884255	1.20
8	BRIGGS TRADING CO PRIVATE LIMITED	1884255	1.20	30.09.2014	-400000	Transfer	1484255	0.94
				31.03.2015	-1484255	Transfer	0	0.00
9	GENERAL INSURANCE CORPORATION OF INDIA	1850150	1.18	31.10.2014	-50150	Transfer	1800000	1.15
				21.11.2014	-64456	Transfer	1735544	1.10
				28.11.2014	-32865	Transfer	1702679	1.08
				31.03.2015	0		1702679	1.08
10	ZEE ENTERTAINMENT ENTERPRISES LTD	1822000	1.16	31.03.2015	0		1822000	1.16
11	NEMISH S SHAH	1500000	0.95	31.03.2015	0		1500000	0.95
12	DSP BLACKROCK MICRO CAP FUND	0	0.00	30.06.2014	195489	Transfer	195489	0.12
				04.07.2014	439866	Transfer	635355	0.40
				11.07.2014	347285	Transfer	982640	0.63
				25.07.2014	174770	Transfer	1157410	0.74
				01.08.2014	192929	Transfer	1350339	0.86

Sr #	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 (01.04.2014)	% of total shares of the company				No. of shares	% of total shares of the company
				08.08.2014	63071	Transfer	1413410	0.90
				22.08.2014	53002	Transfer	1466412	0.93
				29.08.2014	142117	Transfer	1608529	1.02
				12.09.2014	103791	Transfer	1712320	1.09
				19.09.2014	175919	Transfer	1888239	1.20
				02.01.2015	268000	Transfer	2156239	1.37
				09.01.2015	133421	Transfer	2289660	1.46
				16.01.2015	150000	Transfer	2439660	1.55
				31.03.2015	0		2439660	1.55
13	L N MINERALS LLP	0	0.00	31.03.2015	1884255	Transfer	1884255	1.20
14	REEMA BUSINESS SERVICES PVT LTD.	1250000	0.80	28/11/2014	1250000	Transfer	0	0.00
15	URJITA J MASTER	1002500	0.64	04/04/2014	-2500	Transfer	1000000	0.64
				11/04/2014	-10000	Transfer	990000	0.63
				18/04/2014	-7500	Transfer	982500	0.63
				25/04/2014	-40000	Transfer	942500	0.60
				02/05/2014	-5000	Transfer	937500	0.60
				09/05/2014	-2500	Transfer	935000	0.60
				16/05/2014	-7500	Transfer	927500	0.59
				23/05/2014	-15000	Transfer	912500	0.58
				30/05/2014	-2500	Transfer	910000	0.58
				06/06/2014	-2500	Transfer	907500	0.58
				20/06/2014	-2500	Transfer	905000	0.58
				30/06/2014	-2500	Transfer	902500	0.57
				11/07/2014	-2500	Transfer	900000	0.57
				08/08/2014	-1000	Transfer	899000	0.57
				22/08/2014	-1500	Transfer	897500	0.57
				05/09/2014	-2500	Transfer	895000	0.57
				12/09/2014	-110000	Transfer	785000	0.50
				19/09/2014	-11000	Transfer	774000	0.49
				30/09/2014	-10000	Transfer	764000	0.49
				10/10/2014	-2000	Transfer	762000	0.49
				17/10/2014	-2500	Transfer	759500	0.48
				31/10/2014	-1000	Transfer	758500	0.48
				14/11/2014	-1000	Transfer	757500	0.48
				21/11/2014	-2000	Transfer	755500	0.48
				28/11/2014	-500	Transfer	755000	0.48
				05/12/2014	-1000	Transfer	754000	0.48
				19/12/2014	-500	Transfer	753500	0.48
				31/12/2014	-500	Transfer	753000	0.48
				13/02/2015	-3000	Transfer	750000	0.48
				27/02/2015	-5000	Transfer	745000	0.47
				06/03/2015	-1000	Transfer	744000	0.47
				20/03/2015	-3250	Transfer	740750	0.47
				27/03/2015	-8250	Transfer	732500	0.47
				31/03/2015	-500	Transfer	732000	0.47

## (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. 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

## IV. INDEBTEDNESS

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

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial Year</b>				
i) Principal Amount	3,220,783,522.00	725,045,058.00	-	3,945,828,580.00
ii) Interest due but not paid	483,922.00	-	-	483,922.00
iii) Interest accrued but not due	10,370,323.51	1,174,432.49	-	11,544,756.00
<b>Total (i+ii+iii)</b>	<b>3,231,637,767.51</b>	<b>726,219,490.49</b>	<b>-</b>	<b>3,957,857,258.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	98,936,482.52	-	-	98,936,482.52
Reduction	-	(144,263,545.52)	-	(144,263,545.52)
<b>Net Change</b>	<b>98,936,482.52</b>	<b>(144,263,545.52)</b>	<b>-</b>	<b>(45,327,063.00)</b>
<b>Indebtedness at the end of the financial Year</b>				
i) Principal Amount	3,319,568,386.00	581,391,602.00	-	3,900,959,988.00
ii) Interest due but not paid	4,302,029.00	-	-	4,302,029.00
iii) Interest accrued but not due	6,703,835.03	564,342.97	-	7,268,178.00
<b>Total (i+ii+iii)</b>	<b>3,330,574,250.03</b>	<b>581,955,944.97</b>	<b>-</b>	<b>3,912,530,195.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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	27,000,000	27,000,000
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961*	13,440,000	13,440,000
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as a % of profit - others, specify	-	-
5	Others, please specify		
	Provident and other Funds	32,40,000	32,40,000
	Performance Bonus**	2,00,00,000	2,00,00,000
	<b>Total</b>	<b>6,36,80,000</b>	<b>6,36,80,000</b>

\* Excludes Leave encashment and Gratuity which is based on actuarial valuation provided on an overall Company basis.

\*\* The performance bonus for the current year has been provided in the books of accounts as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors. The total remuneration payable to Mr Ashok Goel, Vice Chairman & Managing Director on the basis as computed as per Companies Act, 2013 is in excess of limit prescribed under section 197 of the Companies Act, 2013 by ₹ 2,00,00,000. Consequently, the performance bonus is payable only upon approval of the Central Government.

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to Vice Chairman & Managing Director shall not exceed 5% of the net profit of the Company.

#### B. Remuneration to other Directors:

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	-	-	2,55,000	3,90,000	3,15,000	1,05,000	10,65,000
	• Commission^^	-	-	12,00,000	12,00,000	12,00,000	8,74,521**	44,74,521
	• Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>14,55,000</b>	<b>15,90,000</b>	<b>15,15,000</b>	<b>9,79,521</b>	<b>55,39,521</b>
	Other Non-Executive Directors							
	• Fees for attending board / committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	-
	<b>Total (B) = (1+2)</b>	-	-	<b>14,55,000</b>	<b>15,90,000</b>	<b>15,15,000</b>	<b>9,79,521</b>	<b>55,39,521</b>
	<b>Total Managerial Remuneration</b>	-	-	<b>14,55,000</b>	<b>15,90,000</b>	<b>15,15,000</b>	<b>9,79,521</b>	<b>55,39,521</b>
	Overall Ceiling as per the Act	1 % of the Net Profit of the Company						

\* Appointed on July 09, 2014.

\*\* Calculated on pro-rata basis.

\*\*\* Appointed on November 05, 2014.

^^ Commission is payable to Non Executive Independent Directors after the financial statements are approved & adopted by the Members at the Annual General Meeting to be held on June 30, 2015.

#### C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Mr. Ajay N. Thakkar Company Secretary	Mr. A.V. Ganapathy - Chief Financial Officer (Global)	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	40,45,844	12,558,216	16,604,060
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-
5	Others, please specify			
	<b>Total</b>	<b>40,45,844</b>	<b>12,558,216</b>	<b>16,604,060</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**Annexure 2 to Director's 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.	<p>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</p> <p><a href="http://www.esselpropack.com/wp-content/uploads/2015/02/Corporate-Social-Responsibility-Policy.pdf">http://www.esselpropack.com/wp-content/uploads/2015/02/Corporate-Social-Responsibility-Policy.pdf</a></p> <p>The Company has undertaken the following CSR projects:</p> <p><b>1) Agricultural and Rural Development</b> To undertake rural development projects and to help the marginalized farmers to use modern techniques to increase their farm yields and not depend on rains so that farmers can take more crops in a year for farming.</p> <p><b>2) Education / Vocational Training</b> To provide education and vocational training to children/parents; to identify children with special needs; to educate the parents / teachers about child nutrition and health; to provide necessary help and support for their medical needs, education needs, including special education.</p> <p>In accordance with the CSR Policy of the Company, the Company has undertaken the above CSR activities through registered trust or a registered society and other permissible entities having an established track record of more than 3 years.</p>
2.	The Composition of the CSR Committee	<p>(1) Mr. Ashok Goel (Vice Chairman &amp; Managing Director)</p> <p>(2) Mr. Boman Moradian (Independent Director)</p> <p>(3) Mr. Mukund Chitale (Independent Director)</p>
3.	Average net profit of the Company (India - Standalone) for last three financial years.	₹ 6,96,795,268
4.	Prescribed CSR Expenditure spent (two percent of the amount as in item 3 above).	₹ 1,39,35,905

5.	Details of CSR spent during the financial year:	
a)	Total amount spent for the financial year;	₹ 47,20,000
b)	Amount unspent, if any;	₹ 92,15,905
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 was 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 implementation agency*
1.	Education / Vocational Training	Education / Vocational training spent through Aanchal Foundation and PADAKSHEP	Maninagar, Kankaria, Kokhara, Isanpur, Vatva and Lambha (State of Gujarat Ahmedabad District ); Bagbagan Island & Sagar Island (State of West Bengal South 24 Parganas District)	70,00,000	12,20,000	12,20,000	12,20,000
2.	Integrated Rural Development	Agriculture/ Rural Development spent through Savitribai Phule Mahila Ekatma Samaj Mandal	Jalna District, Aurangabad (Maharashtra)	69,35,905	35,00,000	35,00,000	35,00,000
	<b>Total</b>			<b>1,39,35,905</b>	<b>47,20,000</b>	<b>47,20,000</b>	<b>47,20,000</b>

The Company has also undertaken CSR initiatives on its own and has started with the project of providing benches and toilets to schools in the vicinity of the plants of the Company. The said project could not be completed before the end of the financial year under review since the Company was doing some research in this regard. The project is at advanced stage and will be completed during the current financial year.

The Company confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Sd/-  
**Boman Moradian**  
 Director  
 Member – CSR Committee

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

Mumbai, April 28, 2015

Mumbai, April 28, 2015



## Annexure 3 to Director's Report

### Secretarial Audit Report

Form No. MR-3

For the Financial year ended 31<sup>st</sup> March, 2015

[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 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 31<sup>st</sup> March, 2015, 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 31<sup>st</sup>, March, 2015 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (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 equity shares during the year).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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.

**I further report** that during the audit period the company has:

1. Amalgamated its wholly owned subsidiary EP Lamitubes Limited with the Company vide order of the Hon'ble High Court of Bombay dated 19<sup>th</sup> December 2014.
2. Issued secured, rated, listed, redeemable, non-Convertible debentures aggregating to ₹ 90 Crores through private placement vide offer letter dated 17<sup>th</sup> December, 2014.

3. Approved grant of 29,53,000 stock options to the eligible employees of the Company and its subsidiaries under 'Essel Employee Stock Option Scheme 2014'.
4. Passed Special resolution relating to authority to the Board of Directors for borrowing up to ₹ 700 crores through postal ballot notice dated July 30, 2014 as required by section 180(1)(c) of the Companies Act, 2013.
5. Passed Special resolution relating to authority to the Board of Directors for creation of charge/ mortgages/hypothecation etc. on assets of the Company through postal ballot notice dated July 30, 2014 as required by section 180(1)(a) of the Companies Act, 2013.
6. Forfeited 57,120 equity shares of face value of ₹ 2 each.

For **D. M. Zaveri & Co**  
Company Secretaries

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

Place: Mumbai  
Date: 20<sup>th</sup> April, 2015

## Annexure 4(a) to Director's Report

Information on employees' remuneration as per Section 197(12) of the Companies Act, 2013 ("the Act") read with Rule 5(2) and Rule 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended till date forming part of the Directors' report for the financial year ended March 31, 2015

Sr. No.	Name	Designation/Nature of Duties	Qualification	Age	Date of Joining	Remuneration Received (₹)	Experience (in years)	Particulars of last employment held- Organisation & Designation
Statement showing particulars of employees who were in employment throughout the financial year and are in receipt of remuneration of not less than ₹ 60,00,000/- per annum in the aggregate.								
1	Ashok Goel	V.C.& M.D	B Com	53	1/7/1988	43,680,000	33	-
2	M R Ramasamy	President-International Business	BE, PG Diploma in Plastic Engg	57	9/3/1985	17,553,686	33	Venton Polyester Ltd., Project Engineer
3	A V Ganapathy	Chief Financial Officer	B Com, ACA, ACS & AICWA	56	11/6/2007	12,558,216	32	Unilever Sri Lanka Ltd., Commercial Director
4	M K Banerjee	Director-Creativity & Innovation (Global)	BE Electrical	59	6/6/1985	9,409,359	36	Guardian Plasticore Ltd., Maintenance Officer - Project Executive
5	Dileep Joshi	Director - Human Capital (Global)	Post Graduation in Management (HR)	50	12/10/2009	8,766,621	27	Essar Shipping Ports & Logistics Ltd., Head HR - ESPL Business Group
6	Roy Joseph	Vice President-AMESA Region	Masters in Management, BE	45	2/11/2011	7,416,684	23	Avery Dennison India Ltd; Country General Manager India

### Notes:

- 1) Remuneration includes salary, allowances and taxable value of perquisites.
- 2) All appointments are contractual and other terms and conditions are as per the Company's rules.
- 3) None of the employee except Mr. Ashok Goel, Vice Chairman & Managing Director is related to Mr. Subhash Chandra, Chairman and Mr. Atul Goel, Director.

For and on behalf of the Board of Directors  
**Essel Propack Limited**

**Subhash Chandra**  
 Chairman

Mumbai, April 28, 2015



## Annexure 4(b) to Director's Report

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of 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:

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ In Lakhs) *	% increase in Remuneration in the Financial Year 2014-15 (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 After Tax) (Sr. no. 3)
1.	Dr Subhash Chandra- Chairman	Nil	Nil	Nil	-
2.	Mr Ashok Goel - Vice Chairman & Managing Director of the Company	48,138,126	10	194.34	8.52%
3.	Mr Atul Goel - Additional Director (Appointed w.e.f November 05, 2015)	Nil	Nil	Nil	-
4.	Mr Tapan Mitra - Independent Director	12,00,000*	-	4.84	-
5.	Mr Mukund Chitale - Independent Director	12,00,000*	-	4.84	-
6.	Mr Boman Moradian - Independent Director	12,00,000*	-	4.84	-
7.	Ms Radhika Pereira - Independent Director (appointed w.e.f July 09, 2014)	8,74,521*	Nil	3.53	-
8.	Mr A V Ganapathy - Chief Financial Officer-Global	12,558,216	21	N.A.	2.22%
9.	Mr Ajay N Thakkar - Company Secretary & Head- Legal	4,045,844	10	N.A.	0.72%

\* Commission payable to Non-Executive Independent Directors after accounts are approved & adopted by the Members at the Annual General Meeting to be held on June 30, 2015.

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 was increased by 0.5%. The actual average increase for employees eligible for increment was around 10%. The calculation of % increase in median remuneration is done based on the Company performance and employee's individual performance.
2.	The Number of permanent employees on the rolls of the Company	945 employees as of March 31, 2015.
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 in the salary. 30% of this variable pay component is based on company performance. Factors considered for arriving at Company performance in 14-15 include achievement in Revenue, PAT (after Memo), EBITDA as a % Sales and FCF as compared to the budget was taken. The actual achievement score becomes the basis to determine employee Variable Pay which is a part of employee salary. Hence, the variable component part of salary has direct relationship with Company performance.

Sr. No.	Requirements	Disclosure
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 or increase for managerial personnel in the last financial year. The percentile increase process and policy was same for them and all the other employees.
5.	Comparison of the remuneration of the Key Managerial Personnels against the performance of the Company	For the financial year 2014-15, Key Managerial Personnels were paid remuneration of approximately 11.46% of Net Profit of the Company.
6.	The key parameters for any variable component of remuneration availed by the directors	The Broad factors and guidelines considered for the performance bonus are: Company Performance based on agreed Parameters. Own Performance based on agreed KRAs.
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.		
	Variation in Market Capitalisation	31.03.2015 ₹ 19583.41 mio
	Variation in Price Earning Ratio	31.03.2014 ₹ 9080.45 mio
	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	16.71 28.44%
	Variation in Net worth of the Company	177.11% ₹ 4798.52 mio
		₹ 7324.99 mio

For and on behalf of the Board of Directors  
Esel Propack Limited

Subhash Chandra  
Chairman

Mumbai, April 28, 2015

## Annexure 5 to Director's Report

### 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, 2015 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 dedicated to reduce energy consumption at its various plants. Besides sustaining previous year initiatives, new measures were implemented during the year. Gists of initiatives taken in this regard are as under:

- Installation of energy efficient lamination line at Vasind.
- Installation of new Feeder line at Vasind for reliable power source.
- Installation of Variable Frequency Drive (VFD) system for the air compressor to reduce energy consumption.
- Heater jackets provided to new laminator & RH3 new machines.
- Added Capacitor Banks to maintain power factor above 0.99 at Vasind, Installed Demand Controller meter for printing area at Goa.
- Installation of energy saving LED lights in work area like printing, Graphics, QC, street lights, storage area & shop floor lightings new clean room area. Use of natural light by transparent sheets on roof.
- STP water usage for gardening in Wada and Vasind plant.
- Optimization of Air pressure of compressed air line for energy saving.
- Machine programing logic improvement for energy efficient operations.
- Interlocking of different machine functions, so that m/c elements run only when value added process is running.
- Provision of separate switches in various circuits to turn off the electrical load when not needed.

- Energy saver units installed for AC plants.
- (b) The steps taken by the company for utilizing alternate sources of energy:
- Due to feeder line reliable power, less energy utilization from Generator which leads to less consumption of diesel
  - Bio Gas plant at Vasind
- (c) The capital investment on energy conservation equipment:
- Installation of new feeder line at Vasind Plant, investment of approx INR 7Cr done by MSEB (Zero Investment by Essel Propack)
  - Installation of VFD system for the air compressor to reduce energy consumption – INR 6 lakhs
  - INR 35 Lacks for STP plant
  - Investment of INR 3.70 Lacs for other improvements like, Heater jackets, LED lights, air compressor optimization, machine programing logic improvement, Interlocking of different machine functions.

#### B. TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption:
- a) Co-extruded tandem extrusion laminate with greater thickness accuracy and interlayer bond consistency have been inducted into EP manufacturing.
  - b) New generation tubing headers that can produce cosmetic range of PBL tubes with excellent tube 'concentricity' and 'fine finish' side seam have been inducted in to EP manufacturing.
  - c) New generation 'One click' printing has been deployed at your Vasind Factory. Other than the 'on demand Print' this new generation press can oversee the print color shade consistency and accuracy.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
- a) Egnite™ PBL Laminate enables your Company to promote sustainable plastic based high luster laminated tubes for high end cosmetic customers. The metallic luster enabled your

- Company to enter into premium skin care segment globally. More and more cosmetic customers are planning to move to Egnite luster PBL laminate so as to differentiate on the shelf and your Company has started seeing good commercial orders.
- b) Green Maple Leaf™ tube with 100% recyclability at code-4 (LDPE) has been showcased launched globally.
- c) Color ABL and PBL laminate 'AURA®' have been developed and commercialized. It is possible to produce color laminate in smaller run lot and with shorter leadtime.
- d) Laminated tubes with high collapsibility have been commercialized for Prescribed (Rx) Pharmaceutical skin ointment & cream. This new design has enabled your Company to enter into premium pharma care globally.
- e) Coex plastic tube with 'Fusion' Print technology is grabbing more business share in FMCG space. Direct Fusion Printed tubes are fast replacing Labelled tubes for high end cosmetic and personal care product categories.

(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 million)
a)	Capital	13.44
b)	Recurring	81.65
	Total expenditure	95.09
	Total expenditure as a % of total turnover	1.23%

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign exchange used and earned:

		(₹ In million)
a)	Foreign exchange earned	942.17
b)	Foreign exchange used	3,700.95

For and on behalf of the Board of Directors  
Essel Propack Limited

Subhash Chandra  
Chairman

Mumbai, April 28, 2015

## Management Discussion and Analysis

Your Directors are pleased to present the Management Discussion and Analysis for the year ended March 31, 2015.

### BUSINESS OVERVIEW

Your Company is a global leader in laminated tubes. Tubes are eminently suited for packing viscous products such as pastes, gels and creams. Like any packaging material, they protect the product from elements and preserve freshness, flavor and fragrance. As a packaging form they additionally offer superior value proposition in terms of ease of dispensing the product, hygienic storage in a multiple usage situation and excellent brand visibility on the retail shelf.

Your Company pioneered laminated tubes in India. Over the last 33 years, the Company has transformed into a leading global player in laminated tubes, selling over 6.5 billion tubes and having manufacturing presence in eleven countries through subsidiaries, Joint Venture and Associate. Its supplies reach many more countries through export of tubes, either directly by the Company or by the customers after filling in their product. In this sense, your Company's tubes touch the lives of billions of consumers in countries across the world. One in every three of the laminated tubes supplied across the world today for oral care application is manufactured by your Company. Tubes account for 89% of the Company's consolidated sales. The flexible laminate manufactured only in India constitutes the balance. Your Company's key strengths include a strong domain knowledge of polymers and plastic structures, proven Research & Development capability, global customer network, multi-country presence, scale and a vertically integrated manufacturing model, all of which help your Company to respond to market needs speedily.

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, Health & others account for 10 billion. Tubes for Beauty & Cosmetics applications are pre-dominantly extruded Plastic tubes, and those for Pharma are pre-dominantly Aluminium tubes.

Beauty & Cosmetics as a category is largest in Europe, USA and Japan. This category is witnessing introduction of several new products such as Anti-ageing creams, Beauty Balms, Complexion creams, Hair Colorants etc. Even the existing product range is getting re-launched with more efficacious formulations. The industry is looking for packaging which can resonate the product's functionality in terms of look and feel, can provide barrier for long term efficacy and freshness, and reduce carbon footprint. Your Company has been able to address these very emerging needs through its new

generation laminate structures and decoration capability. This is finding traction in driving your Company's business in the developed markets.

In the case of pharmaceuticals, use of aluminium tubes for packaging is going out of favour for reasons of concerns on product safety. Your Company over the years has perfected laminate structures that are efficacious for various pharma actives. Coupled with innovation in tamper evidence, anti counterfeit and dispensing technologies, your Company is now able to offer comprehensive packaging solution to Pharma, both OTC and prescription drugs. This is seeing traction in emerging markets like India and Egypt. India is growing as a large pharma tube manufacturing hub for both local and multinational brands. This experience is capable of replicating at other Units.

The use of tubes is now seen to extend to other categories such as Foods and Home care, for a range of products such as condensed milk, Wasabi sauce, cheese spread, glue / adhesives etc. Besides, a number of products hitherto packed in other packaging forms such as bottles and jars find tubes more attractive and value enhancing for their brands.

Your Company therefore sees a huge market in the non oral-care category where it can deploy its new generation laminated tubes and continue to grow in the years to come.

### OPERATIONAL PERFORMANCE REVIEW

During FY 15, your Company's global sales grew by 9.2% to ₹ 23.2 billion. Operating margin increased by 60 basis points to 11.5%. Key factors contributing to this are:

- A strong performance by Europe with an underlying sales growth of 19.4%.
- Strong value growth in the Americas , led by US and Colombian operations.
- Continued double digit growth in the India tubing operations.
- Expansion of sales to non-oral care category, which accounted for 41.2% of sales during the year.
- Improvement in asset productivity.
- Strong customer engagement leading to new business with existing and new customers.

The operating performance is 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, both tubes and flexible packaging)
4. EAP - East Asia Pacific (with operations in China, Philippines & Indonesia)

## SEGMENT FINANCIAL HIGHLIGHT

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

(₹ in million)			
Particulars	FY ended March 31, 2015	FY ended March 31, 2014	Growth
<b>Revenue:</b>			
Americas	4782	4569	4.7%
Europe	3585	3108	15.4%
AMESA	10974	9807	11.9%
EAP	5338	4984	7.1%
<b>PBIT:</b>			
Americas	486	318	52.8%
Europe	186	(88)	311.4%
AMESA	1333	1292	3.2%
EAP	688	808	-14.9%

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 mainstay 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 significantly grew its profitability.

The laminated tube unit in the USA continued to actively market your Company's new generation laminated tubes to non oral care customers. Consequently revenue grew by a healthy 12%. The improved sales mix together with higher operating efficiency has helped the Unit to expand its Operating margin by 140 bps. The Unit has invested further in new capability during the year as a means to sustain its foray into the high value non oral care category.

The extruded plastic tube unit in USA which was heavily into loss in the past was re-structured with an optimised customer portfolio and value selling. Consequently, the Operating margin improved by 570 bps and helped to further reduce the Unit's loss by 51% compared to previous year.

The Mexico unit continued to be impacted by off-take issues by a key customer. During the year, the Unit operationalized a

new non oral care contract for a prestigious MNC brand. This together with pro-active cost and efficiency management has helped the Unit to improve operating margin by 490 bps and to reduce the loss by 65% compared to the previous year. Efforts are on to develop new customers to drive sales growth.

The Colombian subsidiary sales grew by 5% on underlying basis by fully ramping up the new capacity set up in the previous 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. The Unit is poised to further scale up and benefit from this opportunity going forward. To this end, the Unit has invested in new capacity towards the end of the year.

### 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 Polish unit is the manufacturing hub for supply to Europe excluding Russia. The Unit has gained critical mass following the ramping up of the large long term contract with a FMCG major. New customer development in the non oral care space has further boosted the performance of the Unit. Helped by a 25% underlying sales growth, the Unit has decisively turned around and become profitable during the year. With a strong customer engagement and robust processes, the Unit is opening up new opportunities in the cosmetic and food categories. The capability for this is being expanded through new investment.

The Russian operation is still relatively small. During the year, the Unit had initiated a growth plan by de-bottlenecking capacity. However, the adverse development in the Russian economy during the year, including the steep devaluation of Ruble has impacted the financial performance of the Unit during the first half of the year. It seems the foreign exchange crisis is helping the cause of indigenous manufacture, and the Unit is turning around helped by new orders and pro-active pricing.

During the year, your Company's German joint venture unit grew sales strongly by 12% by leveraging your Company's global customer network. However, the profit growth was muted on account of issues with stabilizing the newly added inhouse decoration facilities during the early part of the year.

### AMESA (AFRICA, MIDDLE EAST AND SOUTH ASIA):

As explained in the Director's report, the India tubing operation after a strong sales growth of 18.8% during the first half year, had to contend with sluggish off-take caused by macro-economic conditions. The capacity expansion carried out at the beginning of the year thus remained not fully ramped up, impacting the Operating margin by 100 bps and causing the

operating profit to grow at 5%. The Unit is addressing the issue by new customer development efforts focused on the non oral care categories. The Unit has won awards and accolades for its efforts in partnering with customers on their new launches. The Unit has ramped up its supplies based on COCO model initiated with a key customer during the previous year. A number of initiatives to improve efficiency and productivity at its manufacturing units have begun to yield results. India continues to be a high potential market and the Unit is well positioned to seize opportunities as the economy and demand begin to perk up.

Your Company's unit in Egypt continues to be a top performer with sales growing by 25%. The Unit has successfully commercialised new customer contracts in the cosmetics and pharma space. Non oral care now accounts for 31.5% of the Unit's revenue as compared to 25% in the previous year. The Unit has also geographically expanded its market to Middle East through exports.

Your Company's flexible laminate subsidiary in India had to contend with tough market conditions during the year, as the FMCG space in which this unit operates is faced with a slow down in demand. The Unit is actively developing new customers to offset the impact of volume attrition in its key customers. Overall, sales grew by 4.3% while the operating profit declined by 17.7%

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 the last two years, this category especially for the contract customers whom the Unit service, has declined, thereby adversely impacting the performance of the Unit. The wage cost in China continues to increase, and together with capacity cost has caused the operating margin to decline by 310 bps compared to previous year. The strategy is to seek growth in the large non-oral care category and in the niche premium oral care space. Intense marketing efforts have begun yielding results, with sales to non oral care category growing by 50% over the previous year. A new manufacturing unit has been set up in the East of China where most of the Cosmetic manufacturing of China is located. The unit commissioned in December '14 is expected to ramp up through next year and contribute to turnover and profitability of the Unit.

The Philippines 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 Unit is still to ramp up the recent investment it made pursuant to a large contract, and has posted a small profit this year.

The region has a track record of operational excellence and a strong balance sheet. It has been the last to venture into the non -oral care category. But with the building blocks now in place, it should soon be back to growth path.

## FINANCIAL PERFORMANCE

### OVERVIEW:

(₹ in million)

Particulars	FY ended March 31, 2015	FY ended March 31, 2014	Growth
Net Sales/Income from operations	23230	21266	9.2%
Profit from Operations before Other Income, Interest and Exceptional items	2645	2288	15.6%
Finance Cost	(794)	(814)	-2.5%
Profit/(Loss) from ordinary activities before tax	2061	1686	22.2%
Net Profit for the year	1406	1078	30.4%
EPS-Basic and Diluted	8.95	6.87	30.4%

From the above it can be seen that during the year, your Company's sales grew by 9.2% and the Profit after tax by 30.4%.

### 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.

The remarkable expansion in the recent years of your Company's non-oral care categories is very much the result of path-breaking R&D work on structures and decoration technology. Your Company's C&I function has successfully amalgamated the evolving needs in the market place with its deep knowledge of science and engineering to create tubes with special features, aesthetics and functionality. The innovations are many packaging materials with reduced carbon foot print, that can incorporate re-cycled polymers, that are re-cyclable themselves, that minimize supply chain complexity at the customer end. Your Company's new generation tubes are based on sustainability platform, provide customized barrier properties to the different products, and come with a choice of convenience and safety features such as 'senior citizen friendly dispensing', "child protection", "tamper evidence", "anti-counterfeit" etc. 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.

Your Company is committed to protecting the enormous intellectual property which its C&I function is creating. In this regard, your Company has filed to date as many as 109 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

During the year, your Company further reduced the Finance cost by ₹ 20 mio compared to previous year. This was achieved through pro-active management of the borrowings and improved credit rating. Overall debt level was managed through continuous monitoring of the operating cash flows, judicious capex commitments and working capital controls. Consequently, the net debt as at end of FY15 reduced by ₹ 213 mio in constant exchange terms as compared to FY 14 while the gross debt reduced by ₹ 485 mio on the same basis over the previous year. Debt service capability ratio and the interest cover improved by over 16% over the previous year and now make a healthy balance sheet. During the year CARE upgraded your Company's long term credit rating from A- to A. As part of diversifying debt portfolio, your Company issued on private placement basis its first ever Rated Listed Secured Redeemable Non Convertible Debentures with a floating rate coupon for a value of ₹ 900 mio. Foreign currency exposures are closely monitored and hedged through forward contracts and open exposures are controlled within limits.

## 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. This year we had 15 job rotations, 15 job enlargements and have hired 26 Management and Engineers Trainees to further this endeavour.

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 achieve an overall Employee Engagement score of 61% with 15 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.

This year your Company launched an idea generation program called AIM (All Ideas Matter) under which the Company received phenomenal 900+ ideas, giving each employee an opportunity to contribute towards improving business performance. Employee communication through Town halls, Leadership interactions and messages, focused Goal Setting, newsletters and interesting competitions have also helped ensure consistent alignment with Company's Vision and Mission. 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 to empower its people, for planning and controlling the business processes efficiently & effectively, and integrating the processes. Hence, it continues to invest in state of art IT architecture and applications in areas which will benefit the business most. Under implementation currently is a state of the art Advance Planning Optimizer solution (APO) which will improve your Company's Demand Planning and Production scheduling capabilities. Also implemented are online training and simulation modules for learning and self-development of people. Your Company closely monitors the ERP usage effectiveness through carefully created indexes and drives businesses and functions to continuously improve their performance on this measure. Independent ERP system audit was conducted to further strengthen governance process. Analytics and Dashboard systems are being implemented to provide more insights into business for better decision making. 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 Leadership team 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 issued and updated several internal policy guidelines and SOPs for uniform application across its units, relating to both financial and operating matters. Your Company also carried out special audit by independent experts of the implementation of the ERP system, and of the security features of the Company's IT system. The findings were satisfactory and suggestions for improvement have been taken up for implementation.

## RISK MANAGEMENT

The Board of Directors, the Audit Committee and the Risk Management Committee of the Board regularly review the 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.

**Key risks to which your Company is exposed includes:**

**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 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 revenue today is 41.2% up from 39.1% in FY14. In India, this share of non oral care revenue is even higher at 52.4%.
- Tubes as a packaging form is being increasingly sought after by FMCG brands, and stands to benefit from replacement of jars, aluminium 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 are 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) High debt equity ratio:**

In a downturn, higher debt could increase financial risk.

- Your Company continues to focus on reducing financial leverage through higher capital productivity and improved cash generation. All new capex spends have to pass the test of financial prudence and the impact on liquidity. Annual capex spend is managed at a level close to the depreciation charge, so as to maximize the free cashflow. Your Company has a system for regular review of funds flow and a prudent financing policy aimed at optimized mix of short and long term debt. Measures to conserve cash are actively pursued. The improved operational performance and the drive to reduce inventory days during the year have further enhanced the debt service capacity, and your Company is taking steps to improve this even further.

**f) 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.

**Competition:**

This could put pressure on volume growth and pricing.

Your Company focuses on superior quality, shorter leadtime 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.

**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.

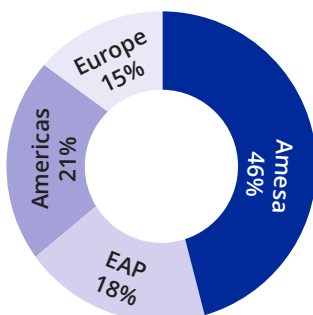
**OUTLOOK**

The performance in the recent years of your Company's business has been satisfying. The strategy for growth is clear. The non oral-care category globally offers immense potential for your Company to sustain a profitable growth, and all the necessary building blocks are well in place across the Units. 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 motivated Human capital, your Company is well set to take on the task of delighting all its stakeholders.

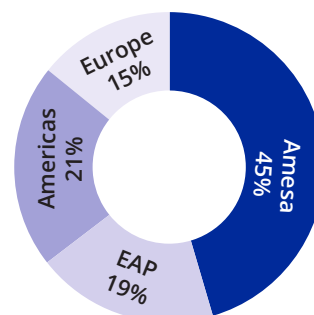
**CAUTIONARY STATEMENT**

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 2014**



## Corporate Governance Report

### I. BOARD'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting the Best Global Practices in the area of Corporate Governance and follows the principles of full transparency and accountability, thereby protecting the interests of all its stakeholders.

The Board considers itself a Trustee of all shareholders and acknowledges its responsibilities to the shareholders for creating and safeguarding their wealth. During the financial year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Company's business and ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

### II. BOARD OF DIRECTORS

#### 1. COMPOSITION:

The Board of Directors comprises of:-

##### NON EXECUTIVE DIRECTORS

- i) Two Non Executive, Non Independent Directors; and
- ii) Four Non Executive, Independent Directors (including one Woman Director).

##### EXECUTIVE DIRECTOR

- i) One Executive Director, Vice Chairman & Managing Director.

The Board of Directors provide strategic directions and thrust to the operations of the Company. The Board has two Non-Executive, Non Independent Directors, one Executive Promoter Director i.e. Vice-Chairman & Managing Director and four Non-Executive, Independent Directors which includes one Woman Director. Hence, the Company complies with the provisions of the Companies Act, 2013 and listing agreement with the stock exchanges.

The Non-Executive Directors are professionals with specialization in their respective fields and have varied skills and expertise.

Attendance of Directors at Board Meetings, previous Annual General Meeting (AGM) held on 9<sup>th</sup> July, 2014, and also their Directorship and chairmanship / membership of committees in other companies as on 31<sup>st</sup> March, 2015 is as under:

Name of the Director	Category of Director	Board Meetings held	Board Meetings Attended	AGM Attended	Committee positions in Public Limited Companies #		No. of other Directorships*	
					Chairman	Member	of Indian Public Limited Companies	of other Companies
Dr. Subhash Chandra (Chairman)	NED, NID	8	1	No	Nil	1	6	1
Mr. Ashok Goel (Vice-Chairman & Managing Director)	PD, ED	8	8	Yes	Nil	2	3	10
Mr. Tapan Mitra	NED, ID	8	5	No	Nil	Nil	Nil	Nil
Mr. Boman Moradian	NED, ID	8	8	Yes	2	Nil	1	Nil
Mr. Mukund M. Chitale	NED, ID	8	8	Yes	3	4	9	1
Ms. Radhika Pereira (Appointed as Independent Director on 9 <sup>th</sup> July, 2014)	NED, ID	8	6	Yes	2	2	3	1
Mr. Atul Goel (Appointed as Additional Director on 5 <sup>th</sup> November, 2014)	NED, NID	8	5	N.A.	Nil	Nil	2	8

PD: Promoter Director, ED: Executive Director, ID: Independent Director, NED: Non-Executive Director, NID: Non-Independent Director.

# Only Audit Committee and Stakeholders' Relationship Committee are considered.

\* Includes directorship held in private limited companies and Section 8 companies and excludes directorship in foreign 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.

None of the Directors is a director in more than 10 public limited companies or acts as an Independent Director in more than 7 listed companies. Further, none of the Director is a member of more than 10 committees or acts as a chairman of more than 5 committees across all public limited companies in which they are Directors in terms of clause 49 of the listing agreement with the stock exchanges.

## 2. BOARD PROCEDURES:

The Agenda is prepared in consultation with the Chairman of the Board of Directors, the Chairman of various Committees and Vice Chairman & Managing Director of the Company. The Agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents are circulated well in advance of the meeting date (except for the critical price sensitive information, which is circulated at the meeting itself). The meetings are usually held at the Company's corporate office located at Mumbai.

Apart from the Board of Directors, the Company Secretary & the Chief Financial Officer (Global) are invited to attend all the Board meetings. Other senior executives are also invited for certain agenda items to be transacted at the meetings and for providing necessary inputs on the same.

In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the subsequent Board meeting for noting.

## 3. MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, the Board of Directors met 8 (eight) times on 29<sup>th</sup> May, 2014, 25<sup>th</sup> June, 2014, 30<sup>th</sup> July, 2014, 5<sup>th</sup> November, 2014, 22<sup>nd</sup> December, 2014, 29<sup>th</sup> January, 2015, 5<sup>th</sup> March, 2015 and 19<sup>th</sup> March, 2015.

In compliance with Section 173 of the Companies Act, 2013, and listing agreement with the stock exchanges, the Board met 8 times (more than the minimum requirement of four meetings) during the financial year and the interval between two meetings was not more than one hundred and twenty days.

## 4. INDEPENDENT DIRECTORS:

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section

149(6) of the Companies Act, 2013, and rules made thereunder and meet the requirements of clause 49 of the listing agreement with the stock exchanges. Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the Companies Act, 2013. On appointment, the Independent Directors are issued Letter of Appointment setting out in detail the terms of appointment, duties, responsibilities and expected time commitments, etc., which is available on the website of the Company viz. <http://www.esselpropack.com/wp-content/uploads/2015/02/Terms-and-Conditions-of-appointment-of-Independent-Directors.pdf>

## 5. FAMILIARISATION PROGRAMME FOR DIRECTORS:

Each newly appointed Director is taken through a formal induction and familiarization program including a presentation from the Vice Chairman & Managing Director on the Company's manufacturing, marketing, finance and other important aspects. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risk involved. The details of such familiarization programme is available on the website of the Company viz. <http://www.esselpropack.com/wp-content/uploads/2015/04/Familiarisation-Programme-for-Independent-Directors.pdf>

## 6. EVALUATION OF THE BOARD'S PERFORMANCE:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board and its Committees, experience & competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholder's interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### III. COMMITTEES OF THE BOARD

#### 1) AUDIT COMMITTEE:

##### a) Composition:

The Committee comprises of three Non-Executive Independent Directors:

- Mr. Mukund M. Chitale (Chairman)
- Mr. Tapan Mitra
- Mr. Boman Moradian

The representative(s) of the Statutory Auditors of the Company attend the meetings of the Committee. The Internal Auditor, respective Presidents, Vice Presidents of regions, Chief Financial Officer (Global) and Financial Controller (Global) attends the meetings of the Committee at the invitation of the Chairman. Operational heads are invited to the meeting, if required.

The Company Secretary acts as the Secretary to the Committee.

Mr. Tapan Mitra and Mr. Mukund M. Chitale have expert knowledge of finance and accounting. Mr. Boman Moradian is an eminent management consultant.

##### b) Terms of Reference:

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act, 2013 and clause 49 of the listing agreement with the stock exchanges.

The Audit Committee has powers;

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee, *inter alia* includes the following:-

- To ensure the preservation of good financial practices throughout the Company.

- To monitor that internal controls are in force to ensure the integrity of the financial performance reported to the Members.
- To provide by way of regular meetings, a line of communication between the Board and the Statutory & Internal Auditors.
- To consider and recommend the appointment, remuneration and terms of appointment of the Auditors of the Company.
- To discuss the audit plans with both the Statutory and Internal Auditor before the commencement of audit and ensure co-ordination between them.
- To review with the management, the quarterly/ annual financial statements of the India and global operations of the Company and Auditors' report thereon before submission to the Board for approval.
- To review Management Discussion and Analysis of financial condition and results of operations.
- To review statement of significant Related Party Transactions.
- To scrutiny inter-corporate loans and investments.
- To discuss with the Statutory Auditors their concerns, if any, arising from their audits.
- To review the Auditors' Management Letters and the Management's responses.
- To review reports of the Internal Auditors and Management's responses thereto.
- To consider the findings of internal investigations and Management's responses thereto.
- To review and evaluate the Company's internal financial control and risk management system. In particular, it periodically reviews:
  - i. Procedures for identifying business risks (including financial risks) and controlling their financial impact on the Company;
  - ii. Company's policies for preventing or detecting fraud;
  - iii. Company's policies for ensuring compliance with the relevant regulatory and legal requirements and their operational effectiveness.



- To review and monitor the independence and performance of the Statutory and Internal Auditors and the adequacy of the Internal Control System.
- To discuss with the Internal Auditors any significant findings and follow up thereon including internal control weaknesses, if any.
- To review the adequacy of the Internal Audit function.
- To discuss with Statutory Auditor before the commencement of the audit, the nature and scope of the audit as well as post audit discussion to ascertain any areas of concern.
- To review the functioning of the Whistle Blower Policy.

**c) Meetings and Attendance:**

During the year under review, the Audit Committee met 7 (seven) times on 30<sup>th</sup> April, 2014, 29<sup>th</sup> May, 2014, 25<sup>th</sup> June, 2014, 30<sup>th</sup> July, 2014, 5<sup>th</sup> November, 2014, 29<sup>th</sup> January, 2015 and 19<sup>th</sup> March, 2015 and not more than four months lapsed between two consecutive meetings of the Audit Committee. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting.

The attendance of the members of the Audit Committee is as under:-

Members	Meetings	
	Held	attended
Mr. Mukund M. Chitale	7	7
Mr. Tapan Mitra	7	5
Mr. Boman Moradian	7	7

**2) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement with the stock exchanges, the nomenclature of Shareholders' / Investors' Grievance Committee was changed to "Stakeholders' Relationship Committee".

**a) Composition:**

The Committee comprises of:

- Mr. Boman Moradian (Chairman)
- Mr. Ashok Goel
- Mr. Tapan Mitra

**b) Terms of Reference:**

The Committee deals with the following matters;

- Consider and resolve the grievances of shareholders, debentureholders, deposit holders and other security holders of the Company;
- Redress the shareholders' and investors' complaints such as those relating to transfer of shares, non-receipt of annual reports, non-receipt of dividend declared, non payment of interest to debentureholders and deposit holders or any securityholders etc;
- Approval of registration of transfer of shares and other securities without transfer deeds as provided in the proviso to Section 56(1) of the Companies Act, 2013.

**c) Meetings and Attendance:**

During the year under review, the Stakeholders' Relationship Committee met 4 (four) times on 29<sup>th</sup> May, 2014, 30<sup>th</sup> July, 2014, 5<sup>th</sup> November, 2014 and 29<sup>th</sup> January, 2015.

The attendance of the members of the Stakeholders' Relationship Committee is as under:-

Members	Meetings	
	Held	attended
Mr. Boman Moradian	4	4
Mr. Ashok Goel	4	4
Mr. Tapan Mitra	4	4

The Company Secretary acts as the Secretary to the Committee.

**d) Number and nature of complaints received and resolved to the satisfaction of investors for the year ended 31st March 2015 are as under:**

Nature of Complaints	No. of Complaints	
	received	redressed
Non-receipt of Dividend	NIL	NIL
Non-receipt of Annual Report	1	1
Non-receipt of Share Certificates	2	2
Dematerialisation	NIL	NIL
Miscellaneous	1	1
<b>Total</b>	<b>4</b>	<b>4</b>

As on 31<sup>st</sup> March, 2015, no complaints were outstanding.

**3) NOMINATION AND REMUNERATION COMMITTEE:**  
In compliance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement with the stock exchanges, the nomenclature of Remuneration Committee was changed to "Nomination and Remuneration Committee".

**a) Composition:**

The Committee comprises of three Non-Executive Independent Directors:

- Mr. Tapan Mitra (Chairman)
- Mr. Mukund M. Chitale
- Mr. Boman Moradian

The Company Secretary acts as the Secretary to the Committee.

**b) Terms of Reference of the Committee, inter alia, include the following:**

- To identify persons who are qualified to be appointed as Directors and Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors including the Executive and Managing Director, Key Managerial Personnel and other employees ensuring the following:
  - i. To take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc;
  - ii. To bring in objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders;
  - iii. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - iv. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

v. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

- To determine the remuneration to be paid to the Directors rendering professional services to the Company in any other capacity.
- To administer, monitor and formulate detailed terms and conditions of the Employee Stock Option Scheme (ESOS).

**c) Meetings and Attendance:**

During the year under review, the Committee met 4 (four) times on 29<sup>th</sup> May, 2014, 5<sup>th</sup> November, 2014, 22<sup>nd</sup> December, 2014 and 19<sup>th</sup> March, 2015.

The attendance of the members of the Nomination and Remuneration Committee is as under:-

Members	Meetings	
	Held	attended
Mr. Tapan Mitra	4	3
Mr. Mukund M. Chitale	4	4
Mr. Boman Moradian	4	4

**d) Remuneration Policy:**

The Company follows a policy on remuneration of Directors and Senior Management Employees.

i. Remuneration of Managing Director/Whole Time Director:

The Board, on the recommendation of the Nomination and Remuneration Committee approves the remuneration payable to the Managing Director/Whole Time Director of the Company. The remuneration payable to the Managing Director/Whole Time Director shall be in accordance with the conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules framed thereunder. The remuneration payable to the Managing Director/Whole Time Director shall comprise of fixed pay, perquisites and a variable salary determined as a percentage of fixed salary & payable annually, linked to achievement against pre-agreed annual performance parameters. The Managing Director/Whole Time Director will

not be eligible for any bonus/commission linked to profits of the Company. Notwithstanding that in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration as aforesaid to its Managing Director/Whole Time Director in accordance with the provisions of Schedule V of the Companies Act, 2013, and with the prior approval of the Central Government, wherever necessary.

ii. Remuneration to Key Managerial Personnel and Senior Management:

The Board, on the recommendation of the Nomination and Remuneration Committee approves the remuneration payable to the Key Managerial Personnel and Senior Management. 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. Such compensation framework adopted for the employees by the Human Resource department will be framed taking into account factors it deems relevant, including but not limited to market conditions, job description, business needs and practices in comparable companies and having regard to financial position of the Company as well as prevailing laws and government/other guidelines.

iii. Remuneration to Non-Executive/Independent Director:

The remuneration/commission to the Non-Executive/Independent Directors may be paid as per the conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules framed thereunder. Commission may be paid within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% per annum of the net profit of the Company in any financial year computed as per the provisions of the Companies Act, 2013.

The Non- Executive/Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The Board of Directors shall decide on

the amount of sitting fees to be paid for each meeting, provided that the amount of such fees shall not exceed ₹ 1,00,000/- each Director per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Independent Directors of the Company shall not be entitled to Employee Stock Option of the Company.

4) **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):**

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Company constituted a Corporate Social Responsibility Committee comprising of three Directors.

a) **Composition:**

The Committee comprises of;

- Mr. Ashok Goel (Chairman)
- Mr. Boman Moradian
- Mr. Mukund M. Chitale

The Company Secretary acts as the Secretary to the Committee.

b) **Terms of reference of the Committee, inter alia include the following:**

- To pursue a corporate strategy that enables realization of the twin goals of enhancement of shareholder value and societal value creation in a mutually reinforcing and synergetic manner;
- Implement social investments/CSR programmes primarily in the vicinity of the Company's operations with a view to ensuring the long term sustainability of such investment;
- Contribute to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India;
- To sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of the Company and its employees at all levels towards attaining world class standards and support other programmes and initiatives, internal or external, for the prevention of illness and combating of diseases as may be considered appropriate from time to time;

- Encourage the development of human capital of the nation by expanding human capabilities through skills development, vocational training etc. and by promoting excellence in identified cultural fields.

**c) Meetings and Attendance:**

During the year under review, the Corporate Social Responsibility Committee met once on 30<sup>th</sup> July, 2014.

The attendance of the members of the Corporate Social Responsibility Committee is as under:-

Members	Meetings	
	Held	attended
Mr. Ashok Goel	1	1
Mr. Boman Moradian	1	1
Mr. Mukund M. Chitale	1	1

**5) RISK MANAGEMENT COMMITTEE:**

In accordance with clause 49 of the listing agreement with the stock exchanges, the Company constituted a Risk Management Committee consisting of majority of members of the Board of Directors.

**a) Composition:**

The Committee comprises of the following Directors/ Senior Executives:-

- Mr. Boman Moradian : Independent Director (Chairman)
- Ms. Radhika Pereira : Independent Director
- Mr. Ashok Goel- : Vice Chairman & Managing Director
- Mr. A. V. Ganapathy : Chief Financial Officer – Global
- Mr. M. R. Ramasamy : President – International Business

The Company Secretary acts as the Secretary to the Committee.

**b) Terms of reference of the Committee, inter alia, include the following:**

- Define framework for identification, evaluation and mitigation of risk in the decision making process of the business.
- Protect the Company from those risks of significant likelihood and consequence in the pursuit of Company's stated strategic goals and objectives.
- Provide assistance to and improve the quality of decision making throughout the organization.

- Assist in safeguarding the Company's assets and reputation.

**c) Meetings & Attendance:**

During the year under review, the Committee met once on 5<sup>th</sup> March, 2015.

The attendance of the members of the Risk Management Committee during the year is as under:-

Members	Meetings	
	Held	attended
Mr. Boman Moradian	1	1
Ms. Radhika Pereira	1	1
Mr. Ashok Goel	1	1
Mr. A.V. Ganapathy	1	1
Mr. M.R. Ramasamy	1	1

**6) INDEPENDENT DIRECTORS' MEETING:**

In compliance with the provisions of Section 149(8) read alongwith Schedule IV of the Companies Act, 2013 and clause 49 of the listing agreement with the stock exchanges, a meeting of the Independent Directors of the Company was held on 29<sup>th</sup> January, 2015 without the attendance of Non-Independent Directors and members of management. All the Independent Directors were present at the said meeting, to discuss the following matters;

- Review of the performance of Non-Independent Directors and the Board as a whole;
- Review of the performance of the Chairman and Vice Chairman & Managing Director of the Company, taking into account the view of executive directors and non - executive Directors;
- Evaluate the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**IV. REMUNERATION TO DIRECTORS**

**a. Remuneration to Executive Director of the Company:**

The Nomination and Remuneration Committee recommends to the Board of Directors, the remuneration of the Vice Chairman & Managing Director by way of salary, allowances, perquisites, benefits and annual performance bonus/variable pay. The Company has a structured assessment of

the Key Performance Indicators for all employees including the Vice Chairman & Managing Director and annual performance bonus / variable pay is related to the achievement of performance standards.

The remuneration paid to the Executive Director of the Company for year ended 31<sup>st</sup> March, 2015, is as under:-

Director	Position	Gross Remuneration paid (₹)	Stock options Granted	Service Contract	Notice period
Mr. Ashok Goel	Vice Chairman & Managing Director	#6,36,80,000	Nil	Re-appointed for 5 years w.e.f. 21 <sup>st</sup> October 2013	3 months

# Break up of remuneration paid /payable is as under:

Sr. No.	Particulars	2014-2015 (₹)
1.	Salaries, Allowances and Perquisites*	4,04,40,000
2.	Contribution to Provident and other funds	32,40,000
3.	Performance Bonus**	2,00,00,000
4.	Stock Option	NIL
5.	Pension	NIL
	<b>Total</b>	<b>6,36,80,000</b>

\* Excludes leave encashment and gratuity which is based on actuarial valuation provided on an overall Company basis.

\*\* The performance bonus for the current year has been provided in the books of accounts as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors. The total remuneration payable to Vice Chairman & Managing Director on the basis as computed as per the Companies Act, 2013 is in excess of limit prescribed under Section 197 of the Companies Act, 2013 by ₹ 2,00,00,000. Consequently, the performance bonus is payable only upon approval of the Central Government.

#### b) Remuneration to Non-Executive Independent Directors of the Company:

The Non-Executive Independent Directors were paid sitting fees of ₹ 15,000/- (Rupees Fifteen Thousand Only) for attending each Meeting of the Board of Directors and Committees thereof. The Members at the Annual General Meeting held on 24<sup>th</sup> September, 2010 had approved payment of commission to Non-Executive Independent Directors, not exceeding 1

per cent per annum of the net profits of the Company as computed as per the applicable provisions of the Companies Act, 1956. The commission is decided each year by the Board considering the valuable contributions, guidance for the various business initiatives and decisions and also profitability of the Company.

The details of sitting fees and commission paid/ provided during the year ended 31<sup>st</sup> March, 2015 are given below:

Director	Sitting Fees (₹)	Commission Paid for F.Y. 2013-14 (₹)	Commission Provided for F.Y. 2014-15 (₹)	Total Sitting fees and commission paid/ provided (₹)
Mr. Tapan Mitra	2,55,000	12,00,000	12,00,000	26,55,000
Mr. Boman Moradian	3,90,000	12,00,000	12,00,000	27,90,000
Mr. Mukund M. Chitale	3,15,000	12,00,000	12,00,000	27,15,000
# Ms. Radhika Pereira	1,05,000	-	*8,74,521	9,79,521
<b>Total</b>	<b>10,65,000</b>	<b>36,00,000</b>	<b>44,74,521</b>	<b>91,39,521</b>

# Ms. Radhika Pereira was appointed as Independent Director on July 09, 2014.

\* Paid on pro-rata basis.

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

The Non- Executive Independent Directors of the Company do not hold any shares of the Company.

Dr. Subhash Chandra, Chairman holds 89,305 equity shares of the Company and Mr Ashok Goel, Vice Chairman & Managing Director holds 3,20,760 equity shares of the Company.

#### V. SUBSIDIARY COMPANIES

The Company has no material non listed Indian Subsidiary Company. The requirements of the clause 49 of the listing agreement with the stock exchanges with regard to subsidiary companies have been complied with. The Company has formulated the Material Subsidiary Policy and the same is available on the website of the Company viz. <http://www.esselpack.com/wp-content/>

[uploads/2015/03/Policy-for-determining-material-subsiary.pdf](#)

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

- Financial statements, in particular investments made by the unlisted subsidiary companies are reviewed by the Company's Audit Committee.
- Minutes of the Board Meetings of unlisted subsidiary companies are placed before the Company's Board.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

## VI. DISCLOSURES

### 1. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

All the transactions entered into with the Related Parties as defined under the Companies Act, 2013 and clause 49 of the listing agreement with the stock exchanges during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements. (Refer Note No. 36 of the Standalone Financial Statements)

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with the Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and listing agreement with the stock exchanges. The same is available on the website of the Company <http://www.esselpropack.com/wp-content/uploads/2015/03/Related-Party-Transaction-Policy.pdf>.

### 2. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

There were no cases of non-compliance by the Company with stock exchanges or SEBI regulations nor any cases of penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any statutory authorities for any violation on any matter related to the capital market during the last three years.

### 3. WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to Section 177(9) and sub section (10) of the Companies Act, 2013, and clause 49 of the listing agreement with the stock exchanges, the Company has adopted a revised Whistle Blower policy, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee. The policy on Vigil Mechanism and Whistle Blower Policy is available on the website of the Company <http://www.esselpropack.com/wp-content/uploads/2015/03/Whistle-Blower-Vigil-Mechanism-Policy.pdf>

### 4. GOVERNANCE CODES:

#### CODE OF CONDUCT:

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company and all the Board members and Senior Management have affirmed their adherence to the Code. The Model Code of Conduct is available on the website of the Company <http://www.esselpropack.com/wp-content/uploads/2015/04/Code-of-Conduct.pdf>. The declaration from the Vice Chairman & Managing Director to this effect forms a part of this Annual Report.

#### CODE OF CONDUCT FOR PREVENTION/PROHIBITION OF INSIDER TRADING:

With a view to regulate trading in securities by the Promoters, Directors and Designated/Specified Employees, the Company has adopted a Code of Conduct for prevention/prohibition of Insider Trading.

### 5. LISTING AGREEMENT COMPLIANCE:

The Company complies with all the requirements of the listing agreement with the stock exchanges and the mandatory requirements of clause 49 of the listing agreement with the stock exchanges.



#### 6. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:

As per the requirement of clause 49 of the listing agreement with the stock exchanges, a Certificate duly signed by CEO and CFO of the Company was placed at the Board Meeting of the Company held on 28<sup>th</sup> April, 2015. A copy of the certificate is annexed to this Annual Report.

### VII. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results are published in newspapers viz. The Economic Times and DNA (in English) and Maharashtra Times (in Marathi) and uploaded on the Company's website ([www.esselpack.com](http://www.esselpack.com)).

The Company sends a copy of the quarterly, half yearly Unaudited Financial Results to all the shareholders as part of the non-mandatory requirements of the listing agreement. The financial results, press releases and presentations are also uploaded on the Company's website.

The shareholders are also kept informed about important developments in the Company.

### VIII. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis forms part of the Annual Report.

### IX. SHAREHOLDERS' INFORMATION

#### 1. ANNUAL GENERAL MEETING

(Day, Date, Time & Venue)

Tuesday, June 30, 2015, at 11:00 a.m. at the Registered office of the Company at P.O. Vasind, Taluka Shahapur, District Thane, Maharashtra - 421 604, India.

#### 2. FINANCIAL YEAR

April to March

#### 3. BOOK CLOSURE DATES

From Tuesday, June 23, 2015 to Tuesday, June 30, 2015 (both days inclusive)

#### 4. FINANCIAL CALENDAR

Dividend

Dividend for the year ended 31 March 2015	Within 5 days from the date of 32 <sup>nd</sup> AGM i.e. on or after July 3, 2015.
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#### Board meeting to approve Quarterly Unaudited & Audited Financial Results

1 <sup>st</sup> Quarter (2015)	July 2015
2 <sup>nd</sup> Quarter (2015)	October 2015
3 <sup>rd</sup> Quarter (2015)	January 2016
4 <sup>th</sup> Quarter (2015) & Annual Audited Accounts (2015-16)	April/May 2016

#### 5. REGISTERED OFFICE

P. O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra - 421 604, India.  
CIN: L74950MH1982PLC028947

#### 6. LISTING ON STOCK EXCHANGES

##### a) Equity Shares

##### i. BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

Scrip Code: 500135

##### ii. National Stock Exchange of India Limited

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051.

Scrip Code: ESSELPACK

(Prescribed listing fees have been paid to the Stock Exchanges)

ISIN: INE255A01020

##### b) Debt Securities

##### Listing

The Wholesale Debt Market (WDM) Segment of BSE Limited.

##### i) BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

##### Series A

Scrip Code: 951429

ISIN: INE255A07514

##### Series B

Scrip Code: 951430

ISIN: INE255A07522

##### Debenture Trustee

Axis Trustee Services Limited

Axis House, 2<sup>nd</sup> Floor,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400 025

## 7. CORPORATE BENEFITS

Details of corporate benefits issued by the Company are given below:-

### a) 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 (15 months)	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%
1997-98 (Interim)	20%	2004 (Interim)	80%	2013-14	62.50%
1997-98 (Final)	32%	2004 (Final)	10%		
1998-99 (Interim)	20%	2005 (Interim)	100%		

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

### b) 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

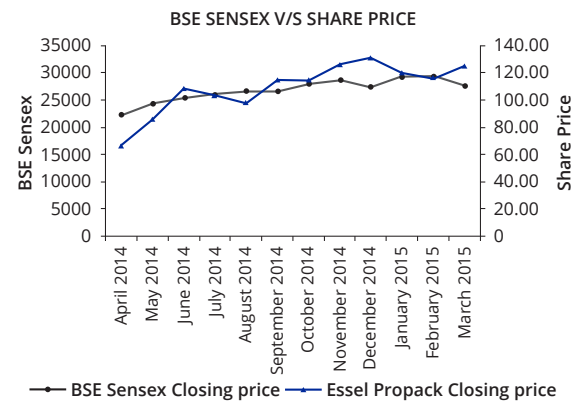
### c) Bonus shares

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

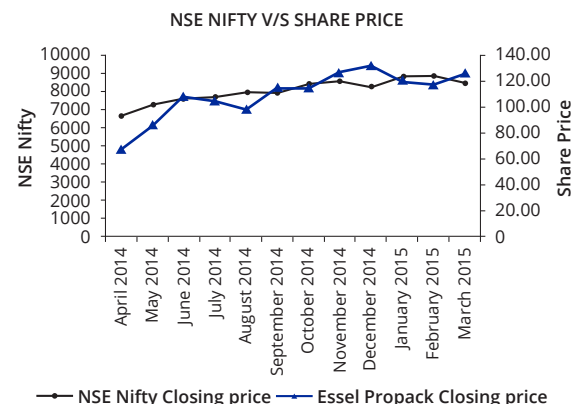
## 8. MARKET PRICE DATA: (HIGH / LOW DURING EACH MONTH FOR THE 12 MONTHS PERIOD ENDED 31<sup>st</sup> MARCH, 2015)

Month	BSE		NSE	
	High	Low	High	Low
April 2014	77.70	58.15	77.35	57.30
May 2014	92.90	63.90	92.70	64.30
June 2014	111.65	87.00	111.80	86.15
July 2014	118.05	93.55	117.95	93.45
August 2014	111.40	98.00	114.00	97.50
September 2014	128.35	97.50	128.25	96.55
October 2014	120.80	107.25	121.00	106.35
November 2014	137.00	113.25	137.00	113.00
December 2014	138.90	112.55	139.05	112.00
January 2015	136.30	118.50	136.40	118.40
February 2015	127.20	115.60	127.10	115.60
March 2015	131.00	114.10	131.40	113.00

## 9. STOCK PERFORMANCE OF ESSEL PROPAC IN COMPARISON TO BSE SENSEX & NSE NIFTY.



— BSE Sensex Closing price — Essel Propack Closing price



— NSE Nifty Closing price — Essel Propack Closing price





#### 10. REGISTRAR & TRANSFER AGENT

Sharepro Services (India) Private Limited  
 Unit: ESSEL PROPACK LIMITED  
 13 A B, Samhita Warehousing Complex, 2<sup>nd</sup> Floor  
 Sakinaka Telephone Exchange Lane, Andheri - Kurla  
 Road, Sakinaka, Mumbai – 400 072.  
 Tel.: (022) 6772 0300 / 400 Fax: (022) 28591568  
 Email id: sharepro@shareproservices.com

#### 11. COMPLIANCE OFFICER

Mr. Ajay N. Thakkar  
 Company Secretary & Head - Legal  
  
 Essel Propack Limited  
 Corporate Office: Top Floor, Times Tower,  
 Kamala City, Senapati Bapat Marg,  
 Lower Parel, Mumbai – 400 013  
 Telephone Number: 022 2481 9000/9121  
 Fax Number: 022 2496 3137  
 Email id: ajay.thakkar@ep.esselgroup.com

#### 12. INVESTOR RELATIONS

Mr. Surje Singh  
 Manager - Investor Relations  
  
 Essel Propack Limited  
 Top Floor, Times Tower,  
 Kamala City, Senapati Bapat Marg,  
 Lower Parel, Mumbai – 400 013  
 Telephone Number: 022 2481 9000 / 9065  
 Fax Number: 022 2496 3137  
 E-mail id: surje.singh@ep.esselgroup.com

In order to facilitate investor servicing, the Company has a designated email id: investor.grievance@ep.esselgroup.com for registering queries by investors. The Company has also registered itself with SEBI for resolving grievances received through their online platform SCORES, email id of which is scores@sebi.gov.in.

#### 13. SHARE TRANSFERS

Physical shares sent for transfer are duly transferred within 15 days of receipt of the documents, if they are complete in all respects. Shares under objection are returned within 7 working days. Share transfers in physical form can be lodged with Sharepro Services (India) Private Limited, Registrar & Transfer

Agents (RTA) at the above mentioned address. The Stakeholders' Relationship Committee reviews the share transfers approved by the RTA, Company Secretary or Manager – Investor Relations, who have been delegated with requisite authority.

All requests for dematerialisation of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Members holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP) regarding change of address, change of bank mandate and nomination.

#### 14. GENERAL BODY MEETINGS

##### (i) Annual General Meeting (AGM):

The details of Annual General Meeting held in last 3 years are as under:-

Year	Day, date, Time and venue	Whether Special Resolution Passed
2012	29 <sup>th</sup> AGM held on Thursday, 27 <sup>th</sup> September, 2012 at 11.00 A.M. at Registered Office	No
2013	30 <sup>th</sup> AGM held on Tuesday, 9 <sup>th</sup> July, 2013 at 11.00 A.M. at Registered Office	*Yes
2014	31 <sup>st</sup> AGM held on Wednesday, 9 <sup>th</sup> July, 2014 at 11.00 A.M. at Registered Office	No

\* Special resolution was passed for approval of re-appointment of Mr. Ashok Goel, as Vice Chairman & Managing Director of the Company for a period of five years w.e.f. 21<sup>st</sup> October, 2013.

##### (ii) Extra-Ordinary General Meetings (EGM):

The details of Extra-Ordinary General Meeting held in last 3 years are as under:-

Year	Day, date, Time and venue	Whether Special Resolution Passed
2012	EGM held on Thursday, 26 <sup>th</sup> April, 2012 at 11.30 a.m. at the Registered Office	*Yes

Year	Day, date, Time and venue	Whether Special Resolution Passed
2014	EGM was held on Thursday, 16 <sup>th</sup> October, 2014 at 12.00 noon at the Registered Office	**Yes

\* Special Resolution was passed to approve modified draft rehabilitation scheme containing Scheme of Merger between Ras Propack Lamipack Limited and Ras Extrusions Limited ('transferor companies') and Essel Propack Limited ('transferee company') and a Special Resolution was passed to approve issue and allotment of equity shares of Essel Propack Limited ('EPL') to the shareholders of Ras Propack Lamipack Limited ('RPLL') and Ras Extrusions Limited ('REL') (other than to EPL for shares held by EPL in RPLL and REL), in accordance with the share exchange ratio stated in the scheme of merger.

\*\* Special resolution was passed for utilization of Securities Premium account pursuant to the Scheme of Amalgamation of EP Lamitubes Limited ("EP Lamitubes") with Essel Propack Limited ("the Company") and their respective shareholders under sections 391 to 394 of the Companies Act, 1956 read with section 52 of the Companies Act, 2013 and sections 100 to 104 of the Companies Act, 1956.

**(iii) Court Convened Meeting (CCM):**

Court Convened Meeting of the equity shareholders of the Company was held on 16<sup>th</sup> October, 2014 at 11.00 a.m.

- A resolution was passed for approval of the Scheme of Amalgamation of EP Lamitubes Limited with Essel Propack Limited ('the Company') and their respective shareholders under section 391 to 394 of the Companies Act, 1956 read with section 52 of the Companies Act, 2013 and sections 100 to 104 of the Companies Act, 1956.

**15 POSTAL BALLOT**

During the year, the Board sought the consent of the Members of the Company twice through postal ballot:

**I. Postal Ballot notice dated 30<sup>th</sup> July, 2014**

- Special resolution under section 180(1)(c) of the Companies Act, 2013 to authorize Board of Directors to borrow money.
- Special resolution under section 180(1)(a) of the Companies Act, 2013 to authorize Board of Directors for creation of charges/mortgages/hypothecation on Company's assets.
- Special resolution for Private Placement of Non-Convertible Debentures and other securities.
- Special resolution for Issue of Securities to Qualified Institutional Buyers.

Voting Pattern and procedure for Postal Ballot:

- The Board of Directors of the Company had appointed Mr. Dharmesh Zaveri of D M Zaveri & Co., Practising Company Secretary, as the scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
- The Company had completed the dispatch of the Postal Ballot Notice dated July 30, 2014 together with the Explanatory Statement on Thursday, August 28, 2014, 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, August 15, 2014.
- The voting under the postal ballot was kept open from 9.00 a.m. on Thursday, August 28, 2014 upto 5.00 p.m. on Friday, September 26, 2014 (either physically or through electronic mode).
- Particulars of postal ballot forms received from the Members using the electronic platform of NSDL were entered in a register separately maintained for the purpose.
- The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

- vi) All postal ballot forms received/receivable upto the close of working hours on or before 5.00 p.m on Friday, September 26, 2014 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii) On Tuesday, September 30, 2014, the Chairman announced the results of the postal ballot as per the Scrutinizer's Report and declared that the above special resolutions were passed with requisite majority.

## II. Postal Ballot notice dated 22<sup>nd</sup> December, 2014.

- Special resolution to approve the "Essel Employee Stock Option Scheme 2014".
- Special resolution to approve the "Essel Employee Stock Option Scheme 2014" for subsidiaries.
- Special resolution for payment of remuneration to Mr. Ashok Goel as Vice Chairman & Managing Director of the Company.

### Voting Pattern and Procedure for Postal Ballot:

- i) The Board of Directors of the Company, had appointed Mr. Dharmesh Zaveri of D M Zaveri & Co., Practising Company Secretary, as the scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 22<sup>nd</sup> December, 2014 together with the Explanatory Statement on Monday, 29<sup>th</sup> December, 2014, 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, 19<sup>th</sup> December, 2014.
- iii) The voting under the postal ballot was kept open from 9.00 a.m. on Monday, 29<sup>th</sup> December, 2014 to 5.00 p.m. on Tuesday 27<sup>th</sup> January, 2015 (either physically or through electronic mode).
- iv) Particulars of postal ballot forms received from the Members using the electronic

platform of NSDL were entered in a register separately maintained for the purpose.

- v) The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All postal ballot forms received/receivable up to the close of working hours until 5.00 p.m. on Tuesday, 27<sup>th</sup> January, 2015, the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii) On Friday, 30<sup>th</sup> January, 2015, the Chairman announced the results of the postal ballot as per the Scrutinizer's Report and declared that the above special resolutions were passed with requisite majority.

## 16. DISTRIBUTION OF SHARES AS ON 31<sup>st</sup> MARCH, 2015:

Distribution	No. of shareholders	% to total holders	No. of shares	% to total shares
Less than 500	29087	82.05	3040626	1.94
501 - 1000	2897	8.17	2324963	1.48
1001 - 2000	1704	4.81	2560738	1.63
2001 - 3000	611	1.72	1553733	0.99
3001 - 4000	279	0.79	1004899	0.64
4001 - 5000	194	0.55	921462	0.59
5001 - 10000	373	1.05	2708739	1.72
10001 and above	307	0.86	142986125	91.01
<b>TOTAL</b>	<b>35452</b>	<b>100.00</b>	<b>157101285</b>	<b>100.00</b>

## 17. CATEGORIES OF SHAREHOLDERS AS ON 31<sup>st</sup> MARCH, 2015:

Sr. No.	Category	No. of shares held	% of share holding
1	<b>Promoter's Holding (A)</b>	<b>88927993</b>	<b>56.61</b>
2	<b>Non-Promoters Holding (B)</b>		
	- Mutual Funds, Fls & Banks	7006248	4.46
	- Foreign Institutional Investors	14532310	9.25
	- Body Corporates	22595190	14.38
	- Resident Indians	22795512	14.51
	- NRIs	1186912	0.76
	- Forfeited shares	57120	0.04
	<b>Sub- Total (B)</b>	<b>68173292</b>	<b>43.39</b>
	<b>Total (A+B)</b>	<b>157101285</b>	<b>100.00</b>

The Board of Directors on the recommendation of Stakeholders Relationship Committee at their meeting dated 29<sup>th</sup> January, 2015, forfeited 57,120 equity shares of ₹ 2 each of partly paid

shareholders who have failed to pay the allotment money and premium amount. These forfeited equity shares have not been reissued/cancelled.

**18. DEMATERIALISATION OF SHARES:**

As on 31<sup>st</sup> March, 2015, 98.74 % of the total equity capital is held in the demat form with NSDL and CDSL.

Category	As on 31 <sup>st</sup> March 2015	%
No. of Shares held by NSDL	14,21,61,793	90.49
No. of Shares held by CDSL	1,29,61,261	8.25
Physical	19,78,231	1.26
<b>Total</b>	<b>157101285</b>	<b>100.00</b>

**19. OUTSTANDING GDR / ADR / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND THEIR LIKELY IMPACT ON EQUITY:**

As on date there are no outstanding warrants or any convertible instruments. The Company has not issued any GDR/ADR.

**20. EMPLOYEE STOCK OPTIONS:**

During the year, the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 19<sup>th</sup> March, 2015 approved the grant of 29,53,000 Stock Options to the eligible employees of the Company and its subsidiaries under "ESSEL Employee Stock Option Scheme - 2014" (ESOS- 2014) representing an equal number of equity shares of face value of ₹ 2 each to be allotted by the Company, at an aggregate exercise price of ₹ 121.65 per share being the closing market price of the equity shares of the Company on the National Stock Exchange of India Limited as on 18<sup>th</sup> March, 2015. The options will vest in a phased manner over a period of 3 years and may be exercised within maximum 4 years from the date of vesting, subject to terms and conditions of the said Scheme.

**21. SUBDIVISION OF SHARES**

As approved by the Members at the 23<sup>rd</sup> Annual General Meeting of the Company held on 06<sup>th</sup> May, 2006, the nominal face value of the Company's Equity

Shares has been subdivided from ₹ 10 per share to ₹ 2 per share, with effect from 15<sup>th</sup> June, 2006.

**22. UNCLAIMED SHARES**

As required under clause 5A of the listing agreement with the stock exchanges (as amended in December 2010) the Company during the year, transferred 3164 unclaimed shares to single folio in the name of "Unclaimed Suspense Account".

**23. PLANT LOCATIONS (INDIA AND OVERSEAS)**

The Company has plants at Vasind, Murbad, Wada, Chakan, Silvassa, Goa and Nalagarh and the Subsidiary Company has plant at Puducherry, Cuddalore and Uttrakhand in India.

The Company has overseas plants at China, Egypt, Philippines, Russia, USA, Colombia, Mexico, Poland, Germany (Joint Venture) and Indonesia, Hong Kong (Joint Venture).

**IX. NON-MANDATORY REQUIREMENTS**

The Company has adopted the following Non-Mandatory requirements on Corporate Governance as recommended under clause 49 of the listing agreement entered into with the stock exchanges:

- Quarterly and Half yearly Un-Audited financial results were sent to all the Members at their registered addresses.
- The Company has separate individuals occupying the position of Chairman and that of Managing Director.
- The Internal Auditor directly reports to the Audit Committee.

For and on behalf of the Board of Directors  
ESSEL PROPACK LIMITED

Subhash Chandra  
Chairman

Mumbai, April 28, 2015

**DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT**

It is hereby confirmed that all the Members of the Board, Senior Management and Employees of the Company have affirmed adherence to and compliance with the 'Code of Conduct' laid down by the Company for the year ended 31<sup>st</sup> March, 2015.

ESSEL PROPACK LIMITED  
Ashok Goel

Mumbai, April 28, 2015

Vice Chairman & Managing Director

## CEO/CFO Certification

To,  
The Board of Directors  
Essel Propack Limited

We, the undersigned, in our respective capacities as Vice Chairman & Managing Director (CEO) and Chief Financial Officer (CFO) of the Company hereby certify that, to the best of our knowledge and belief:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2015 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls and evaluating the effectiveness of the same for financial reporting for the financial year ended March 31, 2015 and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
  - i. significant changes, if any, in internal control over financial reporting during the said financial year;
  - ii. significant changes, if any, in the accounting policies during the said financial year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Ashok Goel**  
Vice Chairman & Managing Director

**A. V. Ganapathy**  
Chief Financial Officer (Global)

Mumbai, April 28, 2015

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## Certificate of compliance with the Corporate Governance requirements under Clause 49 of the listing agreement

### 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 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 2015

## Five Years' Summary of Selected Financial Data (Consolidated)

₹ Million

Particulars	2011	2012	2013	2014	2015
Sales and other income	14,347.23	16,034.05	18,572.81	21,489.99	23,439.18
Profit before depreciation, amortisation, finance costs and tax	2,749.55	2,864.17	3,386.29	3,765.07	4,117.22
Depreciation and amortisation expense	1,069.61	1,170.03	1,261.72	1,257.61	1,317.94
Profit before exceptional items and tax	829.24	852.75	1,212.47	1,693.74	2,005.72
Profit after tax	472.70	513.58	809.57	1,078.33	1,406.32
Dividends	93.96	102.12	117.83	196.38	251.27
Cash Profit	1,542.31	1,683.61	2,071.29	2,335.94	2,724.26
Earnings per share - ₹ (Basic after extraordinary items) from Total operations	3.02	3.27	5.15	6.87	8.95
Dividend per share - ₹	0.60	0.65	0.75	1.25	1.60
<b>ASSETS LESS CURRENT LIABILITIES</b>					
Goodwill	3,606.94	3,606.94	3,606.94	-	-
Fixed assets (net)	6,608.72	8,016.89	8,196.31	9,336.75	9,759.97
Non current investments	498.80	446.39	463.69	454.39	457.52
Other non current assets, loans and advances	396.26	600.11	544.55	684.88	651.44
Current assets	7,711.07	8,264.59	8,892.10	10,450.26	10,230.55
	<b>18,821.79</b>	<b>20,934.92</b>	<b>21,703.59</b>	<b>20,926.28</b>	<b>21,099.48</b>
Current liabilities	(5,899.13)	(7,626.71)	(6,549.12)	(7,184.05)	(6,473.05)
<b>Net Assets</b>	<b>12,922.66</b>	<b>13,308.21</b>	<b>15,154.47</b>	<b>13,742.23</b>	<b>14,626.43</b>
<b>FINANCED BY</b>					
Share capital	313.13	314.13	314.13	314.13	314.17
Reserves	7,858.38	8,522.54	9,132.53	6,744.38	7,515.50
Net Worth	<b>8,171.51</b>	<b>8,836.67</b>	<b>9,446.66</b>	<b>7,058.51</b>	<b>7,829.67</b>
Minority interest	65.31	75.40	60.28	75.51	80.75
Deferred tax balances	(82.75)	(85.41)	(17.06)	44.45	137.32
	<b>8,154.07</b>	<b>8,826.66</b>	<b>9,489.88</b>	<b>7,178.47</b>	<b>8,047.74</b>
Non current liabilities	4,768.59	4,481.55	5,664.59	6,563.76	6,578.69
<b>Capital employed</b>	<b>12,922.66</b>	<b>13,308.21</b>	<b>15,154.47</b>	<b>13,742.23</b>	<b>14,626.43</b>
<b>FINANCIAL RETURNS AND STATISTICS</b>					
Profit after tax as a percent of Sales and other income	3%	3%	4%	5%	6%
Profit before depreciation, amortisation, finance costs and tax as a percent of Sales and other income	19%	18%	18%	18%	18%
Return on Capital Employed (Profit before Finance Costs and Tax/Avg Capital Employed) (With Goodwill) <sup>^</sup>	11%	10%	12%	14%	16%
Return on Capital Employed (Profit before Finance Costs and Tax/Avg Capital Employed) (Without Goodwill) <sup>^</sup>	14%	12%	15%	15%	16%
Return on Net worth (PAT/Avg Network) (With Goodwill)	6%	6%	9%	13%	19%
Return on Net worth (PAT/Avg Network) (Without Goodwill)	11%	10%	15%	17%	19%
Non-current liabilities as a percentage of Shareholders' funds	58%	51%	60%	93%	84%
Finance Costs Cover (Times) (Profit before Finance Costs and Taxation/Finance Costs)	2	2	2	3	4
Cash profit to sales and other income	11%	11%	11%	11%	12%

<sup>^</sup> 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 (Consolidated)

USD Million

Particulars	2011	2012	2013	2014	2015
Sales and other income	314.80	334.52	341.45	355.50	383.27
Profit before depreciation, amortisation, finance costs and tax	60.33	59.76	62.25	62.28	67.32
Depreciation and amortisation expense	23.47	24.41	23.20	20.80	21.55
Profit before exceptional items and tax	18.19	17.79	22.29	28.02	32.80
Profit after tax	10.37	10.71	14.88	17.84	23.00
Dividends	2.06	2.13	2.17	3.25	4.11
Cash Profit	33.84	35.12	38.08	38.64	44.55
<b>ASSETS LESS CURRENT LIABILITIES</b>					
Goodwill	80.78	70.90	66.44	-	-
Fixed assets (net)	148.01	157.58	150.99	155.83	156.16
Non current investments	11.17	8.77	8.54	7.58	7.32
Other non current assets, loans and advances	8.87	11.80	10.03	11.43	10.42
Current assets	172.70	162.45	163.80	174.42	163.69
	<b>421.53</b>	<b>411.50</b>	<b>399.80</b>	<b>349.26</b>	<b>337.59</b>
Current liabilities	(132.11)	(149.92)	(120.63)	(119.89)	(103.55)
<b>Net Assets</b>	<b>289.42</b>	<b>261.58</b>	<b>279.17</b>	<b>229.37</b>	<b>234.04</b>
<b>FINANCED BY</b>					
Share capital	7.01	6.17	5.79	5.24	5.03
Reserves	176.00	167.52	168.23	112.57	120.25
Net Worth	<b>183.01</b>	<b>173.69</b>	<b>174.02</b>	<b>117.81</b>	<b>125.28</b>
Minority Interest	1.46	1.48	1.11	1.26	1.29
Deferred tax balances	(1.85)	(1.68)	(0.31)	0.74	2.20
	<b>182.62</b>	<b>173.49</b>	<b>174.82</b>	<b>119.81</b>	<b>128.77</b>
Non current liabilities	106.80	88.09	104.35	109.56	105.27
<b>Capital employed</b>	<b>289.42</b>	<b>261.58</b>	<b>279.17</b>	<b>229.37</b>	<b>234.04</b>
<b>FINANCIAL RETURNS AND STATISTICS</b>					
Profit after tax as a percent of Sales and other income	3%	3%	4%	5%	6%
Profit before depreciation, amortisation, finance costs and tax as a percent of Sales and other income	19%	18%	18%	18%	18%
Return on Capital Employed (Profit before Finance Costs and Tax/Avg Capital Employed) (With Goodwill) ^	10%	10%	12%	14%	17%
Return on Capital Employed (Profit before Finance Costs and Tax/Avg Capital Employed) (Without Goodwill) ^	13%	13%	15%	15%	17%
Return on Net worth (PAT/Avg Network) (With Goodwill)	6%	6%	9%	13%	19%
Return on Net worth (PAT/Avg Network) (Without Goodwill)	11%	11%	15%	17%	19%
Non-current liabilities as a percentage of Shareholders' funds	58%	51%	60%	93%	84%
Finance Costs Cover (Times) (Profit before Finance Costs and Taxation/Finance Costs)	2	2	2	3	4
Cash profit to Sales and other income	11%	11%	11%	11%	12%

**Note :** Audited INR numbers have been translated into US Dollar using the average exchange rate for P & L items and the year end exchange rate for balance sheet items.

^ 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

Particulars	31.03.11	31.03.12	31.03.13	31.03.14	31.03.15
Sales and other income	4,753.30	5,418.78	6,136.13	6,922.38	7,754.97
FOB value of exports	348.27	336.67	456.78	557.49	703.08
Profit before depreciation, amortisation, finance costs and tax	1,469.61	1,388.98	1,495.10	1,559.99	1,619.91
Depreciation/Amortisation	243.05	286.12	330.85	366.45	457.48
Profit before tax	632.62	515.51	661.66	756.35	753.10
Profit after tax	440.83	490.75	498.42	544.89	565.30
Dividends (including dividend tax)	109.20	118.68	137.85	229.75	301.51
Cash profit	683.88	776.86	829.27	911.34	1,022.78
Book value per share *	41.14	43.09	44.62	46.63	30.56
Earnings per share* - (Basic after exceptional items)	2.80	3.12	3.17	3.47	3.60
Dividend per share* - ₹	0.60	0.65	0.75	1.25	1.60
Closing share price on BSE at year end (₹ per share)	51.15	27.90	30.80	57.80	124.70
Market capitalisation (As at year end)	8,010.15	4,383.13	4,838.72	9,080.45	19,583.41
<b>ASSETS LESS CURRENT LIABILITIES</b>					
Fixed assets (Net)	1,999.03	2,522.75	2,656.23	3,145.00	3,303.92
Non-current investments	5,685.94	5,635.35	5,635.35	5,699.56	2,907.95
Other Non-current assets, loans and advances	1,046.61	394.21	376.34	461.88	490.69
Current assets	2,859.68	4,647.12	3,914.21	3,344.04	3,256.65
	<b>11,591.26</b>	<b>13,199.43</b>	<b>12,582.13</b>	<b>12,650.49</b>	<b>9,959.21</b>
Current liabilities	(2,529.22)	(4,108.24)	(2,884.91)	(2,383.86)	(2,111.52)
<b>Net Assets</b>	<b>9,062.04</b>	<b>9,091.20</b>	<b>9,697.22</b>	<b>10,266.63</b>	<b>7,847.70</b>
<b>FINANCED BY</b>					
Share capital *	313.13	314.13	314.13	314.13	314.17
Reserves	6,121.52	6,355.09	6,696.06	7,010.86	4,484.36
<b>Net Worth</b>	<b>6,434.65</b>	<b>6,669.22</b>	<b>7,010.19</b>	<b>7,324.99</b>	<b>4,798.52</b>
Deferred tax balances	159.73	165.61	224.23	227.63	223.76
Non-current liabilities	2,467.66	2,256.37	2,462.80	2,714.01	2,825.41
<b>Capital employed</b>	<b>9,062.04</b>	<b>9,091.20</b>	<b>9,697.22</b>	<b>10,266.63</b>	<b>7,847.70</b>
<b>FINANCIAL RETURNS AND STATISTICS</b>					
Profit after tax as a percent of sales and other income	9%	9%	8%	8%	7%
Profit before depreciation, finance costs and tax as a percent of sales and other income	31%	26%	24%	23%	21%
Return on capital employed ^	11%	9%	10%	10%	12%
Return on common stockholders' equity % (PAT)	7%	7%	7%	7%	12%
Non-current liability as a percent of total year end Shareholders' Fund	38%	34%	35%	37%	59%
Financial costs cover (Times)	2.07	1.88	2.12	2.65	2.84
(Profit before financial costs and taxation divided by finance costs)					
Number of equity shares outstanding (in Million) *	156.57	157.07	157.07	157.07	157.04
Cash profit to sales and other income	14%	14%	14%	13%	13%

\* 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

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Essel Propack Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, 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.

### Management's Responsibility for the Financial Statements

2. 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 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.

### Auditor's Responsibility

3. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

### Opinion

4. 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 2015, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matters

5. We draw attention to the following matters in the Notes to the financial statements:
  - a) Note 27 of the financial statements, relating to performance bonus provided for the Managing Director for the financial year 2014-2015.

- b) Note 30 of the financial statements relating to the Scheme of Amalgamation of EP Lamitubes Limited (Wholly owned subsidiary) with the Company.

Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory requirements

6. As required by the 'Companies (Auditor's Report) Order, 2015' 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 Statement on the matters specified in paragraphs 3 and 4 of the Order.
7. As required by Section 143 (3) of the Act, we report that:
- 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;
  - 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;
  - 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;
  - 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;

- 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 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
  - The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2015.

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

**Hitendra Bhandari**  
Partner  
Membership Number 107832

Mumbai, 28 April 2015

### **Annexure referred to in Paragraph 6 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 financial statements for the year ended 31 March 2015**

- The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - 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. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of accounts.
- As explained to us, the inventories have been physically verified by the management during the year except stocks lying with third parties in respect of whom confirmations have been obtained. In our opinion, the frequency of such verification is reasonable.
  - In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) As explained to us, the Company is maintaining proper records of inventories and discrepancies noticed on physical verification of inventories as compared to the book records, which are not material, have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured loan to a Company covered in the register maintained under Section 189 of the Act, which is repayable on demand. The maximum amount outstanding during the year and the year-end balance of such loan is ₹ 960,666,940. The rate of interest charged and other terms and conditions of the loan granted are prima facie, not prejudicial to the interests of the Company. Interest accrued ₹ 129,690,037 on the above loan and payable on 1 April 2015 is overdue as of date. The Company has taken reasonable steps for recovery.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems in respect of the aforesaid areas.
- (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 to the extent notified.

- (vi) We have broadly reviewed the cost accounting 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 records have been maintained. However, we are neither required to carry out nor have carried out detailed examination of such cost accounting 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, wealth 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 2015 for a period of more than six months from the date they became payable.
- (b) The disputed dues of income tax, sales tax, service tax, duty of excise, value added tax and cess 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	122,597,968	FY 1993-1994 to FY 2000-2001	Supreme Court
		13,876,239	FY 1997-1998 to FY 2005-2006	Tribunal CESTAT
		205,666	FY 2011-2012	Commissioner of Central Excise (Appeals)
	Service tax	148,537	FY 2005-2006	Bombay High Court
Maharashtra Value Added Tax Act, 2002	Value added tax	5,374,953	FY 2005-2006	Maharashtra Sales Tax Tribunal
		3,286,230	FY 2005-2006	Joint Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Central sales tax	12,002,023	FY 2002-2003 and 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)
		35,556,434	FY 2001-2002, FY 2003-2004 to FY 2005-2006 and FY 2008-2009	Joint Commissioner of Sales Tax (Appeals)
		1,132,146	FY 2009-2010	Assistant Commissioner of Commercial Taxes
Bombay Provincial Municipal Corporation Act, 1959	Cess	3,879,750	FY 2002-2003 to FY 2007-2008	Bombay High Court
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	25,719,800	FY 2006-2007 and FY 2009-2010	Commissioner of Income Tax (Appeals)

- (c) There were no amounts required to be transferred to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses during the current financial year or in the immediately preceding financial year.
- (ix) 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 dues to banks, financial institutions and debenture holders during the year.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by subsidiaries from banks are prima facie not prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans raised during the year have been applied for the purposes for which they were raised.
- (xii) Based on the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

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

**Hitendra Bhandari**  
Partner  
Membership Number 107832

Mumbai, 28 April 2015

## Balance Sheet as at 31 March 2015

(Amount in ₹)

	Notes	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	314,166,845	314,130,920
Reserves and surplus	4	4,484,356,602	7,010,855,887
		<b>4,798,523,447</b>	<b>7,324,986,807</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	2,749,675,775	2,652,571,994
Deferred tax liabilities (net)	6	223,764,290	227,634,951
Long-term provisions	7	75,731,791	61,436,191
		<b>3,049,171,856</b>	<b>2,941,643,136</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	409,645,729	299,176,846
Trade payables	9	330,347,438	479,027,564
Other current liabilities	10	1,036,000,790	1,344,185,347
Short-term provisions	7	335,524,535	261,467,915
		<b>2,111,518,492</b>	<b>2,383,857,672</b>
<b>Total</b>		<b>9,959,213,795</b>	<b>12,650,487,615</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	11		
- Tangible assets		3,172,243,113	2,983,812,744
- Intangible assets		58,994,743	74,067,269
- Capital work-in-progress		34,210,464	62,468,712
- Intangible assets under development		38,475,704	24,651,202
		<b>3,303,924,024</b>	<b>3,144,999,927</b>
Non-current investments	12	2,907,948,346	5,699,563,016
Long-term loans and advances	13	467,705,802	442,062,203
Other non-current assets	14	22,984,825	19,818,858
		<b>6,702,562,997</b>	<b>9,306,444,004</b>
<b>CURRENT ASSETS</b>			
Inventories	15	673,220,631	727,806,062
Trade receivables	16	1,093,298,058	899,363,340
Cash and bank balances	17	14,921,216	54,993,330
Short-term loans and advances	13	1,297,508,426	1,320,217,645
Other current assets	14	177,702,467	341,663,234
		<b>3,256,650,798</b>	<b>3,344,043,611</b>
<b>Total</b>		<b>9,959,213,795</b>	<b>12,650,487,615</b>
Notes forming part of the financial statements	1-45		

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 2015

For and on behalf of the Board

**Subhash Chandra**  
Chairman

**Tapan Mitra**  
**Boman Moradian**  
**Mukund M. Chitale**  
**Radhika Pereira**  
**Atul Goel**

} Directors

**Ajay Thakkar**  
Company Secretary & Head - Legal

**Ashok Goel**  
Vice Chairman & Managing Director

**A.V. Ganapathy**  
Chief Financial Officer (Global)

## Statement of Profit and Loss for the year ended 31 March 2015

(Amount in ₹)

	Notes	2015	2014
<b>REVENUE</b>			
Revenue from operations (gross)	18	8,093,432,692	7,140,682,020
Less: Excise duty		(547,297,915)	(480,495,972)
Revenue from operations (net)		<b>7,546,134,777</b>	<b>6,660,186,048</b>
Other income	19	208,839,663	262,062,078
<b>Total</b>		<b>7,754,974,440</b>	<b>6,922,248,126</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	3,791,094,267	3,367,566,315
Changes in inventories of finished goods and goods-in-process	21	27,637,357	(69,207,442)
Employee benefits expense	22	640,187,677	570,586,394
Other expenses	23	1,676,148,851	1,493,313,243
<b>Total</b>		<b>6,135,068,152</b>	<b>5,362,258,510</b>
<b>Profit before depreciation, amortisation, finance costs and tax</b>		<b>1,619,906,288</b>	<b>1,559,989,616</b>
Less:			
Depreciation and amortisation expense	11	457,484,575	366,452,297
Finance costs	24	409,323,322	450,092,247
<b>Profit before exceptional items and tax</b>		<b>753,098,391</b>	<b>743,445,072</b>
Less: Exceptional items (net)	31	-	(12,904,115)
<b>Profit before tax</b>		<b>753,098,391</b>	<b>756,349,187</b>
<b>Less: Tax expense</b>			
Current tax		174,925,267	218,090,781
MAT credit entitlement - earlier year		-	(10,043,451)
Deferred tax		12,874,733	3,409,221
<b>Profit after tax</b>		<b>565,298,391</b>	<b>544,892,636</b>
Earnings per equity share of ₹ 2 each fully paid up	40		
Basic		3.60	3.47
Diluted		3.60	3.47
Notes forming part of the financial statements	1-45		

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 2015

For and on behalf of the Board

**Subhash Chandra**  
Chairman

**Tapan Mitra**  
**Boman Moradian**  
**Mukund M. Chitale**  
**Radhika Pereira**  
**Atul Goel**

Directors

**Ajay Thakkar**  
Company Secretary & Head - Legal

**Ashok Goel**  
Vice Chairman & Managing Director

**A.V. Ganapathy**  
Chief Financial Officer (Global)

  
 **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.

**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 lives 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 fund.

### 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 32).
- 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 32).

### 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 ₹)

	2015	2014
<b>3. Share Capital</b>		
<b>Authorised</b>		
200,000,000 equity shares of ₹ 2 each	400,000,000	400,000,000
<b>Issued</b>		
157,101,285 (157,101,285) equity shares of ₹ 2 each	314,202,570	314,202,570
<b>Subscribed and paid up</b>		
157,044,165 (157,101,285) equity shares of ₹ 2 each (Refer note (a) below)	314,088,330	314,202,570
Add: 57,120 (Nil) equity shares of ₹ 2 each Forfeited (Refer note (i) below)	78,515	-
Less: Calls in arrears (Refer note (c) below)	-	71,650
<b>Total</b>	<b>314,166,845</b>	<b>314,130,920</b>

### a) Reconciliation of number of shares outstanding

	2015		2014	
	Number of equity shares	Amount in ₹ (at par value)	Number of equity shares	Amount in ₹ (at par value)
At the beginning of the year	157,101,285	314,202,570	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	157,101,285	314,202,570

### 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) Calls in arrears

	2015		2014	
	Number of equity shares	Amount in ₹	Number of equity shares	Amount in ₹
Aggregate amount of calls in arrears - others	-	-	71,650	71,650

### d) Details of shares held by holding company

Name of Shareholder	2015		2014	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited *	86,577,843	55.11%	-	-
Rupee Finance and Management Private Limited *	100	0.00%	82,779,160	52.69%

\* The aforesaid change is pursuant to reorganisation of promoter companies shareholding.

### e) Details of shareholder holding more than 5% equity shares

Name of Shareholder	2015		2014	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited	86,577,843	55.11%	-	-
Rupee Finance and Management Private Limited	100	0.00%	82,779,160	52.69%
Warburg Value Fund	5,919,464	3.77%	8,250,000	5.25%

## Notes forming part of the financial statements

### f) Employees Stock Option Scheme (ESOPS):

During the year, the Company has 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, stocks options convertible into 29,53,000 equity shares of ₹ 2 each were granted to eligible employees at an exercise price of ₹ 121.65, 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.

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.

- g) No bonus shares have been issued and no shares bought back during five years preceding 31 March 2015.
- h) 5,00,155 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.
- i) During the year, the Company issued demand cum forfeiture notice to 129 shareholders holding 71,650 partly paid equity shares {Refer 3(c) above}. Subsequently, the Company has received balance call amount due alongwith interest from 13 shareholders holding 35,925 partly paid equity shares; and shareholders holding the balance 35,725 partly paid equity shares have failed to pay the balance due call amount alongwith interest and the Board in its meeting held on 29 January 2015 approved forfeiture of the said 35,725 partly paid equity shares alongwith 21,395 bonus share entitlement, aggregating to 57,120 equity shares (Refer 3 {a} above). The amount of ₹ 78,515 (representing 35,725 partly paid-up equity shares and 21,395 fully paid-up bonus shares) will be transferred to reserves upon cancellation / re-issue of these shares.

	(Amount in ₹)	
	2015	2014
<b>4. Reserves and surplus</b>		
<b>Capital reserve</b>		
As per last balance sheet	398,287,882	398,287,882
<b>Securities premium</b>		
As per last balance sheet	3,842,983,298	3,842,983,298
Add / (less):	1,041,825	-
Received during the year - Calls in arrears		
Taken over pursuant to the Scheme of Amalgamation {Refer note 30(c)(iii)}	903,908,360	-
Deficit adjusted pursuant to the Scheme of Amalgamation {Refer note 30(c)(iii)}	(3,652,605,000)	-
Expenses adjusted pursuant to the Scheme of Amalgamation {Refer note 30(c)(iv)}	(6,001,483)	-
	<b>1,089,327,000</b>	<b>3,842,983,298</b>
<b>Debenture redemption reserve</b>		
Transfer from the Statement of Profit and Loss	75,000,000	-
<b>Revaluation reserve</b>		
As per last balance sheet	13,709,420	14,057,282
Less: Transfer to the Statement of Profit and Loss	(423,212)	(347,862)
	<b>13,286,208</b>	<b>13,709,420</b>
<b>General reserve</b>		
As per last balance sheet	1,254,057,039	1,199,567,769
Add: Transfer from the Statement of Profit and Loss	-	54,489,270
	<b>1,254,057,039</b>	<b>1,254,057,039</b>

## Notes forming part of the financial statements

	(Amount in ₹)	
	2015	2014
<b>Surplus in the Statement of Profit and Loss</b>		
As per last balance sheet	1,501,818,248	1,241,165,692
Add: Profit for the year	565,298,391	544,892,636
Less: Take over pursuant to the Scheme of Amalgamation {Refer note 30(c)(iii)}	(275,081)	
Less: Appropriations		
Adjustment as per transitional provisions of Schedule II to the Companies Act 2013 (net of tax) {Refer note 11(vi)}	(31,213,063)	-
Corporate Social Responsibility (CSR) expenditure (Refer note 43)	(4,720,000)	-
Debenture redemption reserve	(75,000,000)	-
Proposed equity dividend	(251,270,664)	(196,376,606)
Tax on proposed equity dividend	(50,239,358)	(33,374,204)
General reserve	-	(54,489,270)
	<b>1,654,398,473</b>	<b>1,501,818,248</b>
<b>Total</b>	<b>4,484,356,602</b>	<b>7,010,855,887</b>

	(Amount in ₹)			
	Non-current		Current	
	2015	2014	2015	2014
<b>5. Long-term borrowings</b>				
<b>Secured</b>				
900 (Nil) units of redeemable non-convertible debentures of ₹ 1,000,000 each (Refer note (a) below)	900,000,000	-	-	-
Term loan from banks (Refer note (b), (c), and (d) below)	369,995,102	213,936,366	298,492,309	265,281,816
Term loan from others (Refer note (c), (e) and (f) below)	517,361,111	1,428,472,222	236,111,111	377,777,778
Buyers credit from banks (Refer note (g) and (h) below)	557,542,711	602,549,194	62,292,788	-
Finance lease obligations (Refer (i) below)	82,832,607	109,272,603	24,572,559	23,146,913
	<b>2,427,731,531</b>	<b>2,354,230,385</b>	<b>621,468,767</b>	<b>666,206,507</b>
<b>Unsecured</b>				
Buyers credit from banks (Refer (j) below)	164,381,762	85,609,357	65,000,000	258,500,220
Term loan from others (Refer (k) below)	8,137,601	15,351,034	7,213,433	6,394,219
Deferred sales tax loan (Refer (l) below)	149,424,881	197,381,218	47,956,284	62,978,794
	<b>321,944,244</b>	<b>298,341,609</b>	<b>120,169,717</b>	<b>327,873,233</b>
Current maturities disclosed under "Other current liabilities" (Refer note 10)			(741,638,484)	(994,079,740)
<b>Total</b>	<b>2,749,675,775</b>	<b>2,652,571,994</b>	<b>-</b>	<b>-</b>

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

<p>a) Listed redeemable non-convertible debentures Series (A) of ₹ 500,000,000 (₹ Nil) and Series (B) of ₹400,000,000 (₹ Nil) are secured by pari-passu first charge on all fixed assets of the company (except all fixed assets at chakan and land and building at Goa and Murbad). These debentures are further secured by way of security provided by other related party*.</p>	<p>These debentures carry interest rate at SBI Base Rate + 145 bps p.a. and are redeemable at par in 3 annual instalments 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.</p>
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## Notes forming part of the financial statements

b) Term loan from banks of ₹ 103,636,366 (₹ 346,718,182) 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*.	
c) Term loan from banks of ₹ 355,754,545 (₹ 132,500,000) and Term loan from others ₹ 472,222,222 (₹ 500,000,000) 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*.	
d) Term loan from bank of ₹ 209,096,500 (₹ Nil) 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 by other related party*.	Term loan from banks and others carry interest rate ranging from 11.90% to 13.50% p.a. and are repayable in monthly/quarterly installments by 2019-20.
e) Term loan from others ₹ 281,250,000 (₹ 406,250,000) 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*.	
f) Term loan from others ₹ Nil (₹ 90,000,000) is secured by subservient charge on movable fixed assets of the Company. The loan is further secured by way of security provided and corporate guarantee issued by other related party*.	
g) Buyers credit from bank of ₹ 249,171,151 (₹ 471,431,854) 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% to 2.23% p.a. and are repayable in maximum period of three years from the date of transaction.
h) Buyers credit from bank of ₹ 370,664,348 (₹ 131,117,340) 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*.	
i) Finance lease obligations are secured by related leased assets.	Leases carry interest rate ranging from 12.36% to 13.50% p.a and are repayable in monthly/quarterly installments.
j) Buyer's credit of ₹ 42,350,874 (₹ 198,585,220) are against security provided and guarantee issued by other related party and ₹187,030,888 (₹ 145,524,357) are against security provided by other related party*.	Buyers credit from banks carry interest rate ranging from 0.55% to 0.78% p.a. and are repayable in maximum period of three years from the date of transaction.
k) Term loan from others ₹ 15,351,034 (₹ 21,745,253) are unsecured.	Term loan from others carry interest rate 12.24% p.a. and is repayable in quarterly installments by 2016-17.
l) 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

## Notes forming part of the financial statements

		(Amount in ₹)	
		2015	2014
<b>6. Deferred tax liabilities (net)</b>			
<b>Deferred tax liabilities</b>			
Depreciation on fixed assets		274,701,330	282,138,636
Unamortised ancillary borrowing costs		10,859,196	9,338,736
	<b>Total (A)</b>	<b>285,560,526</b>	<b>291,477,372</b>
<b>Deferred tax assets</b>			
Employee benefits / expenses allowable on payment basis		37,492,779	36,787,628
Provision for doubtful debts		20,231,325	23,025,682
Others		4,072,132	4,029,111
	<b>Total (B)</b>	<b>61,796,236</b>	<b>63,842,421</b>
	<b>Total (A-B)</b>	<b>223,764,290</b>	<b>227,634,951</b>

		(Amount in ₹)			
		Long-term		Short-term	
		2015	2014	2015	2014
<b>7. Provisions</b>					
Employee benefits		75,731,791	61,436,191	34,014,513	31,717,105
<b>Others</b>					
Proposed equity dividend		-	-	251,270,664	196,376,606
Tax on proposed equity dividend		-	-	50,239,358	33,374,204
	<b>Total</b>	<b>75,731,791</b>	<b>61,436,191</b>	<b>335,524,535</b>	<b>261,467,915</b>

		(Amount in ₹)	
		2015	2014
<b>8. Short-term borrowings</b>			
<b>Secured (Refer note (a) below)</b>			
Working capital loan from banks		89,052,947	1,815,012
Buyers credit from banks		181,315,141	198,531,618
		<b>270,368,088</b>	<b>200,346,630</b>
<b>Unsecured</b>			
Working capital loan from banks		28,111,157	40,539,680
Buyers credit from banks		111,166,484	58,290,536
		<b>139,277,641</b>	<b>98,830,216</b>
	<b>Total</b>	<b>409,645,729</b>	<b>299,176,846</b>

**a) Of the total secured short-term borrowings**

₹ 262,154,005 (₹ 200,346,630) 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). Out of this, loan ₹ 79,200,025 (₹ Nil) is further secured by security provided and guarantee issued by other related party\*.

₹ 8,214,083 (₹ Nil) is secured by first pari-passu charge on current assets of the company.

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

## Notes forming part of the financial statements

	(Amount in ₹)	
	2015	2014
<b>9. Trade payables</b>		
Acceptances	144,492,644	256,074,319
Others (for Micro, Small and Medium Enterprises - Refer note 34)	185,854,794	222,953,245
<b>Total</b>	<b>330,347,438</b>	<b>479,027,564</b>

	(Amount in ₹)	
	2015	2014
<b>10. Other Current liabilities</b>		
Current maturities of long-term borrowings (Refer note 5)	717,065,925	970,932,827
Current maturities of long-term finance lease obligations (Refer note 5)	24,572,559	23,146,913
Interest accrued but not due on borrowings	7,268,178	11,544,756
Interest accrued and due on borrowings	4,302,029	483,922
Unclaimed dividend (Refer note 42)	5,130,549	3,644,392
Payable for capital goods	11,979,879	53,515,954
Trade advances and deposits received	7,849,590	15,805,319
Employee benefits payable	90,461,257	87,416,710
Statutory dues	18,044,068	23,251,986
Forward contract payables	5,202,510	29,620,791
Other payables	144,124,246	124,821,777
<b>Total</b>	<b>1,036,000,790</b>	<b>1,344,185,347</b>

## Notes forming part of the financial statements

### 11. Fixed assets

Description of Assets	Gross Block			Depreciation/Amortisation			Net Block			
	As at 1 April 2014	Additions	Deductions	As at 31 March 2015	Upto 31 March 2014	Adjustment (Refer note vi below)	For the year	Deductions	As at 31 March 2015	As at 31 March 2014
<b>A. Tangible assets</b>										
Freehold Land	36,793,823	14,848,015	-	51,641,838	-	-	-	-	51,641,838	36,793,823
Leasehold Land	2,076,595	-	-	2,076,595	545,180	-	-	-	1,531,415	1,531,415
Leasehold Improvements	7,765,396	-	95,936	7,669,460	6,587,858	-	1,068,289	91,139	104,452	1,177,538
Buildings	517,420,462	23,889,421	3,927,346	537,382,537	165,021,909	20,193,779	24,972,749	3,731,615	206,456,822	352,398,553
<b>Plant and Machinery</b>										
- Owned	6,750,396,332	614,778,370	12,107,637	7,353,067,065	4,490,991,627	9,146,556	353,697,175	11,378,780	4,842,456,578	2,259,404,705
- Leased	224,815,846	2,210,897	-	227,026,743	7,387,757	-	28,233,716	-	35,621,473	217,428,089
<b>Equipments</b>										
- Owned	166,670,785	11,139,441	5,411,988	172,398,238	95,217,572	16,114,137	20,470,318	5,291,236	126,510,790	45,887,448
- Leased	13,719,513	-	-	13,719,513	1,145,478	-	2,266,324	-	3,411,802	10,307,711
Furniture and fixtures	62,061,452	7,198,219	5,126,086	64,133,585	31,043,766	1,817,658	6,322,760	4,864,160	34,320,024	29,813,561
Vehicles	971,000	-	370,197	600,803	937,313	-	-	351,726	585,587	15,216
<b>Total (A)</b>	<b>7,782,691,204</b>	<b>674,064,363</b>	<b>27,039,190</b>	<b>8,429,716,377</b>	<b>4,798,878,460</b>	<b>47,272,130</b>	<b>437,031,330</b>	<b>25,708,656</b>	<b>5,257,473,264</b>	<b>2,983,812,744</b>
Previous Year (A)	7,094,165,031	799,841,594	111,315,421	7,782,691,204	4,515,015,094	-	352,929,262	69,065,896	4,798,878,460	2,983,812,744
<b>B. Intangible assets</b>										
Software	151,866,047	6,490,258	-	158,356,305	77,798,778	686,328	20,876,456	-	99,361,562	74,067,269
<b>Total (B)</b>	<b>151,866,047</b>	<b>6,490,258</b>	<b>-</b>	<b>158,356,305</b>	<b>77,798,778</b>	<b>686,328</b>	<b>20,876,456</b>	<b>-</b>	<b>99,361,562</b>	<b>74,067,269</b>
Previous Year (B)	122,320,599	35,314,569	5,769,121	151,866,047	69,696,915	-	13,870,897	5,769,034	77,798,778	74,067,269
<b>Total (A+B)</b>	<b>7,934,557,251</b>	<b>680,554,621</b>	<b>27,039,190</b>	<b>8,588,072,682</b>	<b>4,876,677,238</b>	<b>47,958,458</b>	<b>457,907,787</b>	<b>25,708,656</b>	<b>5,356,834,826</b>	<b>3,057,880,013</b>
Previous Year (A+B)	7,216,485,630	835,156,163	117,084,542	7,934,557,251	4,584,712,009	-	366,800,159	74,834,930	4,876,677,238	3,057,880,013
<b>C. Capital Work-in-Progress</b>										
<b>D. Intangible assets under development</b>										
									34,210,464	62,468,712
									38,475,704	24,651,202

#### Notes:

- i) Buildings include roads, residential flats, tubewell, and watertanks 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 had been revalued on 30 June 1996 by ₹ 32,786,717 on the basis of valuation report of Chartered Engineers dated 13 August 1996. The transfer of land title in the name of the company is awaiting requisite approvals.
- iii) Additions to plant and machinery and capital work in progress includes borrowing costs of ₹ 6,408,814 (₹ 14,444,489) and exchange difference of ₹ 37,244,325 (₹ 95,105,514) capitalised during the year as per Accounting Standards.
- iv) Depreciation for the year of ₹ 423,212 (₹ 347,862) is recouped out of revaluation reserve.
- v) 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 9,000,000 (USD 11,000,000) availed by subsidiary.
- vi) The useful life of fixed assets has been revised in accordance with Schedule II to the Companies Act 2013, which is applicable for accounting periods commencing on or after 1 April 2014. Consequently, ₹ 47,958,458 representing the written down value of fixed assets whose lives have expired as at 1 April 2014 have been adjusted in the Surplus in Statement of Profit and Loss net of related deferred tax effect of ₹ 16,745,395 (Note 4). The unamortised carrying value of other assets existing as at 1 April 2014 has been depreciated / amortised over the revised / remaining useful lives.



## Notes forming part of the financial statements

	(Amount in ₹)	
	2015	2014
<b>12. Non-current investments</b>		
(valued at cost unless stated otherwise)		
<b>Trade investments - Unquoted</b>		
<b>(A) Equity shares in wholly owned subsidiary companies</b>		
Nil (320,000) of NPR 100 each of Essel Packaging (Nepal) Private Limited, Nepal (Refer note 29)	-	20,000,000
Less: Provision for diminution in value	-	(18,996,622)
	-	1,003,378
Nil (50,000) of ₹ 10 each of EP Lamitubes Limited (Refer note 30)	-	500,000
830,000 (Nil) of US\$ 10 each of Lamitube Technologies Limited, Mauritius @ (Refer note 30)	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
416,150 (416,150) of ₹ 100 each of Packaging India Private Limited @	636,240,638	636,240,638
	<b>2,351,962,096</b>	<b>1,454,076,766</b>
<b>(B) Preference Shares in wholly owned subsidiary companies</b>		
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
1,025,000 (1,025,000) 7% Cumulative Redeemable Preference Shares of ₹ 100 each of Packaging India Private Limited @	102,500,000	102,500,000
	<b>555,986,250</b>	<b>555,986,250</b>
<b>(C) Debentures in wholly owned subsidiary companies</b>		
Nil (3,68,95,000) 0% Compulsory Convertible Debentures of ₹ 1 each of EP Lamitubes Limited (Non-transferable) (Refer note 30)	-	3,689,500,000
	-	<b>3,689,500,000</b>
<b>Total</b>	<b>2,907,948,346</b>	<b>5,699,563,016</b>
Aggregate book value of unquoted investments	2,907,948,346	5,718,559,638
Aggregate provision for diminution in value of investments (All the above securities are fully paid up)	-	18,996,622

\* 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.

## Notes forming part of the financial statements

(Amount in ₹)

	Long-term		Short-term	
	2015	2014	2015	2014
<b>13. Loans and advances</b> (unsecured considered good, unless otherwise stated)				
Capital advances	63,289,668	58,413,513	-	-
<b>Deposits</b>				
Related parties	155,010,000	155,010,000	-	-
Others	50,184,228	49,544,519	524,320	20,000
	<b>205,194,228</b>	<b>204,554,519</b>	<b>524,320</b>	<b>20,000</b>
<b>Loans and advances to related parties</b>				
Subsidiary *	130,000,000	130,000,000	-	-
Others	-	-	960,666,940	960,666,940
	<b>130,000,000</b>	<b>130,000,000</b>	<b>960,666,940</b>	<b>960,666,940</b>
<b>Other loans and advances</b>				
Advances (recoverable in cash or kind)	-	-	26,309,125	15,881,204
Prepaid expenses	296,595	955,538	16,943,898	19,511,346
Loans and advances to employees	872,328	1,038,499	1,323,179	3,653,284
MAT credit entitlement	-	563,424	57,052,168	76,820,000
Balances with government authorities				
- Direct tax (net of provisions)	33,805,978	22,160,309	15,126,581	15,126,581
- Indirect tax	34,247,005	24,376,401	219,562,215	228,538,289
	<b>69,221,906</b>	<b>49,094,171</b>	<b>336,317,166</b>	<b>359,530,704</b>
<b>Total</b>	<b>467,705,802</b>	<b>442,062,203</b>	<b>1,297,508,426</b>	<b>1,320,217,644</b>

\* Company has given non-withdrawal undertaking against long term credit facilities granted by bank to the subsidiary.

(Amount in ₹)

	Long-term		Short-term	
	2015	2014	2015	2014
<b>14. Other assets</b>				
Deposits with banks having original maturity period of more than twelve months* (Refer note 17)	2,906,600	2,206,600	-	-
Interest receivable from				
- Other related parties	-	-	129,690,037	257,994,235
- Others	-	-	1,195,995	803,392
	-	-	<b>130,886,032</b>	<b>258,797,627</b>
Other receivable from				
- Subsidiaries	-	-	21,970,579	45,767,549
- Other related parties	-	-	-	2,179,055
- Others	-	-	760,835	419,158
	-	-	<b>22,731,414</b>	<b>48,365,762</b>
Export benefits receivable	-	-	12,785,541	24,637,153
Unamortised ancillary borrowing costs	20,078,225	17,612,258	11,299,480	9,862,692
<b>Total</b>	<b>22,984,825</b>	<b>19,818,858</b>	<b>177,702,467</b>	<b>341,663,234</b>

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

## Notes forming part of the financial statements

	(Amount in ₹)	
	2015	2014
<b>15. Inventories</b>		
Raw material {Including goods-in-transit of ₹ 16,743,209 (₹ 23,430,631)}	207,763,859	249,050,631
Goods-in-process	258,690,102	273,805,621
Finished goods {Including goods-in-transit of ₹ 1,506,175 (₹ 12,413,555)}	13,967,981	26,489,819
Stores and spares	186,785,712	170,510,678
Packing materials	6,012,977	7,949,313
<b>Total</b>	<b>673,220,631</b>	<b>727,806,062</b>
<b>Details of raw materials</b>		
Granules	114,589,322	173,013,395
Foils	35,467,036	9,690,046
Caps	20,246,867	25,466,984
Others	37,460,634	40,880,206
<b>Total</b>	<b>207,763,859</b>	<b>249,050,631</b>
<b>Details of goods-in-process</b>		
Laminates	204,362,421	214,483,566
Film	20,187,360	24,028,534
Tubes	21,296,311	18,712,286
Others	12,844,010	16,581,235
<b>Total</b>	<b>258,690,102</b>	<b>273,805,621</b>
<b>Details of finished goods</b>		
Tubes	13,748,362	20,248,974
Laminates	219,619	6,240,845
<b>Total</b>	<b>13,967,981</b>	<b>26,489,819</b>

	(Amount in ₹)	
	2015	2014
<b>16. Trade receivables (Unsecured)</b>		
Over six months		
Considered good *	19,671,056	13,023,219
Considered doubtful	58,458,520	67,742,517
<b>Total (A)</b>	<b>78,129,576</b>	<b>80,765,736</b>
Less: Provision for doubtful debts	(58,458,520)	(67,742,517)
<b>Total (B)</b>	<b>19,671,056</b>	<b>13,023,219</b>
Others**	1,073,627,002	886,340,121
<b>Total (A+B)</b>	<b>1,093,298,058</b>	<b>899,363,340</b>

\* Include ₹ Nil (₹ 1,408,031) and \*\* ₹ 121,303,766 (₹ 90,913,156) due from subsidiary / Joint Venture Companies.

## Notes forming part of the financial statements

(Amount in ₹)

	Non-Current		Current	
	2015	2014	2015	2014
<b>17. Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
<b>Balance with banks in</b>				
Current accounts	-	-	8,999,943	44,827,047
Cheques / drafts on hand	-	-	525,358	6,346,716
Cash on hand	-	-	30,486	175,175
	-	-	<b>9,555,787</b>	<b>51,348,938</b>
<b>Other bank balances</b>				
Unclaimed dividend accounts	-	-	5,130,549	3,644,392
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*	2,906,600	2,206,600	-	-
Disclosed under "Other non-current assets" (Refer note 14)	(2,906,600)	(2,206,600)	-	-
	-	-	<b>5,365,429</b>	<b>3,644,392</b>
<b>Total</b>	-	-	<b>14,921,216</b>	<b>54,993,330</b>

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

(Amount in ₹)

	2015	2014
<b>18. Revenue from operations</b>		
Sales of product	7,818,214,870	6,928,128,134
<b>Other operating revenues</b>		
Royalty / Service charges	223,706,406	134,928,109
Sale of scrap	33,209,820	38,142,312
Export and other incentives	18,301,596	39,483,465
<b>Revenue from operations (gross)</b>	<b>8,093,432,692</b>	<b>7,140,682,020</b>
Less: Excise duty	(547,297,915)	(480,495,972)
<b>Revenue from operations (net)</b>	<b>7,546,134,777</b>	<b>6,660,186,048</b>
<b>Details of sales by products (net of excise duty)</b>		
Tubes	6,577,482,713	6,146,541,524
Laminates	660,051,007	298,784,233
Others (includes sale of scrap)	67,710,882	40,582,610
<b>Total</b>	<b>7,305,244,602</b>	<b>6,485,908,367</b>

(Amount in ₹)

	2015	2014
<b>19. Other income</b>		
Interest from		
- Subsidiaries	16,899,996	38,321,985
- Others *	148,035,897	148,323,041
Exchange differences (net)	-	26,769,670
Miscellaneous income	43,903,770	48,647,382
<b>Total</b>	<b>208,839,663</b>	<b>262,062,078</b>

\* Includes interest on loans, bank deposits etc.

## Notes forming part of the financial statements

(Amount in ₹)

	2015	2014
<b>20. Cost of materials consumed</b>		
Inventory at the beginning of the year	249,050,631	250,733,932
Add: Purchases (net)	3,749,807,495	3,365,883,014
	<b>3,998,858,126</b>	<b>3,616,616,946</b>
Less: Inventory at the end of the year	207,763,859	249,050,631
<b>Total</b>	<b>3,791,094,267</b>	<b>3,367,566,315</b>
<b>Details of materials consumed</b>		
Granules	2,208,489,800	2,235,053,294
Foils	287,009,620	260,785,636
Caps	755,442,188	488,112,244
Others	540,152,659	383,615,141
<b>Total</b>	<b>3,791,094,267</b>	<b>3,367,566,315</b>

(Amount in ₹)

	2015	2014
<b>21. Changes in inventories of finished goods and goods-in-process</b>		
<b>Inventory at the end of the year</b>		
Finished goods	13,967,981	26,489,819
Goods-in-process	258,690,102	273,805,621
	<b>272,658,083</b>	<b>300,295,440</b>
<b>Inventory at the beginning of the year</b>		
Finished goods	26,489,819	14,976,580
Goods-in-process	273,805,621	216,111,418
	<b>300,295,440</b>	<b>231,087,998</b>
<b>Total</b>	<b>27,637,357</b>	<b>(69,207,442)</b>

(Amount in ₹)

	2015	2014
<b>22. Employee benefits expense</b>		
Salaries, wages and bonus	544,030,194	485,954,636
Contribution to provident and other funds	30,050,037	29,598,828
Gratuity	12,911,891	6,524,514
Staff welfare expenses	53,195,555	48,508,416
<b>Total</b>	<b>640,187,677</b>	<b>570,586,394</b>

## Notes forming part of the financial statements

	(Amount in ₹)	
	2015	2014
<b>23. Other expenses</b>		
Stores and spares	204,630,685	199,526,761
Packing materials	217,773,642	195,337,671
Power and fuel	329,264,049	303,803,715
Job work / Labour charges	261,584,144	215,662,620
Lease rental - Plant and equipments	69,043,319	74,048,143
Other manufacturing expenses	16,104,895	8,546,990
Factory rent	19,478,904	13,339,861
Repairs and Maintenance		
- Buildings	10,608,556	6,494,114
- Plant and machinery	31,776,402	28,443,661
- Others	4,914,109	4,129,901
Rent	41,216,248	39,199,663
Rates and taxes	23,859,848	17,169,573
Insurance	6,294,807	6,485,749
Directors' sitting fees	1,065,000	600,000
Travelling and conveyance expenses	22,805,997	20,968,079
Professional and consultancy charges	54,848,752	44,996,818
Communication charges	10,607,608	10,634,973
Miscellaneous expenses	145,908,556	122,141,745
Loss on sale / discard of fixed assets (net)	1,329,234	8,592,902
Donation	10,650	841,100
Exchange differences (net)	24,629,202	-
Payment to auditors (Refer details below)	6,009,185	5,668,384
Freight and forwarding expenses	161,033,393	131,574,973
Bad and doubtful debts (net of provision)	11,351,666	35,105,847
<b>Total</b>	<b>1,676,148,851</b>	<b>1,493,313,243</b>
<b>Payment to auditors for:</b>		
Audit fees	2,671,680	2,671,680
Tax audit	367,356	367,356
Tax representations and others	1,296,955	1,196,831
Certifications (including fees for limited review)	1,370,832	1,365,404
Reimbursement of expenses	302,362	67,113
<b>Total</b>	<b>6,009,185</b>	<b>5,668,384</b>

	(Amount in ₹)	
	2015	2014
<b>24. Finance costs</b>		
Interest expenses		
- Borrowings	346,241,687	345,826,080
- Others	756,086	3,867,021
Other financial charges	39,462,744	41,114,963
{includes amortisation of ancillary borrowing costs of ₹ 19,919,595 (₹ 16,167,732)}		
Exchange difference on borrowings (net)	22,862,805	59,284,183
<b>Total</b>	<b>409,323,322</b>	<b>450,092,247</b>

## Notes forming part of the financial statements

### 25. Capital and other commitments

	(Amount in ₹)	
	2015	2014
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	252,713,655	182,704,380

### 26. Contingent Liabilities not provided for

	(Amount in ₹)	
	2015	2014
i. Unexpired letters of credit (net of liability provided).	122,511,606	17,040,962
ii. Guarantees and counter guarantees given by the Company [includes ₹ 5,997,576,115 (₹ 5,294,214,117)] for loans taken by subsidiaries]. Loans outstanding against these guarantees are ₹ 4,015,510,115 (₹ 4,233,113,957)	5,997,576,115	5,297,214,117
iii. Disputed indirect taxes *	225,335,118	185,688,926
iv. Disputed direct taxes ^	80,620,220	83,355,624
v. Claims not acknowledged as debts	4,996,550	4,996,550
vi. Deferred Sales Tax liability assigned	68,605,087	68,605,087
vii. Duty benefit availed under EPCG scheme, pending export obligations	263,739,439	181,207,500

\* 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 ₹ 33,422,849 (₹ 35,347,198) (approx.), which is pending with relevant authority.

### 27. Managerial remuneration

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

	(Amount in ₹)	
	2015	2014
i. Salaries, allowances and perquisites^	40,440,000	34,981,767
ii. Contribution to provident and other funds	3,240,000	2,952,000
iii. Performance bonus	*20,000,000	**13,539,650
<b>Total</b>	<b>63,680,000</b>	<b>51,473,417</b>

^ 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 in excess of limits prescribed u/s 197 of the Companies Act, 2013 by ₹ 20,000,000. Consequently, the performance bonus is payable and will be paid only upon approval of Central Government.

\*\* The performance bonus for the year ended 31 March 2014 to the extent of ₹ 6,999,857 being in excess of limit prescribed u/s 198/309 of the Companies Act, 1956 remains unpaid pending Central Government approval.

b) Professional and Consultancy charges include commission payable to Non-executive independent directors ₹ 4,474,521 for the year ended 31 March 2015 and previous year included ₹ 3,600,000 and ₹ 4,176,986 for the year ended 31 March 2014 and 31 March 2013 respectively.

## Notes forming part of the financial statements

### 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-cancellable lease terms in excess of one year as at 31 March 2015 and its present value are as follows:

	(Amount in ₹)	
	2015	2014
<b>Minimum lease payment as at</b>		
Not later than one year	36,536,980	39,524,457
Later than one year but not later than five years	97,892,460	137,416,917
	<b>134,429,440</b>	<b>176,941,374</b>
Less: Amount representing interest	27,024,274	44,521,858
<b>Present value of Minimum Lease Payment</b>	<b>107,405,166</b>	<b>132,419,516</b>
Not later than one year	24,572,559	23,146,913
Later than one year but not later than five years	82,832,607	109,272,603

#### 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 sixty months. The rental obligations are as follows:

	(Amount in ₹)	
	2015	2014
Lease rental charges for the year	145,283,384	140,022,028
<b>Future lease rental obligation payable (under non-cancellable leases)</b>		
Not later than one year	112,342,865	121,440,193
Later than one year but not later than five years	218,345,292	82,178,157
Later than five years	14,319,000	-
<b>Total</b>	<b>345,007,157</b>	<b>203,618,350</b>

### 29. Investment in Essel Packaging (Nepal) Private Limited (WOS)

The Company's wholly owned subsidiary (WOS), Essel Packaging (Nepal) Private Limited, which in earlier years had discontinued its operations, disposed off assets and paid off liabilities has been voluntarily wound up during the year. ₹ 214,230 received in excess of book value of investment is credited to the Statement of Profit and Loss.

### 30. Scheme of Amalgamation of EP Lamitubes Limited with the Company

- a) The Scheme of Amalgamation ("The Scheme") of EP Lamitubes Limited ("Transferor Company") with the Company was sanctioned by Hon'ble High Court of Judicature at Mumbai vide its order dated 19 December 2014. The Scheme became effective on 22 January 2015 and consequently, the entire undertaking of the transferor company including all assets, liabilities and reserves, vested in the Company on the appointed date i.e. 1 April 2014. Accordingly, the financial statements for the year ended 31 March 2015 include the transactions of the transferor company.
- b) The amalgamation is accounted for as per "Pooling of interests" method prescribed under Accounting Standard 14 "Accounting of Amalgamations", as provided in the approved Scheme.
- c) Pursuant to the Scheme:-
  - i. The amount of share capital of transferor company and investment held by the Company in the transferor company, have been cancelled.



## Notes forming part of the financial statements

- ii. The book value of Company's investment in compulsorily convertible debentures of transferor company and inter-company balances, have been cancelled.
- iii. The difference between net assets taken over, extinguishment of the Company's investment in transferor company and other reserves taken over, has been adjusted to Securities Premium as detailed below:-

(Amount in ₹)		
<b>Assets and Liabilities</b>		
Cash and bank balances	43,478,419	
Investment in 830,000 Equity Shares of US \$ 10 Each of Lamitube Technologies Limited, Mauritius	899,388,708	
Current Liabilities	(1,838,848)	
<b>Net Assets taken over</b>		<b>941,028,279</b>
Deficit in Statement of Profit and Loss	(275,081)	
Securities premium	903,908,360	
<b>Reserves and surplus taken over</b>		<b>903,633,279</b>
<b>Less: Inter company investments cancelled</b>		
Equity shares	500,000	
Compulsory convertible debentures	3,689,500,000	3,690,000,000
<b>Deficit adjusted against Securities premium</b>		<b>(3,652,605,000)</b>

- iv. Expenses of ₹ 6,001,483 incurred in connection with the Scheme is adjusted against Securities premium.
- v. During the period between the appointed date and the effective date, as transferor company has carried on the existing business in "trust" on behalf of the Company, all vouchers, documents etc; for the period are in the name of transferor company.

### 31. Exceptional items (net) for the previous year include

(a) Write back of ₹ 61,623,062 being interest provided by erstwhile RAS Propack Lamipack Limited (merged with the Company) on custom duty provision on imports under EPCG scheme, no longer required, (b) Cenvat credit of ₹ 69,283,365 of prior years, not realisable hence written off and (c) Gain of ₹ 20,564,418 on sale of investment to its step down subsidiary.

### 32. Foreign exchange difference

The Companies (Accounting Standards) Amendment Rules, 2011 has amended provisions of AS-11 related 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 ₹ 37,244,325 (₹ 95,105,514) is capitalised to cost of fixed assets/capital work in progress.

### 33. 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

Derivatives Contract	2015		2014	
	Amount in Foreign currency	Equivalent Indian ₹	Amount in Foreign currency	Equivalent Indian ₹
USD/INR	USD 1,000,000	62,500,000	USD 1,000,000	59,915,000

## Notes forming part of the financial statements

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

Derivatives Contract	2015		2014	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD/INR	USD 73,29,706	458,106,625	USD 11,642,694	697,571,988
EUR/INR*	Nil	Nil	EUR 1,355,360	112,067,942
CHF/INR	CHF 1,933,100	124,221,006	CHF 1,933,110	131,117,340

\* Includes for previous year EUR 1,280,000 (INR 105,836,800) hedged in two forward contract i.e EUR/USD and USD/INR

- iii. Cross currency hedges

	2015	2014
	Amount in Foreign Currency	Amount in Foreign Currency
In respect of payables		
CHF/USD	CHF 5,844,551	CHF 5,598,771

- b) Outstanding foreign currency exposures not hedged by derivative instruments

	(Amount in ₹)	
	2015	2014
Foreign currency payables	699,493,130	680,654,077
Foreign currency receivables	136,086,236	120,609,659

### 34. 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 ₹)	
	2015	2014
i. Principal amount payable to suppliers under the Act	9,282,147	8,069,441
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	38,902,409	32,062,814
v. Interest paid to suppliers under the Act	-	-
vi. Interest due and payable to suppliers under the Act, for payments already made	229,491	123,918
vii. Interest accrued and remaining unpaid at the end of the year under the Act	1,409,081	1,179,590

**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.

### 35. 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.

## Notes forming part of the financial statements

- 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 ₹)	
	2015	2014
Current service cost	5,585,232	6,003,780
Interest cost	8,072,136	7,105,513
Expected return on plan assets	(2,863,602)	(2,900,528)
Actuarial (gain) / loss	2,118,125	(3,684,251)
<b>Net expenses</b>	<b>12,911,891</b>	<b>6,524,514</b>

ii. Net liability recognised in the balance sheet

	(Amount in ₹)	
	2015	2014
Fair value of plan assets	38,708,216	32,914,967
Present value of obligation	99,563,860	86,771,004
<b>Liability recognized in balance sheet</b>	<b>60,855,644</b>	<b>53,856,037</b>

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

	(Amount in ₹)	
	2015	2014
Defined benefit obligation as at the beginning	86,771,004	86,127,437
Current service cost	5,585,232	6,003,780
Interest cost	8,072,136	7,105,513
Actuarial (gain) / loss on obligation	2,141,496	(4,020,341)
Benefit paid	(3,006,008)	(8,445,385)
<b>Defined benefit obligation at the closing</b>	<b>99,563,860</b>	<b>86,771,004</b>

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

	(Amount in ₹)	
	2015	2014
Fair value of plan assets at beginning of the year	32,914,967	33,339,405
Expected return on plan assets	2,863,602	2,900,528
Actuarial gain / (loss)	23,371	(336,090)
Employer contribution	5,767,128	5,364,918
Benefits paid	(2,860,852)	(8,353,794)
Fair value of plan assets at year end	38,708,216	32,914,967
Actual return on plan assets	2,886,973	2,564,438

v. Investment details

	(Amount in ₹)	
	2015	2014
Insurer Managed Funds	38,708,216	32,914,967

## Notes forming part of the financial statements

### vi. Actuarial assumptions

	2015	2014
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate
Discount rate(per annum)	8.03%	9.31%
Expected rate of return on plan assets (per annum)	8.03%	8.70%
Rate of escalation in salary (per annum)	4.00%	5.50%
Attrition rate	Service 4 years and below - 6% others - 1%	2.00%

### vii. Amounts recognised in current year and previous four years

(Amount in ₹)

Gratuity	As at 31 March				
	2015	2014	2013	2012	2011
Defined benefit obligation	99,563,860	86,771,004	86,127,437	75,767,535	70,227,563
Fair value of plan assets	38,708,216	32,914,967	33,339,405	33,272,540	28,771,655
(Surplus) / deficit in the plan	60,855,644	53,856,037	52,788,032	42,494,995	41,455,908
Actuarial (gain) / loss on plan obligation	2,141,496	(4,020,341)	7,047,960	(4,698,111)	(4,879,356)
Actuarial (gain) / loss on plan assets	(23,371)	336,090	275,042	(287,717)	(172,095)

#### Notes:

- Amounts recognized as an expense and included in the Note 22 "Employee benefits expense" are gratuity ₹ 12,911,891 (₹ 6,524,514) and leave encashment ₹ 14,516,595 (₹ 14,329,940)
- 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.
- "Contribution to provident and other funds" is recognized as an expense in Note 22 of the Statement of Profit and Loss.

### 36. a) Related party disclosure

#### List of parties where control exists

#### i. Ultimate holding company

Rupee Finance and Management Private Limited.

#### ii. Holding company

Rupee Finance and Management Private Limited (Upto 27 April 2014)

Whitehills Advisory Services Private Limited (w.e.f. 28 April 2014)

#### iii. Subsidiary companies

Name of the Subsidiary	Proportion of interest (including beneficial interest)/ voting power (either directly/ indirectly through subsidiaries)	Country of Incorporation
<b>Direct Subsidiary</b>		
Arista Tubes Inc. *	100% (100%)	USA
Lamitube Technologies (Cyprus) Limited	100% (100%)	Cyprus
Packaging India Private Limited	100% (100%)	India
Essel Packaging (Nepal) Private Limited ^^	-- (100%)	Nepal
EP Lamitubes Limited @	-- (100%)	India
Lamitube Technologies Limited **	100% (100%)	Mauritius

## Notes forming part of the financial statements

Name of the Subsidiary	Proportion of interest (including beneficial interest)/ voting power (either directly/ indirectly through subsidiaries)	Country of Incorporation
<b>Step down subsidiary</b>		
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% (--)	Hong Kong
Essel Packaging (Guangzhou) Limited	100% (100%)	China
Essel Packaging (Jiangsu) Limited ^^^	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 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

^^ Wound up during the year (Refer note 29)

\*\* Direct Subsidiary w.e.f 1 April 2014 (Refer note 30)

@ Merged with the Company with effect from 1 April 2014 (Refer note 30)

^ Subsidiary has discontinued its operations and is under liquidation

^^^ Incorporated during the year

#### 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

#### v. Fellow subsidiary

Whitehills Advisory Services Private Limited (Upto 27 April 2014)

#### 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, Continental Drug Company Private 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. Ajay Thakkar

## Notes forming part of the financial statements

### c) Transactions with Related Parties:

(Amount in ₹)

	2015		2014	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
<b>(l) Transactions</b>				
<b>a) Sales to and recoveries from</b>				
<b>Subsidiaries</b>	377,346,037		280,040,529	
Essel Propack Polska Sp.Z.O.O.		43,656,524		27,551,698
Essel de Mexico S.A. de C.V		41,882,599		3,084,380
Essel Propack America, LLC		148,993,112		115,087,636
Essel Propack MISR for Advanced Packaging S.A.E.		62,713,629		67,341,213
<b>Joint ventures / Associate</b>	75,238,946		24,539,467	
Essel Deutschland GmbH & Co., KG Dresden		75,085,623		24,539,467
<b>Other related parties</b>	1,976,161		-	
Shrotra Enterprises Private Limited		1,975,643		-
<b>b) Royalty/Service charges income</b>				
<b>Subsidiaries</b>	114,233,253		106,198,629	
Essel Packaging (Guangzhou) Limited		88,828,223		85,752,358
Essel Propack MISR for Advanced Packaging S.A.E.		23,567,335		19,527,402
<b>Joint venture</b>	24,159,468		22,194,802	
Essel Deutschland GmbH & Co., KG Dresden		24,159,468		22,194,802
<b>c) Guarantee commission</b>				
<b>Subsidiaries</b>	42,852,541		46,440,819	
Lamitube Technologies Limited		25,011,176		27,321,332
Lamitube Technologies (Cyprus) Limited		6,360,982		8,678,661
Essel Propack Polska Sp.Z.O.O.		9,016,014		7,374,885
<b>d) Rent income</b>				
<b>Other related parties</b>	-		27,500	
Pan India Paryatan Private Limited		-		27,500
<b>e) Sale of fixed assets</b>				
<b>Subsidiaries</b>	-		3,940,844	
Essel De Mexico SA de CV		-		3,940,844
<b>Other related parties</b>	-		4,789,500	
Ganjam Trading Company Private Limited		-		4,789,500
<b>f) Sale of investments to</b>				
<b>Subsidiaries</b>	-		3,646,847,700	
EP Lamipack Limited		-		3,646,347,700
<b>g) Purchase of goods and services</b>				
<b>Subsidiaries</b>	1,384,191		4,117,215	
Essel Propack America, LLC		742,378		1,162,608
Packaging India Private Limited		299,611		401,220
Essel Propack Polska Sp. Z.O.O.		16,372		2,208,023
Essel Packaging (Guangzhou) Limited		194,148		336,042
<b>Other related parties</b>	4,145,705		740,006	
Zee Entertainment Enterprises Limited		128,956		311,968
ITZ Cash Card Limited		2,528,376		-
Shrotra Enterprises Private Limited		1,379,387		-
Ganjam Trading Company Private Limited		108,986		428,038


**Notes** forming part of the financial statements

(Amount in ₹)

	2015		2014	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
<b>h) Purchase of fixed assets</b>				
<b>Subsidiaries</b>	2,530,105		49,875,480	
Essel Propack Russia, LLC		-		8,740,170
Essel Propack UK Limited		-		41,097,481
Arista Tubes, Inc.		484,270		-
Essel Propack Polska sp.zoo		2,045,835		-
<b>i) Investments made in debentures of</b>				
<b>Subsidiaries</b>	-		3,689,500,000	
EP Lamitubes Limited		-		3,689,500,000
<b>j) Investments made in shares of</b>				
<b>Subsidiaries</b>	-		500,000	
EP Lamitubes Limited		-		500,000
<b>k) Balances written off</b>				
<b>Joint venture</b>	1,768,364		-	
Essel Deutschland GmbH & Co., KG Dresden		1,768,364		-
<b>l) Rent expenses</b>				
<b>Subsidiaries</b>	5,256,454		5,510,801	
Essel Propack Polska Sp. Z.O.O.		5,256,454		5,510,801
<b>Other related parties</b>	39,140,398		38,605,557	
Ayepee Lamitubes Limited		3,940,318		3,105,240
Ganjam Trading Company Private Limited		35,100,000		35,100,000
<b>m) Loans / advances / deposits given</b>	-			
<b>Subsidiaries</b>	-		505,239,422	
Lamitube Technologies Limited		-		69,480,000
Lamitube Technologies (Cyprus) Limited		-		372,052,245
Packaging India Private Limited		-		63,707,177
<b>Other related parties</b>	-		256,586,102	
Sprit Textiles Private Limited		-		110,416,184
Ayepee Lamitubes Limited		-		146,169,918
<b>n) Repayment of Loans / advances / deposits given</b>	-			
<b>Subsidiaries</b>	-		772,930,445	
Lamitube Technologies Limited		-		69,480,000
Lamitube Technologies (Cyprus) Limited		-		643,450,445
Packaging India Private Limited		-		60,000,000
<b>Other related parties</b>	-		129,089,490	
Ayepee Lamitubes Limited		-		126,572,738
<b>o) Repayment of Loans / advances / deposits taken</b>				
<b>Other related parties</b>	300,000		25,000	
Pan India Paryatan Private Limited		-		25,000
Ayepee Lamitubes Limited		300,000		-
<b>p) Interest Income on Loans / advances / deposits / given</b>				
<b>Subsidiaries</b>	16,899,996		38,321,985	
Lamitube Technologies Limited		-		332,584
Packaging India Private Limited		16,899,996		20,789,312
Lamitube Technologies (Cyprus) Limited		-		17,200,089

## Notes forming part of the financial statements

(Amount in ₹)

	2015		2014	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
<b>Other related parties</b>	144,100,041		147,011,150	
Sprit Textiles Private Limited		144,100,041		144,054,665
<b>s) Remuneration paid / provided</b>	80,284,060		64,205,332	
<b>Key management personnel</b>				
Managing Director #		63,680,000		51,473,417
Chief Finance Officer @		12,558,216		9,552,985
Company Secretary @		4,045,844		3,178,930
# Refer note 27				
@ Gross Salary as computed under Income Tax Act, 1961				
<b>(II) Balance Outstanding as at 31 March 2015</b>				
<b>a) Trade receivables</b>				
<b>Subsidiaries</b>	105,032,321		78,700,026	
Essel Propack America, LLC		21,392,618		11,527,352
Essel Packaging (Guangzhou) Limited		41,601,840		21,980,100
Essel Propack MISR for Advanced Packaging S.A.E.		22,569,835		37,916,784
Essel Propack Polska Sp. Z.O.O.		10,543,011		3,617,713
<b>Joint venture</b>	16,271,445		13,621,164	
Essel Deutschland GmbH & Co., KG Dresden		16,271,445		13,621,164
<b>Other related parties</b>	2,352,623		1,869,710	
Rama Associates Limited		106,011		352,343
Shrotra Enterprises Private Limited		2,246,612		1,517,367
<b>b) Loans / advances / deposits given</b>				
<b>Subsidiaries</b>	130,000,000		130,000,000	
Packaging India Private Limited		130,000,000		130,000,000
<b>Other related parties</b>	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
<b>c) Other receivables</b>				
<b>Subsidiaries</b>	21,970,579		45,767,549	
Essel Propack America, LLC		3,090,081		4,432,469
Lamitube Technologies (Cyprus) Limited		-		3,751,253
Essel Propack MISR for Advanced Packaging S.A.E.		1,426,384		17,269,039
Essel Propack LLC		-		2,294,510
Essel Packaging (Guangzhou) Limited		8,205,649		6,071,566
Essel Propack Polska Sp.Z.O.O.		4,827,852		3,408,579
<b>Joint venture</b>	-		2,179,055	
Essel Deutschland GmbH & Co; KG Dresden		-		2,179,055
<b>d) Loans / Advances / Deposits taken</b>				
<b>Other Related Parties</b>	-		300,000	
Ayepee Lamitubes Limited		-		300,000
<b>e) Interest receivable</b>				
<b>Other related parties</b>	129,690,037		257,994,235	
Sprit Textiles Private Limited		129,690,037		257,994,235



## Notes forming part of the financial statements

(Amount in ₹)

	2015		2014	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
<b>f) Trade and other payables</b>				
<b>Subsidiaries</b>	22,951		1,508,628	
Essel Propack America, LLC		22,951		47,262
Essel Propack Polska Sp.Z.O.O.		-		1,378,595
<b>Other related parties</b>	121,756		524,999	
Ayepee Lamitubes Limited		121,755		494,976
<b>g) Investments in shares / debentures</b>				
<b>Subsidiaries</b>	2,907,948,346		2,029,059,638	
Lamitube Technologies Limited		899,388,708		-
Lamitube Technologies (Cyprus) Limited		525,477,750		525,477,750
Arista Tubes Inc.		744,341,250		744,341,250
Packaging India Private Limited		738,740,638		738,740,638
<b>h) Investments in debentures</b>				
<b>Subsidiaries</b>	-		3,689,500,000	
EP Lamitubes Limited		-		3,689,500,000
<b>i) Guarantees, counter guarantees, standby letter of credit and letter of comfort provided for loans raised by subsidiaries</b>				
<b>Subsidiaries</b>	5,997,576,115		5,294,214,117	
Lamitube Technologies Limited		3,462,500,000		2,847,460,375
Essel Propack Polska Sp. Z.O.O.		1,613,201,115		1,443,177,492
Essel Propack America, LLC		140,625,000		254,638,750
Lamitube Technologies (Cyprus) Limited		781,250,000		748,937,500
<b>j) Guarantees / securities provided on our behalf</b>				
<b>Other related parties</b>	3,551,176,894		3,862,126,953	
Aqualand (India) Limited		3,551,176,894		3,862,126,953
<b>k) Remuneration Payable</b>				
<b>Key Management Personnel</b>	26,999,857		13,539,650	
Managing Director *		26,999,857		13,539,650

\* payable ₹ 26,999,857 (₹ 6,999,857) subject to the approval of Central Government. Refer note 27 (a).

"Major Parties" denotes who account 10% or more of the aggregate for that category of transaction.

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

#### a) Loans given

(Amount in ₹)

Name of the Party	2014	Given	Repaid	2015
Packaging India Private Limited	130,000,000	-	-	130,000,000
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.

## Notes forming part of the financial statements

### c) Corporate guarantees given on behalf of subsidiaries

Name of the Subsidiary	(Amount in ₹)	
	31 March 2015	31 March 2014
(I) Lamitube Technologies Limited , Mauritius	3,462,500,000	2,847,460,375
(II) Essel Propack Polska Sp. Z.O.O., Poland	1,613,201,115	1,443,177,492
(III) Essel Propack LLC, USA	140,625,000	254,638,750
(IV) Lamitube Technologies (Cyprus) Limited, Cyprus	781,250,000	748,937,500
	<b>5,997,576,115</b>	<b>5,294,214,117</b>

### d) Security provided for loan availed by the subsidiary

Name of the Subsidiary	(Amount in ₹)	
	Sanctioned loan Amount as at 31 March 2015	Sanctioned loan Amount as at 31 March 2014
Lamitube Technologies Limited (Secured by first pari-passu charge on all the fixed assets of the Company except land and building of Murbad plant and all fixed assets of Chakan Plant to secure loan taken by subsidiary for general business purpose)	750,000,000	718,980,000

#### Notes

- All the loans/guarantees and security given are for general business purposes.
- The loans are interest bearing and at arm's length.
- Loans given to a) Packaging India Private Limited is repayable within 3 years and b) Sprit Textiles Private Limited is repayable on demand.
- Security for loan provided by the Company in clause (d) above is collateral to the corporate guarantee included in clause c (I) above.
- The outstanding loan amount availed by the subsidiaries against the corporate guarantees/security given by the Company as at 31 March 2015 is ₹ 4,015,510,115 (₹ 4,233,113,957).
- Amounts disclosed in (c) and (d) are translated at respective year-end foreign exchange rates.

### 38. a) Disclosure as required by Clause 32 of the listing agreement:

Loans to Subsidiary/Associate companies:

	(Amount in ₹)			
	Balances as at		Maximum amount outstanding during the year	
	2015	2014	2015	2014
Lamitube Technologies Limited	-	-	-	69,480,000
Packaging India Private Limited	130,000,000	130,000,000	130,000,000	190,000,000
Lamitube Technologies (Cyprus) Limited	-	-	-	340,031,245

**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 2015

Loanee	(Amount in ₹)	
	Number of fully paid up equity shares	
	2015	2014
Sprit Textiles Private Limited	784,025	784,025

## Notes forming part of the financial statements

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

	2015		2014	
	Percentage (%)	Amount (₹)	Percentage (%)	Amount (₹)
a) Raw materials				
i. Imported	58	2,209,474,548	59	2,003,676,880
ii. Indigenous	42	1,581,619,719	41	1,363,889,435
b) Stores and spares				
i. Imported	33	68,510,997	64	128,368,450
ii. Indigenous	67	136,119,688	36	71,158,311
c) Packing material				
i. Indigenous	100	217,773,642	100	195,337,671

### 40. Earnings per share

	(Amount in ₹)	
	2015	2014
Profit after Tax	565,298,391	544,892,636
Weighted average number of Basic and Diluted Equity Shares (Nos.)	157,044,165	157,101,285
Nominal value of equity shares	2.00	2.00
Basic and Diluted Earnings Per Share	3.60	3.47

### 41. Other Information

	(Amount in ₹)	
	2015	2014
<b>C.I.F. value of imports</b>		
Raw materials	2,012,651,723	1,653,932,291
Stores and spares	76,289,014	74,070,737
Capital goods	453,791,070	484,393,903
<b>Expenditure in foreign currency (on accrual basis)</b>		
Financial charges (Gross)	25,546,809	32,227,585
Travelling expenses	1,168,434	2,490,781
Others (Gross)	8,109,484	16,068,661
<b>FOB value of exports</b>		
Sales excluding deemed exports of ₹ 294,425,485 (₹ 331,479,332)	703,083,402	557,494,123
Plant and machinery	-	3,829,437
<b>Income in foreign currency (on accrual basis)</b>		
Royalty / service charges	159,065,907	137,756,958
Interest	-	17,532,673
Miscellaneous income	42,852,541	46,440,819

### 42. Dividend of ₹ Nil (₹ 829,918) 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 2015.

## Notes forming part of the financial statements

### 43. Corporate Social Responsibility (CSR)

During the year, the Company has started various initiatives towards CSR and spent ₹ 4,720,000 as against ₹ 13,100,454 as required by Section 135 read with Schedule VII of the Companies Act 2013 and the same has been appropriated out of surplus in Statement of Profit and Loss (Note 4).

### 44. 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.

### 45. 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 2015

For and on behalf of the Board

**Subhash Chandra**  
Chairman

**Tapan Mitra**  
**Boman Moradian**  
**Mukund M. Chitale**  
**Radhika Pereira**  
**Atul Goel**

} Directors

**Ajay Thakkar**  
Company Secretary & Head - Legal

**Ashok Goel**  
Vice Chairman & Managing Director

**A.V. Ganapathy**  
Chief Financial Officer (Global)

## Cash flow statement for the year ended 31 March 2015

		(Amount in ₹)	
		2015	2014
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	753,098,391	756,349,187
	<b>Adjustments for:</b>		
	Depreciation and amortisation expense	457,484,575	390,023,500
	Interest expenses	346,997,773	349,693,101
	Interest income	(164,935,893)	(186,645,026)
	Exceptional Items (net) (Refer note 31)	-	(12,904,115)
	Loss on sale/discard of fixed assets (net)	1,329,234	8,592,902
	Excess receipt over book value of investment (Refer note 29)	(214,230)	-
	Provision for doubtful debts written back (net)	(9,283,997)	31,411,389
	Amortisation of ancillary borrowing costs	19,919,595	16,167,732
	Exchange adjustments (net)	(35,792,181)	7,310,768
	<b>Operating profit before working capital changes</b>	<b>1,368,603,266</b>	<b>1,359,999,438</b>
	<b>Adjustments for:</b>		
	(Increase)/decrease in trade and other receivables	(174,274,053)	128,226,201
	(Increase)/decrease in inventories	54,585,431	(89,528,922)
	Increase/(decrease) in trade and other payables	(131,598,830)	189,818,473
	<b>Cash generated from operations</b>	<b>1,117,315,814</b>	<b>1,588,515,190</b>
	Corporate social responsibility expenditure incurred (Refer note 43)	(4,720,000)	-
	Direct taxes paid (net of refunds)	(166,239,681)	(188,584,854)
	<b>Net cash from operating activities (A)</b>	<b>946,356,133</b>	<b>1,399,930,337</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets (including capital work-in-progress)	(725,915,990)	(683,863,604)
	Sale of fixed assets	1,300	9,211,090
	decrease in other bank balances	(2,421,037)	(1,007,150)
	Loans given to related parties	-	(131,586,102)
	Repayment of loans given to related parties	-	62,235,072
	Loans given to subsidiaries	-	(505,239,422)
	Repayment of loans given to subsidiaries	-	772,930,445
	Purchase of Investment in subsidiaries	-	(3,690,500,000)
	Proceeds from Sale/reduction in Investment in subsidiaries	1,217,608	3,646,847,700
	Decrease in other receivables to subsidiaries (net)	23,684,955	21,264,983
	Expenses incurred pursuant to the Scheme of Amalgamation {Refer note 30(c)(iv)}	(6,001,483)	-
	Interest received	292,847,488	178,380,728
	<b>Net cash used in investing activities (B)</b>	<b>(416,587,159)</b>	<b>(321,326,260)</b>

## Cash flow statement for the year ended 31 March 2015

(Amount in ₹)

	2015	2014
<b>C Cash flow from financing activities</b>		
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	867,650,352	1,459,176,681
Repayment of long-term borrowings	(1,895,297,098)	(1,256,837,223)
Proceeds from short-term borrowings	-	335,539,680
Repayment of short-term borrowings	(12,428,524)	(810,987,178)
Increase/(decrease) in other borrowings (net)	148,514,572	(382,421,902)
Principal payment under finance lease	(25,014,349)	(10,062,891)
Interest paid	(347,456,244)	(360,658,055)
Dividend paid (including tax)	(228,264,653)	(138,857,637)
Ancillary borrowing costs incurred	(23,822,350)	(3,468,110)
<b>Net cash from/(used in) financing activities ( C )</b>	<b>(615,040,544)</b>	<b>(1,168,576,635)</b>
Net changes in cash and cash equivalents (A+B+C)	(85,271,570)	(89,972,559)
Cash and cash equivalents received pursuant to the Scheme of Amalgamation {Refer note 30(c)(iii)}	43,478,419	-
Cash and cash equivalents at the beginning of the year	51,348,938	141,321,497
<b>Cash and cash equivalents at the end of the year</b>	<b>9,555,787</b>	<b>51,348,938</b>
Earmarked balances with banks	5,365,429	3,644,392
<b>Cash and bank balances at the end of the year</b>	<b>14,921,216</b>	<b>54,993,330</b>

### Notes:

- 1) Previous year figures are regrouped / reclassified wherever necessary.
- 2) Transactions pursuant to the Scheme of Amalgamation (Refer note 30), being non-cash, have not been considered in the above cash flow statement.

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 2015

For and on behalf of the Board

**Subhash Chandra**  
Chairman

**Tapan Mitra**  
**Boman Moradian**  
**Mukund M. Chitale**  
**Radhika Pereira**  
**Atul Goel**

Directors

**Ashok Goel**  
Vice Chairman & Managing Director

**A.V. Ganapathy**  
Chief Financial Officer (Global)

**Ajay Thakkar**  
Company Secretary & Head - Legal

## 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 Company"), its subsidiaries, associate and jointly controlled entities (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. 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 of these consolidated financial statements 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. This responsibility also includes the design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 consolidated 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 consolidated financial statements.

### Opinion

4. In our opinion and to the best of our information and according to the explanation given to us, and based on the consideration of the reports of other auditors, on the financial statements of the subsidiaries, associate, and jointly controlled entities, 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 Group as at 31 March, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

### Emphasis of Matter

5. We draw attention to:
  - (a) Note 30 of the financial statements relating to the Scheme of Amalgamation of EP Lamitubes Limited (Wholly owned subsidiary) with the Company.

(b) Note 31 of the financial statements, relating to performance bonus provided for the Managing Director, for the financial year 2014-15.

Our opinion is not modified in respect of these matters.

#### Other Matter

6. We did not audit the financial statements of subsidiaries and jointly controlled entities of the Group whose financial statements, reflect revenue of ₹ 16,209,134,149 total assets of ₹ 14,485,021,204 and the net cash outflows amounting to ₹ 211,785,670 for the year then ended, and the Group's share of profit of an associate of ₹ 3,154,063 as considered in the consolidated financial statements. These financial statements have been audited by other

auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and jointly controlled entities is based solely on the reports of the other auditors. Our opinion is not modified in respect of other matters.

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 28 April 2015



## Consolidated Balance Sheet as at 31 March 2015

(Amount in ₹)

	Notes	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	314,166,845	314,130,920
Reserves and surplus	4	7,515,498,947	6,744,380,500
		<b>7,829,665,792</b>	<b>7,058,511,420</b>
<b>Minority interests</b>		<b>80,753,898</b>	<b>75,507,522</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	6,434,274,035	6,449,033,849
Deferred tax liabilities (net)	12 (a)	313,079,953	325,170,977
Other long-term liabilities	6	11,719,082	1,395,284
Long-term provisions	7	132,710,976	113,333,865
		<b>6,891,784,046</b>	<b>6,888,933,975</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	1,414,140,120	1,678,508,902
Trade payables	9	1,611,210,911	1,829,918,901
Other current liabilities	6	2,946,175,183	3,312,463,599
Short-term provisions	7	501,502,213	363,157,747
		<b>6,473,028,427</b>	<b>7,184,049,149</b>
<b>Total</b>		<b>21,275,232,163</b>	<b>21,207,002,066</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
- Tangible assets	10	8,703,835,823	8,801,396,737
- Intangible assets	10	168,492,184	180,095,037
- Capital work in progress	10	843,440,202	330,533,442
- Intangible assets under development	10	44,197,970	24,727,224
		<b>9,759,966,179</b>	<b>9,336,752,440</b>
Non-current investments	11	457,523,864	454,394,480
Deferred tax assets (net)	12 (b)	175,758,502	280,721,621
Long-term loans and advances	13	565,939,918	595,650,511
Other non-current assets	14	85,497,179	89,226,199
		<b>11,044,685,642</b>	<b>10,756,745,251</b>
<b>CURRENT ASSETS</b>			
Inventories	15	2,317,570,192	2,248,956,251
Trade receivables	16	3,757,552,256	3,675,071,085
Cash and bank balances	17	1,164,141,791	1,415,999,575
Short-term loans and advances	13	2,782,848,826	2,760,503,052
Other current assets	14	208,433,456	349,726,852
		<b>10,230,546,521</b>	<b>10,450,256,815</b>
<b>Total</b>		<b>21,275,232,163</b>	<b>21,207,002,066</b>
Notes forming part of the Consolidated Financial Statements	1 - 38		

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 2015

For and on behalf of the Board

**Subhash Chandra**  
Chairman

**Tapan Mitra**  
**Boman Moradian**  
**Mukund M. Chitale**  
**Radhika Pereira**  
**Atul Goel**

} Directors

**Ajay Thakkar**  
Company Secretary & Head - Legal

**Ashok Goel**  
Vice Chairman & Managing Director

**A.V. Ganapathy**  
Chief Financial Officer (Global)

## Statement of Consolidated Profit and Loss for the year ended 31 March 2015

(Amount in ₹)

	Notes	2015	2014
<b>Revenue</b>			
Revenue from operations (gross)	18	23,946,271,756	21,904,550,951
Less: Excise duty		(716,706,184)	(638,351,752)
Revenue from operations (net)		23,229,565,572	21,266,199,199
Other income	19	209,615,616	223,787,496
<b>Total</b>		<b>23,439,181,188</b>	<b>21,489,986,695</b>
<b>Expenses</b>			
Cost of materials consumed	20	11,368,329,779	10,426,562,159
Changes in inventories of finished goods and goods-in-process	21	(6,075,329)	(31,231,212)
Employee benefits expense	22	3,628,305,077	3,360,453,335
Other expenses	23	4,331,399,189	3,969,128,871
<b>Total</b>		<b>19,321,958,716</b>	<b>17,724,913,153</b>
<b>Profit before depreciation, amortisation, finance costs and tax</b>		<b>4,117,222,472</b>	<b>3,765,073,542</b>
Less:			
Depreciation and amortisation expense	10	1,317,938,471	1,257,606,997
Finance costs	24	793,565,210	813,727,988
<b>Profit before exceptional items and tax</b>		<b>2,005,718,791</b>	<b>1,693,738,557</b>
Less: Exceptional items (net)	32	(55,191,644)	7,660,303
<b>Profit before tax</b>		<b>2,060,910,435</b>	<b>1,686,078,254</b>
Less: Tax expense			
Current Tax - Current year		475,252,719	487,610,358
- Earlier years		38,453,953	371,625
MAT credit entitlement - Earlier years		-	(10,043,451)
Deferred tax		96,826,316	91,136,874
<b>Profit after tax before minority interest and share of profit/(loss) of associate</b>		<b>1,450,377,447</b>	<b>1,117,002,848</b>
Add/(Less): Share of profit/(loss) from associate		3,154,063	(30,139)
Less: Minority interests		47,215,353	38,638,879
<b>Profit for the year</b>		<b>1,406,316,157</b>	<b>1,078,333,830</b>
<b>Earnings per equity share of ₹ 2 each fully paid up</b>	34		
Basic and Diluted		8.95	6.87
Notes forming part of the Consolidated Financial Statements	1 - 38		

 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 2015

For and on behalf of the Board

**Subhash Chandra**  
 Chairman

**Tapan Mitra**  
**Boman Moradian**  
**Mukund M. Chitale**  
**Radhika Pereira**  
**Atul Goel**

Directors

**Ajay Thakkar**  
 Company Secretary & Head - Legal

**Ashok Goel**  
 Vice Chairman & Managing Director

**A.V. Ganapathy**  
 Chief Financial Officer (Global)

## 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, associates 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 excepting valuation of Inventories by a subsidiary is in variation to the methods adopted by the group.
- 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
<b>Direct Subsidiary</b>		
Arista Tubes Inc. *	100% (100%)	USA
Lamitube Technologies (Cyprus) Limited	100% (100%)	Cyprus
Packaging India Private Limited	100% (100%)	India
Essel Packaging (Nepal) Private Limited **	-- (100%)	Nepal
EP Lamitubes Limited ***	-- (100%)	India
Lamitube Technologies Limited #	100% (100%)	Mauritius
<b>Step down Subsidiary</b>		
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% (--)	Hong Kong
Essel Packaging (Guangzhou) Limited	100% (100%)	China
Essel Packaging (Jiangsu) Limited ^^	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

## 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 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.

\*\* Voluntarily wound up during the year.

\*\*\* Merged with the parent company w. e. f. 1 April 2014 (Refer note 30)

# Direct subsidiary w.e.f. 1 April 2014 (Refer note 30)

^ Subsidiary has discontinued its operation and is under liquidation

^^ Incorporated during the year

### v) Associate

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

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 entity

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

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.

#### ii) Tangible and intangible assets

a) Tangible fixed assets (excluding freehold land which is carried at cost) and certain revalued freehold land and buildings acquired in merger 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.

## Notes forming part of the consolidated financial statements

- 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

#### In case of Parent Company and Indian subsidiary -

- i) 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
Certain Office Equipments (in Subsidiary)	3 Years

#### ii) In case of other 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. In case of an indian subsidiary, leasehold land is amortised over the lease period or 30 years, whichever is lower.
- iv) In case of revalued tangible fixed assets, the incremental depreciation attributable to the revaluation is recouped out of revaluation reserve.
- v) Intangible assets are amortised on a straight-line basis over the economic useful life estimated by the management.
- vi) 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.

### 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.

## Notes forming part of the consolidated financial statements

### 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 risk 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 material and stores and spares are determined on moving average cost method except in case of a subsidiary, where Inventories are valued on First In First Out (FIFO) basis. The proportion of such Inventory so valued by FIFO method is 5.8%. No adjustment has been made for such policy difference.
- 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 Translations

#### 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 26).
- 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 26).

## Notes forming part of the consolidated financial statements

### 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.

### i. 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 ₹)

	2015	2014
<b>3. Share Capital</b>		
<b>Authorised</b>		
200,000,000 (200,000,000) equity shares of ₹ 2 each	400,000,000	400,000,000
<b>Issued</b>		
157,101,285 (157,101,285) equity shares of ₹ 2 each	314,202,570	314,202,570
<b>Subscribed and paid up</b>		
157,044,165 (157,101,285) equity shares of ₹ 2 each (Refer note (a) below)	314,088,330	314,202,570
Add: 57,120 (Nil) equity shares of ₹ 2 each Forefeited (Refer note (i) below)	78,515	-
Less: Calls in arrears (Refer note (c) below)	-	71,650
<b>Total</b>	<b>314,166,845</b>	<b>314,130,920</b>

### a) Reconciliation of number of shares outstanding

	2015		2014	
	Number of equity shares	Amount in ₹ (at par value)	Number of equity shares	Amount in ₹ (at par value)
At the beginning of the year	157,101,285	314,202,570	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	157,101,285	314,202,570

### 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) Calls in arrears

	2015		2014	
	Number of equity shares	Amount in ₹	Number of equity shares	Amount in ₹
Aggregate amount of calls in arrears - others	-	-	71,650	71,650

### d) Details of shares held by holding company

Name of Shareholder	2015		2014	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited *	86,577,843	55.11%	-	-
Rupee Finance and Management Private Limited *	100	0.00%	82,779,160	52.69%

\* The aforesaid change is pursuant to reorganisation of promoter companies share holding.

### e) Details of shareholder holding more than 5% equity shares

Name of Shareholder	2015		2014	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited	86,577,843	55.11%	-	-
Rupee Finance and Management Private Limited	100	0.00%	82,779,160	52.69%
Warburg Value Fund	5,919,464	3.77%	8,250,000	5.25%



## Notes forming part of the consolidated financial statements

### f) Employees Stock Option Scheme (ESOS):

During the year, the Company has 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, stocks options convertible into 29,53,000 equity shares of ₹ 2 each were granted to eligible employees at an exercise price of ₹ 121.65, 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.

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 of four years from the date of vesting.

- g) No bonus shares have been issued and no shares bought back during five years preceding 31 March 2015.
- h) 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.
- i) During the year, the Company issued demand cum forfeiture notice to 129 shareholders holding 71,650 partly paid equity shares {Refer 3(c) above}. Subsequently, the Company has received balance call amount due alongwith interest from 13 shareholders holding 35,925 partly paid equity shares; and Shareholders holding the balance 35,725 partly paid equity shares have failed to pay the balance due call amount alongwith interest and the Board in its meeting held on 29 January 2015 approved forfeiture of the said 35,725 partly paid equity shares alongwith 21,395 bonus share entitlement, aggregating to 57,120 equity shares (Refer 3 {a} above). The amount of ₹ 78,515 (representing 35,725 partly paid-up equity shares and 21,395 fully paid-up bonus shares) will be transferred to reserves upon cancellation/re-issue of these shares.

	(Amount in ₹)	
	2015	2014
<b>4. Reserves and surplus</b>		
<b>Capital reserve</b>		
As per last balance sheet	401,219,702	401,300,552
Less: Transfer to Capital Reserve on consolidation	-	(80,850)
	<b>401,219,702</b>	<b>401,219,702</b>
<b>Capital reserve on Consolidation</b>		
As per last balance sheet	3,080,541,576	-
Add/(Less): Transfer from Reserves	-	5,829,238,216
Adjustment as per Scheme of Amalgamation {Refer note 30 (d)}	2,748,696,640	-
Goodwill adjusted as per Scheme of Amalgamation	-	(2,746,958,992)
Expenses adjusted as per Scheme of Amalgamation	-	(1,737,648)
	<b>5,829,238,216</b>	<b>3,080,541,576</b>
Less : Goodwill on Consolidation	(859,980,976)	(859,980,976)
	<b>4,969,257,240</b>	<b>2,220,560,600</b>
<b>Securities premium</b>		
As per last balance sheet	3,842,983,298	3,842,983,298
Less : Adjustment as per Scheme of Amalgamation {Refer note 30 (d)}	(2,748,696,640)	-
Less : Expenses adjusted pursuant to the Scheme of Amalgamation {Refer note 30(c) iv }	(6,001,483)	-
Add : Received during the year - Calls in arrears	1,041,825	-
	<b>1,089,327,000</b>	<b>3,842,983,298</b>

## Notes forming part of the consolidated financial statements

	(Amount in ₹)	
	2015	2014
<b>Debenture redemption reserve</b>		
Transfer from Statement of Profit and Loss	75,000,000	-
	<b>75,000,000</b>	<b>-</b>
<b>Revaluation reserve</b>		
As per last balance sheet	13,709,420	14,057,282
Less: Transfer to the Statement of Profit and Loss	(423,212)	(347,862)
	<b>13,286,208</b>	<b>13,709,420</b>
<b>Legal reserve</b>		
As per last balance sheet	31,378,283	533,060,006
Add: Appropriated during the year	67,952,956	65,611,175
Less: Transfer to Capital Reserve on consolidation	-	(567,292,898)
	<b>99,331,239</b>	<b>31,378,283</b>
<b>Deferred Government Grant</b>		
As per last balance sheet	24,759,535	71,638,586
Add: Received during the year	-	1,289,103
Less: Transfer to the Statement of Profit and Loss	(17,647,464)	(45,499)
Less: Transfer to Capital Reserve on consolidation	-	(48,122,655)
	<b>7,112,071</b>	<b>24,759,535</b>
<b>Foreign currency translation reserve</b>		
As per last balance sheet	(866,410,712)	605,806,194
Add : Addition during the year	(199,214,406)	424,869,312
Less: Transfer to Capital Reserve on consolidation	-	(1,897,086,218)
	<b>(1,065,625,118)</b>	<b>(866,410,712)</b>
<b>General reserve</b>		
As per last balance sheet	54,489,270	1,231,402,468
Less: Transfer to Capital Reserve on consolidation	-	(1,231,402,468)
Add: Transfer from the Statement of Profit and Loss	-	54,489,270
	<b>54,489,270</b>	<b>54,489,270</b>
<b>Surplus in the Statement of Profit and Loss</b>		
As per last balance sheet	1,021,691,104	2,432,278,423
Less: Transfer to Capital Reserve on consolidation	-	(2,085,253,126)
Add: Profit for the year	1,406,316,157	1,078,333,830
<b>Less: Appropriations</b>		
Adjustment as per transitional provisions of Schedule II to the Companies Act 2013 (Refer note 10(5))	(38,616,271)	-
Corporate Social Responsibility (CSR) expenditure	(4,720,000)	-
Proposed equity dividend	(251,270,664)	(196,376,606)
Tax on proposed equity dividend	(118,346,035)	(87,190,971)
Debenture Redemption Reserve	(75,000,000)	-
Legal reserve	(67,952,956)	(65,611,176)
General reserve	-	(54,489,270)
	<b>1,872,101,335</b>	<b>1,021,691,104</b>
<b>Total</b>	<b>7,515,498,947</b>	<b>6,744,380,500</b>

## Notes forming part of the consolidated financial statements

(Amount in ₹)

	Non-current		Current	
	2015	2014	2015	2014
<b>5. Long-term borrowings</b>				
<b>Secured</b>				
900 (Nil) units of Redeemable Non-convertible debentures of ₹ 1,000,000 each (Refer note [a (i)] below)	900,000,000	-		
Term loan from banks {Refer note [a (ii),(iii),(iv)] and [b (i)] below}	3,543,593,963	3,470,827,034	1,266,266,360	1,316,310,327
Term loan from others {Refer note [a (iii),(v),(vi)]}	517,361,111	1,428,472,222	236,111,111	377,777,778
Buyers credit from banks (Refer note [(a) (vii),(viii)] and [b (i)] below)	568,603,615	616,078,538	62,292,788	-
Finance lease obligations [Refer note [a (ix)] & [b (ii)] below]	541,456,183	635,314,446	60,931,768	78,181,357
	<b>6,071,014,872</b>	<b>6,150,692,240</b>	<b>1,625,602,027</b>	<b>1,772,269,462</b>
<b>Unsecured</b>				
Term loan from banks (Refer note [b (iii)] below)	41,314,919	-	24,400,000	16,524,521
Term loan from others (Refer note [a (xi)] below)	8,137,601	15,351,034	7,213,433	6,394,219
Buyers credit from banks (Refer note [a (x)] below)	164,381,762	85,609,357	65,000,000	258,500,220
Deferred sales tax loan (Refer note [a (xii)] below)	149,424,881	197,381,218	47,956,284	62,978,794
	<b>363,259,163</b>	<b>298,341,609</b>	<b>144,569,717</b>	<b>344,397,754</b>
	<b>6,434,274,035</b>	<b>6,449,033,849</b>	<b>1,770,171,744</b>	<b>2,116,667,216</b>
Current maturities disclosed under "Other liabilities" (Refer note 6)	-	-	(1,770,171,744)	(2,116,667,216)
<b>Total</b>	<b>6,434,274,035</b>	<b>6,449,033,849</b>	<b>-</b>	<b>-</b>

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

#### a) In Parent Company

<p>i) Listed redeemable non-convertible debentures Series (A) of ₹ 500,000,000 (₹ Nil) and Series (B) of ₹ 400,000,000 (₹ Nil) 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*.</p>	<p>These debentures carry interest rate at SBI Base Rate + 145 bps p.a. and are redeemable at par in 3 annual instalments 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.</p>
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## Notes forming part of the consolidated financial statements

ii) Term loan from banks of ₹ 103,636,366 (₹ 346,718,182) 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 carry interest rate ranging from 11.90% to 13.50% p.a. and are repayable in monthly / quarterly installments by 2019-20.	
iii) Term loan from banks of ₹ 355,754,545 (₹ 132,500,000) and Term loan from others ₹ 472,222,222 (₹ 500,000,000) 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 ₹ 209,096,500 (₹ Nil) 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 ₹ 281,250,000 (₹ 406,250,000) 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) Term loan from others ₹ Nil (₹ 900,000,000) is secured by subservient charge on movable fixed assets of the Company. The loan is further secured by way of security provided and corporate guarantee issued by other related party*.		
vii) Buyers credit from bank of ₹ 249,171,151 (₹ 471,431,854) 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% to 2.23% p.a. and are repayable in maximum period of three years from the date of transaction.
viii) Buyers credit from bank of ₹ 370,664,348 (₹ 131,117,340) 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*.		
ix) Finance lease obligations 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.	
x) Buyer's credit of ₹ 42,350,874 (₹ 198,585,220) are against security provided and guarantee issued by other related party and ₹ 187,030,888 (₹ 145,524,357) are against security provided by other related party*.	Buyers credit from banks carry interest rate ranging from 0.55% to 0.78% p.a. and are repayable in maximum period of three years from the date of transaction.	
xi) Term loan from others ₹ 15,351,034 (₹ 21,745,253) are unsecured.	Term loan from others carry interest rate 12.24% p.a. and is repayable in quarterly installments by 2016-17.	
xii) 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 ₹ 4,141,372,912 (₹ 4,307,919,179) and Buyers credit from Banks of ₹ 11,060,904 (₹ 13,529,344) 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, pari-passu charge over fixed assets of the parent Company, dividend escrow account, pledge of shares of the overseas subsidiaries, corporate guarantee/ letter of comfort of the parent Company and security provided by other related party*.	Repayable in specified installment (Monthly, Quarterly, Half yearly and Yearly). Interest rate ranging from 1.03% to 13.00% p.a.
ii) Finance lease obligations 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 ₹ 65,714,919 (₹ 16,524,521) are unsecured.	Term loan from banks carry interest rate 1.4% to 8.36% p.a. and is repayable in quarterly/half yearly installments by 2016-17.

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

## Notes forming part of the consolidated financial statements

(Amount in ₹)

	Long-term		Short-term	
	2015	2014	2015	2014
<b>6. Other liabilities</b>				
Current maturities of long-term borrowings (Refer note 5)	-	-	1,770,171,744	2,116,667,216
Interest accrued but not due on borrowings	-	-	56,636,562	56,444,279
Interest accrued and due on borrowings	-	-	4,302,029	483,922
Unclaimed dividend	-	-	5,130,549	3,644,390
Payable for capital goods	-	-	18,896,312	61,396,836
Trade advances and deposits received	11,719,082	1,395,284	45,754,189	53,515,198
Statutory dues	-	-	83,595,646	119,177,244
Forward contract payable	-	-	5,877,621	31,257,593
Employee benefits payable	-	-	118,420,116	98,022,098
Other payables	-	-	837,390,415	771,854,823
<b>Total</b>	<b>11,719,082</b>	<b>1,395,284</b>	<b>2,946,175,183</b>	<b>3,312,463,599</b>

(Amount in ₹)

	Long-term		Short-term	
	2015	2014	2015	2014
<b>7. Provisions</b>				
Employee benefits	92,710,976	73,333,865	62,784,517	60,155,226
Contingencies	40,000,000	40,000,000	-	-
Provision for tax (net of advances)	-	-	137,207,674	73,251,711
Proposed equity dividend	-	-	251,270,664	196,376,606
Tax on proposed equity dividend	-	-	50,239,358	33,374,204
<b>Total</b>	<b>132,710,976</b>	<b>113,333,865</b>	<b>501,502,213</b>	<b>363,157,747</b>

(Amount in ₹)

	2015	2014
	<b>8. Short-term borrowings</b>	
<b>Secured {Refer note (a) and (b) below}</b>		
Short-term loan from banks	141,984,720	473,642,780
Working capital loan from banks	721,433,571	322,720,517
Buyers credit from banks	218,638,464	229,122,265
	<b>1,082,056,755</b>	<b>1,025,485,562</b>
<b>Unsecured</b>		
Short-term loan from banks {Refer note (b) below}	192,526,304	532,989,824
Working capital loan from banks	28,390,577	61,742,980
Buyers credit from banks	111,166,484	58,290,536
	<b>332,083,365</b>	<b>653,023,340</b>
<b>Total</b>	<b>1,414,140,120</b>	<b>1,678,508,902</b>

## Notes forming part of the consolidated financial statements

### Nature of security:

#### a) In Parent Company

##### Of the total Secured Short-term borrowings

₹ 262,154,005 (₹ 200,346,630) 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). Out of this loan ₹ 79,200,025 (₹ Nil) is further secured by security provided and guarantee issued by other related party\*.

₹ 8,214,083 (₹ Nil) is secured by first pari-passu charge on current assets of the company.

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

#### b) In Subsidiaries and Joint Ventures

Short term loans from Banks of ₹ 141,984,720 (₹ 473,642,780), Working capital loan from Banks of ₹ 632,380,624 (₹ 320,905,505) and Buyers credit from Banks of ₹ 37,323,323 (₹ 30,590,647) are secured variously by way of charge over current assets of the companies, pledge of shares of the overseas subsidiaries, 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 ₹)	
	2015	2014
<b>9. Trade payables</b>		
Acceptances	170,022,843	311,269,356
Others	1,441,188,068	1,518,649,545
<b>Total</b>	<b>1,611,210,911</b>	<b>1,829,918,901</b>

## 10. Fixed Assets

Description of assets	Gross Block				Depreciation/Amortisation/Impairment				Net Block				
	As at 1 April 2014	Additions	Deductions	Translation adjustment	As at 31 March 2015	Upto 31 March 2014	Adjustment (Refer Note (v) below)	For the year	Deductions	Translation adjustment	Upto 31 March 2015	As at 31 March 2015	As at 31 March 2014
<b>a) Tangible assets</b>													
Freehold land	104,073,341	14,848,015	3,933,383	(9,767,842)	105,220,131	-	-	-	-	-	-	105,220,131	104,073,341
Leasehold land	74,359,285	-	-	2,105,086	76,464,371	18,721,810	-	2,428,627	-	602,898	21,753,335	54,711,036	55,637,475
Leasehold improvements	77,402,457	3,332,978	661,746	3,759,336	83,833,025	38,013,792	-	11,949,977	656,949	2,019,904	51,326,724	32,506,301	39,388,665
Buildings													
Owned	1,988,567,717	25,683,330	19,816,790	(68,029,588)	1,926,404,669	610,381,508	23,946,213	78,117,469	16,074,947	(7,217,852)	689,152,391	1,237,252,278	1,378,186,209
Taken on lease	449,362,500	-	-	19,387,500	468,750,000	31,702,798	-	11,761,210	-	1,626,467	45,090,475	423,659,525	417,659,702
Plant and Machinery													
Owned	20,281,908,001	1,487,817,860	79,477,002	(123,003,851)	21,567,245,008	14,060,071,476	11,163,023	1,035,822,081	2,725,250	11,150,087	15,115,481,417	6,451,763,591	6,221,836,525
Taken on lease	466,085,114	2,210,897	134,226,373	10,409,430	344,479,068	99,198,924	-	73,240,241	73,916,441	4,950,985	103,473,709	241,005,359	366,886,190
Equipments													
Owned	410,233,481	23,416,143	19,261,721	(17,194,773)	397,193,130	257,426,377	20,652,105	47,793,891	18,694,873	(10,975,411)	296,202,089	100,991,041	152,807,104
Taken on lease	13,719,513	-	-	-	13,719,513	1,145,478	-	2,266,324	-	1	3,411,803	10,307,710	12,574,035
Furniture and fixtures	147,030,639	10,090,915	8,613,063	(4,669,289)	143,839,202	96,792,213	2,329,313	11,313,373	8,283,569	(3,665,394)	98,485,936	45,353,266	50,238,426
Vehicles	7,267,802	-	662,711	(399,224)	6,205,867	5,158,737	140,261	758,248	644,240	(272,724)	5,140,282	1,065,585	2,109,065
<b>Total (A)</b>	<b>24,020,009,850</b>	<b>1,567,400,138</b>	<b>266,652,789</b>	<b>(187,403,215)</b>	<b>25,133,353,984</b>	<b>15,218,613,113</b>	<b>58,230,915</b>	<b>1,275,451,441</b>	<b>120,996,269</b>	<b>(1,781,039)</b>	<b>16,429,518,161</b>	<b>8,703,835,823</b>	<b>8,801,396,737</b>
Previous year	21,179,468,346	1,987,537,797	562,450,822	1,415,454,529	24,020,009,850	13,621,631,357	-	1,222,894,721	514,449,427	888,536,462	15,218,613,113	8,801,396,737	
<b>b) Intangible assets</b>													
Software	360,828,249	33,731,164	407,919	(3,874,000)	390,277,494	180,781,102	686,328	42,801,155	407,918	(1,845,116)	222,015,551	168,261,943	180,047,147
Patents	3,935,208	286,657	-	(689,268)	3,532,597	3,887,318	-	109,087	-	(694,049)	3,302,356	230,241	47,890
<b>Total (B)</b>	<b>364,763,457</b>	<b>34,017,821</b>	<b>407,919</b>	<b>(4,563,268)</b>	<b>393,810,091</b>	<b>184,668,420</b>	<b>686,328</b>	<b>42,910,242</b>	<b>407,918</b>	<b>(2,539,165)</b>	<b>225,317,907</b>	<b>168,492,184</b>	<b>180,095,037</b>
Previous year	3,922,238,274	50,542,050	3,628,280,715	20,263,848	364,763,457	161,819,853	-	35,060,138	21,298,991	9,087,420	184,668,420	180,095,037	
<b>Grand Total (A+B)</b>	<b>24,384,773,307</b>	<b>1,601,417,959</b>	<b>267,060,708</b>	<b>(191,966,483)</b>	<b>25,527,164,075</b>	<b>15,403,281,533</b>	<b>58,917,243</b>	<b>1,318,361,683</b>	<b>121,404,187</b>	<b>(4,320,204)</b>	<b>16,654,836,068</b>	<b>8,872,328,007</b>	<b>8,981,491,774</b>
Previous year	25,101,706,620	2,038,079,847	4,190,731,537	1,435,718,377	24,384,773,307	13,783,451,210	-	1,257,954,859	535,748,418	897,623,882	15,403,281,533	8,981,491,774	
<b>c) Capital work in progress</b>													
Under development												843,440,202	330,533,442
<b>d) Intangible assets under development</b>												44,197,970	24,727,224

## Notes:

- Buildings include roads, residential flats, tubewell, and watertanks and share in co-operative society.
- Freehold land and building includes assets acquired pursuant to Scheme of Merger of Ras Propack Lampack Limited ("RPL") and Ras Extrusions Limited ("REL") on the appointed date 1 April 2011. The said assets had been revalued on 30 June 1996 by ₹ 32,786,717 on the basis of valuation report of Chartered Engineers dated 13 August 1996. The transfer of land title in the name of the company is awaiting requisite approvals.
- Additions to plant and machinery and capital work in progress includes borrowing costs of ₹ 6,408,814 (₹ 9,972,297) and exchange difference of ₹ 37,985,580 (₹ 85,731,250) capitalised during the year as per Accounting Standards.
- Depreciation for the year of ₹ 423,212 (₹ 347,862) is recouped out of revaluation reserve.
- The useful life of fixed assets has been revised by the Parent Company and an Indian Subsidiary in accordance with the Schedule II to the Companies Act 2013, which is applicable for accounting periods commencing on or after 1 April 2014. Consequently, ₹ 58,917,243 representing the written down value of fixed assets whose lives have expired as at 1 April 2014 in terms of Schedule II, have been adjusted in the Surplus in Statement of Profit and Loss net of deferred tax effect of ₹ 20,300,972 (Refer note 4). The unamortised carrying value of the other assets existing as at 1 April 2014 has been depreciated/amortised over the revised/remaining useful lives, in terms of Schedule II.

## Notes forming part of the consolidated financial statements

(Amount in ₹)

	2015	2014
<b>11. Non-current investments</b>		
(valued at cost, unless stated otherwise)		
<b>A) Trade investments</b>		
<b>i) In Associate Company - Unquoted</b>		
2100 (2100) Equity Shares of USD 350 each of PT Lamipak Primula Indonesia (Extent of holding 30%)	50,812,215	50,812,215
Unamortised goodwill	320,009,310	320,009,310
Share of accumulated profits	82,812,531	92,107,728
Share of profit/(loss) for the year	3,154,063	(30,139)
Less: Dividend received	-	(9,265,058)
	<b>456,788,119</b>	<b>453,634,056</b>
<b>ii) In Others - Quoted</b>		
Nil (100) Equity Shares of ₹ 10 each in Akar Laminators Limited	-	1,125
200 (200) Equity Shares of ₹ 10 each in Cosmo Films Limited	1,760	1,760
Nil (100) Equity Shares of ₹ 10 each in Flex Industries Limited	-	1,515
100 (100) Equity Shares of ₹ 10 each in Orient Press Limited	1,360	1,360
Nil (5) Equity Shares of ₹ 10 each in Sharp Industries Limited	-	7,130
Nil (50) Equity Shares of ₹ 10 each in Paper Products Limited	-	6,105
Nil (400) Equity Shares of ₹ 10 each in Associated Business Credit Limited	-	4,000
<b>B) Other investments</b>		
<b>i) Quoted</b>		
700 (700) Equity Shares of ₹ 10 each in State Bank of Travancore	42,000	42,000
	<b>45,120</b>	<b>64,995</b>
Less: Provision for diminution in value of Investments	-	(19,875)
	<b>45,120</b>	<b>45,120</b>
<b>ii) Unquoted</b>		
Obligatory investments in Government securities (All the above securities are fully paid up)	690,625	715,304
<b>Total</b>	<b>457,523,864</b>	<b>454,394,480</b>
Aggregate book value of quoted investments	45,120	64,995
Aggregate book value of unquoted investments	457,478,744	454,349,360
Aggregate market value of quoted investments	329,220	305,240
Aggregate provision for diminution in value of investments	-	19,875



## Notes forming part of the consolidated financial statements

(Amount in ₹)

	2015	2014
<b>12. a) Deferred tax liabilities (net)</b>		
<b>Deferred tax liabilities</b>		
Depreciation on fixed assets	379,109,195	390,385,975
Others	10,859,197	12,500,927
<b>Less: Deferred tax assets</b>		
Disallowances under tax laws	45,631,866	39,427,784
Provision for doubtful debts	20,102,387	23,908,076
Others	11,154,186	14,380,065
<b>Total (A)</b>	<b>313,079,953</b>	<b>325,170,977</b>
<b>b) Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Disallowances under tax laws	124,512,347	125,335,044
Provision for doubtful debts	1,777,600	50,849
Unabsorbed tax losses	58,383,396	167,134,055
<b>Less: Deferred tax liabilities</b>		
Depreciation on fixed assets	7,435,063	11,383,850
Others	1,479,778	414,477
<b>Total (B)</b>	<b>175,758,502</b>	<b>280,721,621</b>
<b>Total (A-B)</b>	<b>137,321,451</b>	<b>44,449,356</b>

(Amount in ₹)

	Long-term		Short-term	
	2015	2014	2015	2014
<b>13. Loans and advances</b>				
(Unsecured, considered good, unless otherwise stated)				
Capital advances	147,074,661	150,996,095	-	-
Deposits				
- Related Parties	155,010,000	155,010,000	-	-
- Others	129,987,804	117,213,908	10,959,383	10,236,335
	<b>284,997,804</b>	<b>272,223,908</b>	<b>10,959,383</b>	<b>10,236,335</b>
Loans and advances to related parties	-	-	960,666,940	960,666,940
<b>Other loans and advances</b>				
Advances (recoverable in cash or kind)	25,355,376	32,341,759	1,303,315,864	1,276,751,255
Less: Provision for doubtful advances	-	(406,250)	-	-
	<b>25,355,376</b>	<b>31,935,509</b>	<b>1,303,315,864</b>	<b>1,276,751,255</b>
Prepaid expenses	296,595	955,538	56,715,590	54,679,417
Loans and advances to employees	872,328	1,038,499	5,097,613	8,783,193
MAT Credit entitlement	-	563,424	57,052,168	76,820,000
Balances with government authorities				
- Direct tax (net of provision)	73,096,150	113,561,137	15,140,453	27,099,097
- Indirect tax	34,247,004	24,376,401	373,900,815	345,466,815
<b>Total</b>	<b>565,939,918</b>	<b>595,650,511</b>	<b>2,782,848,826</b>	<b>2,760,503,052</b>

## Notes forming part of the consolidated financial statements

(Amount in ₹)

	Non-Current		Current	
	2015	2014	2015	2014
<b>14. Other assets</b>				
Deposits with banks having original maturity period of more than twelve months* (Refer note 17)	2,906,600	2,445,041	-	-
Interest receivable from				
- Related parties	-	-	129,690,037	257,994,235
- Others	-	-	1,195,995	803,392
Other receivable from				
- Others	-	-	1,656,249	3,930,795
Export benefits receivable	-	-	22,034,257	34,287,696
Insurance claim receivable	-	-	746,347	1,763,384
Unamortised ancillary borrowing costs	82,590,579	86,781,158	53,110,571	50,947,350
<b>Total</b>	<b>85,497,179</b>	<b>89,226,199</b>	<b>208,433,456</b>	<b>349,726,852</b>

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

(Amount in ₹)

	2015	2014
<b>15. Inventories</b>		
Raw material (Including goods in transit of ₹ 116,363,068 (₹ 237,496,006))	1,078,498,924	1,041,684,817
Goods-in-process	462,288,024	471,003,935
Finished goods (Including goods in transit of ₹ 1,506,175 (₹12,413,555))	263,445,665	248,654,425
Stores and spares	486,887,266	457,293,182
Packing materials	26,450,313	30,319,892
<b>Total</b>	<b>2,317,570,192</b>	<b>2,248,956,251</b>

(Amount in ₹)

	2015	2014
<b>16. Trade receivables (Unsecured)</b>		
Over six months		
Considered good	32,263,356	24,612,548
Considered doubtful	64,006,374	72,316,224
	<b>96,269,730</b>	<b>96,928,772</b>
Less: Provision for doubtful debts	64,006,374	72,316,224
	<b>Total (A)</b>	<b>24,612,548</b>
Others	<b>Total (B)</b>	<b>3,650,458,537</b>
	<b>Total (A + B)</b>	<b>3,757,552,256</b>

## Notes forming part of the consolidated financial statements

(Amount in ₹)

	Non-Current		Current	
	2015	2014	2015	2014
<b>17. Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
Balance with banks in Current accounts	-	-	650,772,997	694,574,761
Cheques/drafts on hand	-	-	43,480,130	18,400,083
Deposits with bank having original maturity period of less than 3 months	-	-	49,959,008	31,353,701
Cash on hand	-	-	4,397,680	1,657,479
	-	-	<b>748,609,815</b>	<b>745,986,024</b>
<b>Other bank balances</b>				
Unclaimed dividend accounts	-	-	5,130,549	3,644,390
	-	-	-	-
Deposits with banks having original maturity period of more than twelve months *	2,906,600	2,223,962	410,401,427	666,369,161
Margin money	-	221,079	-	-
	<b>2,906,600</b>	<b>2,445,041</b>	<b>415,531,976</b>	<b>670,013,551</b>
Disclosed under "Other non-current assets" (Refer note 14)	(2,906,600)	(2,445,041)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,164,141,791</b>	<b>1,415,999,575</b>

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

(Amount in ₹)

	2015	2014
<b>18. Revenue from operations</b>		
Sales	23,642,302,657	21,682,229,282
Other operating revenues		
Royalty/Service charges	120,440,081	23,002,929
Sale of scrap	155,030,705	146,926,235
Export and other incentives	28,498,313	52,392,505
	<b>23,946,271,756</b>	<b>21,904,550,951</b>
Less: Excise duty	(716,706,184)	(638,351,752)
<b>Revenue from operations (net)</b>	<b>Total</b>	<b>Total</b>
	<b>23,229,565,572</b>	<b>21,266,199,199</b>

(Amount in ₹)

	2015	2014
<b>19. Other income</b>		
Dividend income	-	14,000
Interest income*	162,699,557	165,888,202
Liability written back	700,610	8,298,910
Miscellaneous income	46,215,449	49,586,384
<b>Total</b>	<b>209,615,616</b>	<b>223,787,496</b>

\* includes interest on loans, bank deposits, income tax refunds etc.

## Notes forming part of the consolidated financial statements

	(Amount in ₹)	
	2015	2014
<b>20. Cost of materials consumed</b>		
<b>Raw materials consumed</b>		
Inventory at the beginning of the year	1,041,684,817	958,508,591
Add: Purchases (net)	11,405,143,886	10,509,738,385
	<b>12,446,828,703</b>	<b>11,468,246,976</b>
Less: Inventory at the end of the year	1,078,498,924	1,041,684,817
<b>Total</b>	<b>11,368,329,779</b>	<b>10,426,562,159</b>

	(Amount in ₹)	
	2015	2014
<b>21. Changes in inventories of finished goods and goods-in-process</b>		
<b>Inventory at the end of the year</b>		
Finished goods	263,445,665	248,654,425
Goods-in-process	462,288,024	471,003,935
	<b>725,733,689</b>	<b>719,658,360</b>
<b>Inventory at the beginning of the year</b>		
Finished goods	248,654,425	229,989,174
Goods-in-process	471,003,935	458,437,974
	<b>719,658,360</b>	<b>688,427,148</b>
<b>Total</b>	<b>(6,075,329)</b>	<b>(31,231,212)</b>

	(Amount in ₹)	
	2015	2014
<b>22. Employee benefits expense</b>		
Salaries, wages and bonus	3,014,215,302	2,777,667,822
Contribution to provident and other funds	292,280,903	276,748,236
Gratuity expenses	15,991,343	7,941,061
Staff welfare expenses	305,817,529	298,096,216
<b>Total</b>	<b>3,628,305,077</b>	<b>3,360,453,335</b>

## Notes forming part of the consolidated financial statements

	(Amount in ₹)	
	2015	2014
<b>23. Other expenses</b>		
Stores and spares	506,662,123	475,889,871
Packing materials	685,906,102	660,641,149
Power and fuel	691,626,342	642,618,694
Job work / Labour charges	369,895,724	312,172,455
Repairs and maintenance		
- Buildings	25,926,920	20,121,610
- Plant and machinery	184,436,479	170,697,706
- Others	73,213,847	69,336,674
Lease rent		
- Buildings	86,641,259	92,900,068
- Plant and machinery	63,532,525	68,446,980
Other manufacturing expenses	142,403,862	133,001,474
Rent	84,004,561	78,472,540
Rates and taxes	106,185,736	100,796,988
Insurance	31,632,634	32,256,689
Directors' sitting fees	1,315,000	790,000
Travelling and conveyance expenses	123,380,651	119,863,338
Advertisement expenses	5,345,980	3,509,895
Professional and consultancy fees	91,290,437	87,052,591
Communication charges	45,249,495	45,923,551
Miscellaneous expenses	243,846,360	215,449,325
Donation	377,230	982,621
Payments to auditors:		
- Audit fees	2,671,680	2,671,680
- Tax audit fees	367,356	367,356
- Tax representations and others	1,296,955	1,196,831
- Certifications (including fees for limited review)	1,370,832	1,365,404
- Reimbursement of expenses	302,362	67,113
Freight and forwarding expenses	649,971,208	541,131,026
Discount and rebate	20,376,851	19,568,335
Bad and doubtful debts (net of provision) and contingencies	12,329,865	44,796,683
Commission	16,547,425	16,753,266
Loss on sale/discard of fixed assets (net)	8,455,319	6,388,836
Exchange difference (net)	54,836,069	3,898,122
<b>Total</b>	<b>4,331,399,189</b>	<b>3,969,128,871</b>

## Notes forming part of the consolidated financial statements

(Amount in ₹)

	2015	2014
<b>24. Finance costs</b>		
Interest expenses		
- Borrowings	656,291,304	644,371,657
- Others	756,086	3,867,021
- Other financial charges {includes amortisation of ancillary borrowing costs ₹69,807,837 (₹ 47,350,877)}	113,655,015	99,480,693
Exchange difference on borrowings (net)	22,862,805	66,008,617
<b>Total</b>	<b>793,565,210</b>	<b>813,727,988</b>

### 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 ₹ 37,985,580 (₹ 85,731,250) 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

Derivative Contracts	2015		2014	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD/CNY	USD 1,700,000	106,250,000	USD 6,000,000	359,490,000
USD/MXN	USD 10,196,280	41,892,435	USD 10,942,744	50,065,243
USD/INR	USD 1,000,000	62,500,000	USD 1,000,000	59,915,000

(ii) For payments to be made against imports and other payables

Derivative Contracts	2015		2014	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD/INR	USD 7,926,016	495,429,948	USD 12,401,172	743,016,197
EUR/INR *	-	-	EUR 1,355,360	112,067,942
CHF/INR	CHF 1,933,100	124,221,006	CHF 1,933,110	131,117,340

\* includes for previous year EUR 1,280,000 (INR 105,836,800) hedged in two forward contract i.e EUR / USD and USD / INR.

(iii) Cross currency hedges

	2015	2014
	Amount in Foreign Currency	Amount in Foreign Currency
In respect of payables (including capital commitments)		
CHF/USD	CHF 5,844,551	CHF 5,598,811

## Notes forming part of the consolidated financial statements

### b) Outstanding foreign currency exposures not hedged by derivative instruments

	(Amount in ₹)	
	2015	2014
Foreign currency payables	1,111,357,582	778,511,029
Foreign currency receivables	1,681,614,118	1,454,690,333

### 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 2015 and its present value are as follows:

	(Amount in ₹)	
	2015	2014
<b>Minimum lease payment as at</b>		
Not later than one year	100,809,910	126,068,108
Later than one year but not later than five years	275,485,369	389,375,417
Later than five years	598,056,687	603,303,600
	<b>974,351,966</b>	<b>1,118,747,125</b>
Less: Amount representing interest	371,964,015	405,251,322
<b>Present value of Minimum Lease Payments</b>	<b>602,387,951</b>	<b>713,495,803</b>
Not later than one year	60,931,829	78,181,357
Later than one year but not later than five years	162,941,245	260,248,799
Later than five years	378,514,877	375,065,647

### 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 sixty one months. The rental obligations are as follows:

	(Amount in ₹)	
	2015	2014
Lease rental charges for the year (Including ₹1,561,171 (₹ 42,368) of Joint Ventures)	248,990,143	224,120,681
<b>Future lease rental obligation payable (under non-cancellable leases)</b>		
Not later than one year (Including ₹ 872,714 (₹ 1,347,057) of Joint Ventures)	115,841,103	125,289,527
Later than one year but not later than five years (Including ₹ 782,235 (₹ 805,793) of Joint Ventures)	219,127,527	82,983,950
Later than five years	14,319,000	-
<b>Total</b>	<b>349,287,630</b>	<b>208,273,477</b>

## Notes forming part of the consolidated financial statements

### 29. a) Contingent Liabilities not provided for

	(Amount in ₹)	
	2015	2014
(i) Unexpired letters of credit (net of liability provided)	123,559,606	23,471,774
(ii) Guarantees and counter guarantees (net of liability provided)	-	3,000,000
(iii) Disputed indirect taxes*	237,534,835	200,930,642
(iv) Disputed direct taxes ^	84,134,169	83,667,553
(v) Claims not acknowledged as debts	4,996,550	4,996,550
(vi) Deferred sales tax liability assigned	68,605,087	68,605,087
(vii) Duty benefit availed under EPCG scheme, pending export obligations	263,739,439	207,027,075
(viii) Bills discounted from banks	-	3,264,998

\* 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 Group, tax effect ₹ 33,422,849 (₹ 35,347,198) (approx.), which is pending with relevant authority.

### b) Commitments

#### (i) Capital commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹ 675,820,408 (₹ 691,372,144).

#### (ii) Other commitments #

Estimated amount of contracts remaining to be executed on other than capital account, not provided for (net of advances) ₹ 60,270,174 (₹ 142,853,209).

# includes Share in Joint Venture Companies (Refer Note 33)

### 30. Scheme of Amalgamation of EP Lamitubes Limited with the Parent Company

- a) The Scheme of Amalgamation ("the Scheme") of EP Lamitubes Limited ("Transferor Company") with the parent Company was sanctioned by Hon'ble High Court of Judicature at Mumbai vide its order dated 19 December 2014. The Scheme became effective on 22 January 2015 and consequently, the entire undertaking of the transferor company including all assets, liabilities and reserves, vested in the Company on the appointed date i.e. 1 April 2014. Accordingly, the financial statements for the year ended 31 March 2015 include the transactions of the transferor company.
- b) The amalgamation is accounted for as per "Pooling of interest" method prescribed under Accounting Standard 14 "Accounting of Amalgamations", as provided in the approved Scheme.
- c) Pursuant to the Scheme:
  - i The amount of share capital of transferor company and investment held by the Company in the transferor company have been cancelled.
  - ii The book value of Company's investment in compulsorily convertible debentures of transferor company and inter-company balances have been cancelled.



## Notes forming part of the consolidated financial statements

- iii The difference between net assets taken over, extinguishment of the Company's investment in transferor company and other reserves taken over, has been adjusted to Securities Premium as detailed below:-

	(Amount in ₹)
<b>Assets and Liabilities</b>	
Cash and bank balances	43,478,419
Investment in 830,000 Equity Shares of US \$ 10 each of Lamitube Technologies Limited, Mauritius	899,388,708
Current Liabilities	(1,838,848)
<b>Net Assets taken over</b>	<b>941,028,279</b>
Deficit in Statement of Profit and Loss	(275,081)
Securities premium	903,908,360
<b>Reserves and surplus taken over</b>	<b>903,633,279</b>
<b>Less: Inter Company investments cancelled</b>	
Equity shares	500,000
Compulsory convertible debentures	3,689,500,000
<b>Deficit adjusted against Securities premium of Parent Company</b>	<b>(3,652,605,000)</b>

- iv Expenses of ₹ 6,001,483 incurred in connection with the Scheme is adjusted against Securities premium.
- v During the period between the appointed date and the effective date, as transferor company has carried on the existing business in "trust" on behalf of the Company, all vouchers, documents etc; for the period are in the name of transferor company.
- d) 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.

### 31. Managerial remuneration

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

	(Amount in ₹)	
	2015	2014
1 Salaries, allowances and perquisites <sup>^</sup>	40,440,000	34,981,767
2 Contribution to provident and other funds	3,240,000	2,952,000
3 Performance bonus	*20,000,000	**13,539,650
<b>Total</b>	<b>63,680,000</b>	<b>51,473,417</b>

- <sup>^</sup> 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 in excess of limits prescribed u/s 197 of the Companies Act, 2013 by ₹ 20,000,000. Consequently, the performance bonus is payable and will be paid only upon approval of Central Government.
- \*\* The performance bonus for the year ended 31 March 2014 to the extent of ₹ 6,999,857 being in excess of limits prescribed u/s 198/309 of the Companies Act, 1956 remains unpaid pending Central Government approval.
- b. Professional and consultancy charges include commission payable to Non-executive independent directors ₹ 4,474,521 for the year ended 31 March 2015 and previous year included ₹ 3,600,000 and ₹ 4,176,986 for the year ended 31 March 2014 and 31 March 2013 respectively.

## Notes forming part of the consolidated financial statements

### 32. Exceptional items

#### Exceptional item includes :

- i) For year ended 31 March 2015, gain on sale of fixed assets amounting to ₹ 55,191,644.
- ii) For year ended 31 March 2014, (a) write back of ₹ 61,623,062 being interest provided by erstwhile RAS Propack Lamipack Limited (merged with the company) on custom duty provision on imports under EPCG scheme, no longer required, (b) Cenvat credit of ₹ 69,283,365 of prior years, not realisable hence written off.

### 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%)

#### Group's Share of Interest in Joint Ventures

	(Amount in ₹)	
	2015	2014
Assets	330,681,260	369,044,738
Liabilities	330,681,260	369,044,738
Income	638,555,114	614,705,769
Expenses	607,251,087	572,181,702
Capital commitments	-	27,938,678
Other commitments	60,270,174	124,573,981

### 34. Earnings per share

	(Amount in ₹)	
	2015	2014
Profit for the year (₹)	1,406,316,157	1,078,333,830
Weighted average number of Basic and Diluted Equity Shares (Nos.)	157,044,165	157,101,285
Nominal value of equity shares (₹)	2.00	2.00
<b>Earnings per share</b>		
Basic and Diluted	8.95	6.87

## Notes forming part of the consolidated financial statements

### 35. Additional Information as required by Schedule III of the Companies Act 2013

(Amount in ₹)

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
<b>I Parent -</b>				
Essel Propack Limited	61%	4,798,523,446	40%	565,298,391
<b>II Subsidiaries -</b>				
<b>a) Indian</b>				
Packaging India Private Ltd.	7%	575,895,709	5%	73,509,426
<b>b) Foreign</b>				
1 Essel Packaging (Nepal) Private Ltd.	0%	18,781,250	0%	(73,373)
2 Essel Propack America, LLC.	27%	2,074,970,438	18%	252,225,542
3 Lamitube Technologies Ltd.	76%	5,974,708,688	24%	339,063,868
4 Lamitube Technologies Cyprus Ltd.	9%	680,950,813	-3%	(35,419,141)
5 Essel Packaging (Guangzhou) Ltd.	50%	3,912,212,004	36%	511,102,643
6 Essel Propack Philippines, Inc.	2%	140,240,077	3%	42,865,277
7 MTL de Panama S.A.	3%	253,830,313	5%	69,363,346
8 Packtech Ltd.	0%	625,000	0%	-
9 Arista Tubes Limited	-3%	-230,080,042	0%	3,396,638
10 Essel Propack UK Limited	0%	33,525,636	1%	18,431,786
11 Essel de Mexico, S.A. de C.V.	3%	198,603,273	-2%	(21,156,285)
12 Tubopack de Columbia S.A.	2%	188,468,479	3%	40,537,839
13 Essel Propack LLC (Russia)	0%	780,194	-2%	(31,132,161)
14 Essel Propack Polska	6%	455,302,624	8%	106,729,248
15 Arista Tubes Inc.	14%	1,057,604,125	16%	225,802,729
16 EP Lamitube Limited	0%	500,000	0%	-
17 Essel Packaging (Jiangsu) Ltd.	8%	664,852,500	-1%	(12,503,817)
18 Lamitube Hongkong Trading Company Limited	0%	8,315	0%	(70,694)
19 The Egyptian Indian Company for Modern Packaging S.A.E. (75%)	1%	73,524,605	2%	22,372,151
20 Essel Propack Misr for Advanced Packaging S.A.E. (75%)	3%	207,209,794	10%	142,127,492
<b>III Minority Interests</b>				
1 The Egyptian Indian Company for Modern Packaging S.A.E. (25%)	0%	24,508,202	0%	4,905,163
2 Essel Propack Misr for Advanced Packaging S.A.E. (25%)	1%	69,069,931	3%	42,310,190
<b>IV Associate</b>				
<b>Foreign</b>				
PT Lamipack Primula (30%)	2%	122,066,884	0%	3,154,063
<b>V Joint Ventures</b>				
<b>Foreign</b>				
1 Essel Deutschland Management GmbH (24.9%)	1%	117,073,209	2%	31,442,572
2 Essel Deutschland GmbH & Co. KG, Dresden (24.9%)	0%	1,077,202	0%	30,934

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.

## Notes forming part of the consolidated financial statements

### 36 Related Party Disclosure

#### a. List of Parties where control exists

##### i) Ultimate Holding Company

Rupee Finance and Management Private Limited.

##### ii) Holding Company

Rupee Finance and Management Private Limited (Upto 27 April 2014)

Whitehills Advisory Services Private Limited (w.e.f. 28 April 2014)

##### 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, Ayeppee Lamitubes Limited, Continental Drug Company Private Limited, Ganjam Trading Company Private Limited, Pan India Paryatan Private Limited, Rama Associates Limited, Zee Entertainment Enterprises Limited, Sprit Textiles Private Limited, Shrotra Enterprises Private Limited, ITZ Cash Card Limited.

#### 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. Ajay Thakkar

#### c. Transactions with related parties

##### (A) Transactions during the year

(Amount in ₹)

	2015		2014	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
<b>a. Sales to and Recoveries from</b>				
<b>Joint Venture / Associates</b>	86,232,893		28,416,572	
Essel Deutschland GmbH & Co., KG Dresden		86,232,893		28,416,572
<b>Other Related Parties</b>	1,976,161		-	
Shrotra Enterprises Private Limited		1,975,643		-
<b>b. Royalty / Service Income</b>				
<b>Joint Venture / Associates</b>	18,143,760		16,668,296	
Essel Deutschland GmbH & Co., KG Dresden		18,143,760		16,668,296
<b>c. Rent Income</b>				
<b>Other Related Parties</b>	-		27,500	
Pan India Paryatan Private Limited		-		27,500

## Notes forming part of the consolidated financial statements

(Amount in ₹)

	2015		2014	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
<b>d. Sale of Fixed Assets</b>				
Other Related Parties	-		4,789,500	
Ganjam Trading Company Private Limited		-		4,789,500
<b>e. Purchase of Goods and Services</b>				
Other Related Parties	4,145,705		740,006	
ITZ Cash Card Limited		2,528,376		-
Shrotra Enterprises Private Limited		1,379,387		-
Zee Entertainment Enterprises Limited		128,956		311,968
Ganjam Trading Company Private Limited		108,986		428,038
<b>f. Balances written off</b>				
Joint Venture / Associates	1,328,041		-	
Essel Deutschland GmbH & Co., KG Dresden		1,328,041		-
<b>g. Rent Expenses</b>				
Other Related Parties	39,140,398		38,605,557	
Ayepee Lamitubes Limited		3,940,318		3,105,240
Ganjam Trading Company Private Limited		35,100,000		35,100,000
<b>h. Loans / Advances / Deposits given</b>				
Other Related Parties	-		256,586,102	
Sprit Textiles Private Limited		-		110,416,184
Ayepee Lamitubes Limited		-		146,169,918
<b>i. Repayment of Loans / Advances / Deposits given</b>				
Other Related Parties	-		129,089,490	
Ayepee Lamitubes Limited		-		126,572,738
<b>j. Repayment of Loans / Advances / Deposits taken</b>				
Other Related Parties	300,000		25,000	
Pan India Paryatan Private Limited		-		25,000
Ayepee Lamitubes Limited		300,000		-
<b>k. Interest Income on Loans / Advances / Deposits given</b>				
Other Related Parties	144,100,041		147,011,150	
Sprit Textiles Private Limited		144,100,041		144,054,665
<b>l. Remuneration paid / provided</b>	80,284,060		64,205,332	
Managing Director (Refer note 31)		63,680,000		51,473,417
Chief Financial officer*		12,558,216		9,552,985
Company Secretary*		4,045,844		3,178,930
* Gross Salary as computed under Income Tax Act, 1961				

## Notes forming part of the consolidated financial statements

### (B) Balance Outstanding as at 31 March

(Amount in ₹)

	2015		2014	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
<b>a. Trade Receivables</b>				
<b>Joint Venture / Associates</b>	29,118,641		16,156,847	
Essel Deutschland Gmbh & Co., KG Dresden		29,118,641		16,156,847
<b>Other Related Parties</b>	2,352,623		352,343	
Rama Associates Limited		106,011		352,343
Shrotra Enterprises Private Limited		2,246,612		-
<b>b. Loans / Advances / Deposits given</b>				
<b>Other Related Parties</b>	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
<b>c. Loans / Advances / Deposits taken</b>				
<b>Other Related Parties</b>	-		300,000	
Ayepee Lamitubes Limited		-		300,000
<b>d. Other Receivables</b>				
<b>Joint Venture / Associates</b>	-		2,525,852	
Essel Deutschland Gmbh & Co., KG Dresden		-		2,525,852
<b>e. Interest Receivable</b>				
<b>Other Related Parties</b>	129,690,037		257,994,235	
Sprit Textiles Private Limited		129,690,037		257,994,235
<b>f. Trade Payables / Other Liabilities</b>				
<b>Joint Venture / Associates</b>	309,224		2,973,858	
Essel Deutschland Gmbh & Co., KG Dresden		309,224		2,973,858
<b>Other Related Parties</b>	121,755		524,999	
Ayepee Lamitubes Limited		121,755		494,976
<b>g. Guarantees / security provided on behalf of Company</b>				
<b>Other Related Party</b>	3,551,176,894		3,862,126,953	
Aqualand (India) Limited		3,551,176,894		3,862,126,953
<b>h. Remuneration Payable</b>				
<b>Key Management Personnel</b>	26,999,857		13,539,650	
Managing Director*		26,999,857		13,539,650

Transactions with Joint Venture has been reported at proportionate value.

\* payable ₹ 26,999,857 (₹ 6,999,857) subject to the approval of Central Government (Refer Note 31).

"Major Parties" denotes entries who account 10% or more of the aggregate for that category of transaction.

## Notes forming part of the consolidated financial statements

### 37 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.

### 38 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:

- Africa, Middle East and South Asia (AMESA) include operations in India and Egypt.
- East Asia Pacific (EAP) includes operations in China, Philippines and Hong Kong.
- Americas includes operations in United States of America, Mexico and Colombia.
- Europe includes operations in Germany, United Kingdom, Poland and Russia.

#### Segment reporting for the year ended 31 March 2015

##### Primary segment disclosure - Geographical segment

(Amount in ₹)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
<b>Revenue</b>							
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)	-
<b>Total Revenue</b>	<b>10,973,535,455</b>	<b>5,338,199,337</b>	<b>4,781,456,143</b>	<b>3,585,004,668</b>	<b>6,943,378</b>	<b>(1,455,573,409)</b>	<b>23,229,565,572</b>
<b>Segment Result</b>	<b>1,332,958,081</b>	<b>687,539,081</b>	<b>486,060,095</b>	<b>185,818,213</b>	<b>(41,098,305)</b>	<b>(6,772,711)</b>	<b>2,644,504,454</b>
Add: Other income (net of foreign exchange gain or loss)							154,779,547
Less: Finance costs							793,565,210
<b>Profit before tax and exceptional items</b>							<b>2,005,718,791</b>
Less: Exceptional items							(55,191,644)
<b>Profit before tax</b>							<b>2,060,910,435</b>
<b>Less: Tax expense</b>							
Current Tax - Current year							475,252,719
- Earlier years							38,453,953
Deferred Tax							96,826,316
<b>Profit after tax before minority interest and share of profit/(loss) of associate</b>							<b>1,450,377,447</b>
Add : Share of profit from associate							3,154,063
Less: Minority Interests							47,215,353
<b>Profit for the year</b>							<b>1,406,316,157</b>
<b>Other Segment Information:</b>							
	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

## Notes forming part of the consolidated financial statements

### Segment reporting for the year ended 31 March 2014

#### Primary segment disclosure - Geographical segment

(Amount in ₹)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
<b>Revenue</b>							
External Sales and Services	9,586,231,179	4,003,612,981	4,568,587,297	3,107,767,742	-	-	21,266,199,199
Inter-segment Sales and Services	220,326,259	979,985,685	-	59,289	4,185,972	(1,204,557,205)	-
<b>Total Revenue</b>	<b>9,806,557,438</b>	<b>4,983,598,666</b>	<b>4,568,587,297</b>	<b>3,107,827,031</b>	<b>4,185,972</b>	<b>(1,204,557,205)</b>	<b>21,266,199,199</b>
<b>Segment Result</b>	<b>1,292,255,884</b>	<b>807,888,775</b>	<b>317,984,633</b>	<b>(87,885,493)</b>	<b>(41,254,724)</b>	<b>(1,411,904)</b>	<b>2,287,577,171</b>
Add: Other income (net of foreign exchange gain or loss)							219,889,374
Less: Finance costs							813,727,988
<b>Profit before tax and exceptional items</b>							<b>1,693,738,557</b>
Less: Exceptional items							7,660,303
<b>Profit before tax</b>							<b>1,686,078,254</b>
Less: Tax expense							
Current Tax - Current year							487,610,358
- Earlier years							371,625
MAT credit entitlement - Current year							(10,043,451)
Deferred Tax							91,136,874
<b>Profit after tax before minority interest and share of profit /(loss) of associate</b>							<b>1,117,002,848</b>
Less : Share of loss from associate							30,139
Less: Minority Interests							38,638,879
<b>Profit for the year</b>							<b>1,078,333,830</b>
<b>Other Segment Information:</b>							
	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. Segment Assets	7,676,921,372	4,759,531,491	2,948,987,230	3,251,821,753	3,163,341,442	(506,194,189)	21,294,409,099
2. Segment Liabilities	1,717,400,861	817,857,924	665,412,792	548,907,573	10,799,518,210	(313,199,681)	14,235,897,679
3. Capital Expenditure	892,576,833	163,180,801	144,287,868	652,487,182	-	(30,733,553)	1,821,799,131
4. Depreciation and amortisation expense	492,473,763	298,074,784	286,455,071	194,668,447	-	(14,065,068)	1,257,606,997

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 2015

For and on behalf of the Board

**Subhash Chandra**  
Chairman

**Tapan Mitra**  
**Boman Moradian**  
**Mukund M. Chitale**  
**Radhika Pereira**  
**Atul Goel**

} Directors

**Ajay Thakkar**  
Company Secretary & Head - Legal

**Ashok Goel**  
Vice Chairman & Managing Director

**A.V. Ganapathy**  
Chief Financial Officer (Global)



## Consolidated Cash flow statement for the year ended 31 March 2015

	(Amount in ₹)	
	2015	2014
<b>A. Cash flow from operating activities</b>		
Profit before tax	2,060,910,435	1,686,078,254
Adjustments for:		
Depreciation and amortisation expense	1,317,938,471	1,257,606,997
Interest expense	657,047,390	648,238,678
Interest income	(162,699,557)	(165,888,202)
Exceptional items (net) (Refer note 32)	(55,191,644)	7,660,303
Loss on sale/discard of fixed assets (net)	8,455,319	6,388,836
Provision for doubtful debts written back (net)	(8,716,100)	9,945,708
Amortisation of ancillary borrowing costs	69,807,837	47,350,877
Capital subsidy transferred to Statement of Profit and Loss	(17,647,464)	(45,499)
Exchange adjustments (net)	(41,546,597)	(166,354,415)
<b>Operating profit before working capital changes</b>	<b>3,828,358,090</b>	<b>3,330,981,537</b>
Adjustments for:		
Increase in trade and other receivables	(93,469,105)	(917,130,985)
Increase in inventories	(68,613,941)	(182,972,382)
Increase/(decrease) in trade and other payables	(165,414,848)	837,832,398
<b>Cash generated from operations</b>	<b>3,500,860,196</b>	<b>3,068,710,568</b>
Corporate social responsibility expenditure incurred	(4,720,000)	-
Direct taxes paid (net of refunds)	(360,649,070)	(498,036,597)
<b>Net cash from operating activities (A)</b>	<b>3,135,491,126</b>	<b>2,570,673,971</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work-in-progress)	(2,185,757,440)	(1,801,201,524)
Sale of fixed assets	192,392,846	41,654,315
Sale of long-term investments	24,679	-
Increase/(decrease) in other bank balances	254,020,016	(359,148,535)
Loans given to related parties	-	(131,586,102)
Repayment of loans given to related parties	-	62,235,072
Expenses incurred on Amalgamation {Refer note 30 (c)(iv)}	(6,001,483)	-
Interest received	290,611,152	48,795,912
Dividend received from associate	-	9,265,058
Government grant and capital subsidies received	-	1,289,103
<b>Net cash used in investing activities (B)</b>	<b>(1,454,710,230)</b>	<b>(2,128,696,701)</b>

## Consolidated Cash flow statement for the year ended 31 March 2015

	(Amount in ₹)	
	2015	2014
<b>C. Cash flow from financing activities</b>		
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	2,001,566,397	3,130,361,552
Repayment of long-term borrowings	(2,328,782,869)	(2,165,780,830)
Proceeds from short term borrowings	29,649,616	1,202,232,566
Repayment of short term borrowings	(401,712,935)	(1,281,413,464)
Decrease in other borrowings (net)	(715,236,425)	(301,089,404)
Principal payment under finance lease	(111,107,852)	(10,734,858)
Interest paid	(653,037,000)	(647,864,688)
Dividend paid (including tax)	(296,371,328)	(192,674,407)
Dividend paid to minority shareholders	(36,421,980)	(27,422,196)
Ancillary borrowing costs incurred	(67,780,479)	(34,901,248)
<b>Net cash used in financing activities (C)</b>	<b>(1,678,157,105)</b>	<b>(329,286,977)</b>
<b>Net changes in cash and cash equivalents(A+B+C)</b>	<b>2,623,791</b>	<b>112,690,293</b>
Cash and cash equivalents at the beginning of the year	745,986,024	633,295,731
<b>Cash and cash equivalents at the end of the year</b>	<b>748,609,815</b>	<b>745,986,024</b>
Earmarked balances with banks	415,531,976	670,013,551
<b>Cash and bank balances at the end of the year</b>	<b>1,164,141,791</b>	<b>1,415,999,575</b>

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 2015

For and on behalf of the Board

**Subhash Chandra**  
Chairman

**Tapan Mitra**  
**Boman Moradian**  
**Mukund M. Chitale**  
**Radhika Pereira**  
**Atul Goel**

} Directors

**Ajay Thakkar**  
Company Secretary & Head - Legal

**Ashok Goel**  
Vice Chairman & Managing Director

**A.V. Ganapathy**  
Chief Financial Officer (Global)

Notes

Lined area for taking notes, consisting of multiple horizontal lines.

“ The history of the world is full of men who rose to leadership, by sheer force of self-confidence, bravery and tenacity. ”

- MAHATMA GANDHI





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## Valuation Comparison with Global Peers

Sr. No.	Company Name	Business Description	Performance Indicators				Value Indicators				
			ROE	EBIDTA Margin (LTM)	ROCE	Avg. Annual Growth PAT (Last 4 years)	P/E (LTM)	Book Value (LTM) (\$)	P/BV (LTM)	EV/EBIDTA	Share Price (\$)*
1	Bemis	Manufacturer of flexible packaging materials and pressure sensitive label materials throughout USA, Canada, South America, Europe and Asia.	12.30%	13.90%	7.80%	2.21%	23.20	14.70	2.99	10.54	44.29
2	Sealed Air Corporation	Manufacturer of a range of flexible packaging material, shrink films and packaging equipment that serve food, industrial, medical and consumer applications across USA, South America, Europe and Asia.	20.20%	10.60%	9.40%	-348.96%	36.50	5.53	7.96	18.85	44.15
3	Sonoco Products Company	Manufacturer of rigid papers & closures, flexible packaging materials, pallets, containers etc. for industrial and consumer use in USA, Canada, South America, Europe and Asia.	14.90%	11.80%	10.10%	3.69%	19.10	14.97	2.96	11.54	44.38
4	Ball Corporation	Manufacturer of metal cans and plastic blow moulded containers for beverage, food and household use in USA, Canada, South America, Europe and Asia.	42.10%	12.70%	13.20%	2.41%	21.20	7.52	9.54	14.74	72.11
5	Crown Holdings Inc.	Manufacturer of metal cans, closures for food, beverage, household and consumer applications in US, Europe and other regions.	629.31%	10.50%	13.40%	25.04%	19.20	0.86	63.69	15.87	54.33
6	Silgan Holdings Inc.	Manufacturer of metal and plastic containers and closures for consumer applications in USA, South America, Europe and Asia.	25.60%	13.00%	9.70%	-0.26%	19.60	11.23	5.00	11.23	56.27
7	AptarGroup Inc.	Manufacturer of caps & closures, spray pumps, valves etc. primarily for the cosmetic and personal care, pharmaceutical, household, food and beverage markets across USA, South America, Europe and Asia.	14.80%	17.70%	10.50%	1.92%	21.40	17.70	3.55	9.69	62.81
8	Essel Propack Limited	Essel Propack is leading specialty packaging company for personal care & hygiene, cosmetic, pharmaceutical, household and food having presence in USA, South America, Europe and Asia.	18.89%	17.06%	16.17%	38.64%	13.96	49.84 (INR)	2.51	7.09	126.60 (INR)

Source: www.in.advfn.com & Company filings for competitor companies

\* Share Prices as on 21<sup>st</sup> April, 2015

LTM - Latest Twelve Months for Peers and last Twelve Months published numbers for EPL

## ESSEL PROPACK LIMITED

Regd. Off.: P.O. Vasind, Tal. Shahapur, Dist. Thane, Maharashtra – 421 604, India  
Phone: +91-22-24819000/9200, Fax: +91-22-24963137 Website: www.esselpropack.com  
Email: investor.grievance@ep.esselgroup.com, Corporate Identity Number: L74950MH1982PLC028947

### NOTICE

**NOTICE** is hereby given that the Thirty Second Annual General Meeting of the Members of **ESSEL PROPACK LIMITED** will be held on **Tuesday, June 30, 2015 at 11.00 a.m.** at the Company's Registered Office at P.O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra - 421604, India to transact the following business :-

#### ORDINARY BUSINESS:

1. To consider and adopt:
  - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015 and the Report of the Directors' and Auditor's thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 and the Report of the Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended March 31, 2015.
3. To appoint a Director in place of Dr. Subhash Chandra (DIN 00031458), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Company hereby ratifies the appointment of M/s. MGB & Co., LLP, Chartered Accountants (Registration Number 101169W/W-100035) as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the Annual General Meeting to be held for the financial year 2015-16, at a remuneration as may be decided by the Board of Directors."

#### SPECIAL BUSINESS:-

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

**"RESOLVED THAT** Mr. Atul Goel (DIN 00013157) who was appointed as an Additional Director by the Board of Directors at its meeting held on November 05, 2014 and who holds office upto the date of this Annual General Meeting pursuant to provisions of Section 161(1) of the

Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), payment of remuneration of ₹ 1,00,000/- (plus service tax and out of pocket expenses) to M/s. R. Nanabhoy and Co., Cost Accountants (Registration Number 000010), who are appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, be and is hereby approved."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Articles of Association of the Company, consent of the Members be and is hereby accorded for payment of commission as may be decided by the Board of Directors to the Non-Executive Independent Directors, in addition to the sitting fees paid to them for attending the meetings of the Board and/or committees thereof, for a period of five years commencing from April 01, 2015, provided that the total commission payable to the Non-Executive Independent Directors for each financial year shall not exceed one percent of the net profits of the Company for that financial year as computed in the manner specified under Section 198 of the Companies Act, 2013."

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

Place: Mumbai  
Date: April 28, 2015

**AJAY N. THAKKAR**  
Company Secretary & Head - Legal

**NOTES:**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
- 2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item nos. 4 to 7 of the Notice, is annexed hereto.
- 3) The relevant details of Directors seeking re-appointment under item no. 3 and appointment under item no. 5 above as required under Clause 49 of the Listing agreement with the Stock Exchanges is annexed hereto.
- 4) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during business hours on any working day except Saturdays up to the date of the 32<sup>nd</sup> Annual General Meeting of the Company.
- 5) Members desirous of asking any questions at the 32<sup>nd</sup> Annual General Meeting are requested to send their questions so as to reach the Registered Office of the Company addressed to the Company Secretary at least seven days before the Meeting so that the same can be replied suitably.
- 6) Members/proxy holders are requested to bring their copy of Annual Report and attendance slip duly signed so as to avoid inconvenience at the Annual General Meeting. Copy of the Notice as well as the Attendance Slip shall be made available to Members at the Meeting venue who have opted to receive the Annual Report in electronic form.
- 7) Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send the Company a certified copy of the relevant Board resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
- 8) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, June 23, 2015 to Tuesday, June 30, 2015 (both days inclusive), for determining the names of eligible members for dividend on Equity Shares, if declared at the Meeting.
- 9) Dividend, if declared at the Meeting, will be paid on or after Friday, July 03, 2015, to all those Members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before Monday, June 22, 2015 and whose name appear as Beneficial Owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form as at the end of the business day on Monday, June 22, 2015.
- 10) In respect of the Members having their shareholding in the electronic form, the Company will be disbursing dividend through direct deposit into the respective bank accounts, the particulars of which have been given by the Members to their Depository Participant (DP).
- 11) In order to safeguard against fraudulent encashment of dividend warrants, Members having physical shares are requested to provide their bank account numbers along with the names and addresses of the concerned banks to enable the Company to incorporate the said details on the dividend warrants. Members, who have not yet provided such information, are requested to provide the aforementioned details quoting their folio numbers. The Company will not be responsible for any loss arising out of fraudulently encashed dividend warrants.
- 12) Unpaid/unclaimed dividend for the year 2007 is due for transfer to the Investor Education & Protection Fund of the Central Government on June 19, 2015, pursuant to the provisions of Section 205A/205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified). Members who have not yet encashed their dividend warrants for the said year or any subsequent year(s), are requested to claim the dividend(s) by writing to the Company's Registrar & Transfer Agents, Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, 2<sup>nd</sup> floor, Sakinaka Telephone Exchange Lane, Off Andheri - Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072. The details of the unpaid/unclaimed dividend are available on the website of the Company.



- 13) Electronic copy of the Notice of the 32<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 32<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 14) Voting through electronic means
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read alongwith Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing agreement with the Stock Exchanges, the Company is pleased to provide Members, facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.
  - III. The remote e-voting period commences on Saturday, June 27, 2015 (9:00 a.m.) and ends on Monday, June 29, 2015 (5:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form as on Tuesday, June 23, 2015 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - IV. The process and manner for remote e-voting are as under:
    - A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participant(s)] :
      - (i) Open email and open PDF file viz. “epl remote e-voting agm2015.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgotten your password, you can reset your password by using “Forget User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
      - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder - Login.
      - (iv) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
      - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
      - (vii) Select “EVEN” of “Name of the company”.
      - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
      - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
      - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
      - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to info@dmzaveri.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy] :
- (i) Initial password is provided as below on the overleaf of the Attendance Slip/Proxy Form.
- EVEN (Remote e-voting Event Number)    USER ID    PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- V In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VI If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, June 23, 2015.
- IX Any person, who acquires shares of the Company and becomes Member of the Company after May 22, 2015, i.e. the date of Benpos (Beneficiary Owners Position) considered for dispatch of the notice of the Meeting and holding shares as on the cut-off date i.e. June 23, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/Registrar & Transfer Agent.
- X A Member may participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting.
- XI A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through ballot paper.
- XII Mr. Dharmesh Zaveri (Membership No. F5418) of M/s. D. M. Zaveri & Co., Practising Company Secretary, has been appointed as the Scrutinizer for conducting the remote e-voting and the voting process at the Meeting in a fair and transparent manner.
- XIII The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.
- XIV The Scrutinizer will after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than two days of the conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who will countersign the same and declare the result of the voting forthwith.
- XV The results declared alongwith the report of the Scrutinizer will be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to the BSE Limited/ National Stock Exchange of India Limited, Mumbai.

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

Place: Mumbai  
Date: April 28, 2015

**AJAY N. THAKKAR**  
Company Secretary & Head - Legal

**EXPLANATORY STATEMENT  
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under item no. 4 to 7 of the accompanying Notice:

**Item No. 4**

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

M/s MGB & Co., Chartered Accountants, (Registration No.101169W), Mumbai were appointed as the Statutory Auditors at the Thirty first Annual General Meeting (AGM) of the Company till the conclusion of the Thirty fourth Annual General Meeting of the Company, subject to ratification by the Members annually, at a remuneration as may be decided by the Board of Directors. M/s MGB & Co., Chartered Accountants, (Registration No.101169W) converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as M/s MGB & Co. LLP, Chartered Accountants (Registration No. 101169W/W-100035) with effect from June 27, 2014. In terms of the Ministry of Company Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of Chartered Accountants, being an Auditor in a Company under the Companies Act, 1956, is converted into an LLP, then such LLP would be deemed as an Auditor of the said Company. The Audit Committee and the Board of Directors of the Company have taken note of this change and accordingly the audit of the Company for the financial year 2014-15 was conducted by M/s MGB & Co. LLP, Chartered Accountants (Registration No. 101169W/W-100035).

M/s. MGB & Co. LLP, Chartered Accountants (Registration No. 101169W/W-100035) have been the Statutory Auditors of the Company since incorporation of the Company. As per the provisions of Section 139 of the Companies Act, 2013, no listed Company can appoint or re-appoint an audit firm as Statutory Auditor for more than two terms of five consecutive years. Section 139 also provides a period of three years from the date of commencement of the Companies Act, 2013 to comply with this requirement.

M/s. MGB & Co. LLP, Chartered Accountants (Registration No. 101169W/W-100035) being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on April 28, 2015, appointed M/s. MGB & Co. LLP, Chartered Accountants (Registration No. 101169W/W-100035) as the statutory auditors of the Company for the financial year 2015-16, subject to approval of the Members at the 32<sup>nd</sup> Annual General Meeting.

The Board recommends the resolution at item no. 4 of the Notice for approval of the Members by an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and the relatives of the Directors and/or Key Managerial Personnel, are concerned or interested in the said resolution.

**Item No. 5**

Mr. Atul Goel was appointed as an Additional Director of the Company on November 05, 2014 by the Board of Directors under Section 161 of the Companies Act, 2013 and as per the Articles of Association of the Company. In accordance with Section 161(1) of the Companies Act, 2013, Mr. Goel holds office only up to the date of this Annual General Meeting and is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Goel's appointment as a Director.

Mr. Atul Goel is a graduate from The American Graduate School of International Management at Thunderbird, USA. He leads E-City Ventures and has pioneering experience in developing and managing malls & multiplexes on a Pan India scale.

The Board considers that the appointment of Mr. Goel as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

The Board recommends the resolution at item no. 5 of the Notice for approval of the Members by an Ordinary Resolution.

None of the Directors, the Key Managerial Personnel of the Company and the relatives of Directors and/or the Key Managerial Personnel except Mr. Atul Goel, Dr. Subhash Chandra and Mr. Ashok Goel (both being related to him) are concerned or interested in the said resolution.

**Item No. 6**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of M/s. R Nanabhoy & Co., Cost Accountants as the Cost Auditors of the Company to conduct audit of cost records of the Company for the Financial Year 2015-16, at a remuneration of ₹ 1,00,000/- plus service tax and actual out-of-pocket expenses, subject to approval of the Members.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Members of the Company.

Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditors during the financial year 2015-16 as set out in the resolution for the services to be rendered by them.

The Board recommends the resolution at item no. 6 of the Notice for approval of the Members by an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and the relatives of the Directors and/or Key Managerial Personnel, are concerned or interested in the said resolution.

#### **Item No. 7**

At the Annual General Meeting of the Company held on Friday, September 24, 2010, the Members had approved the payment of commission to the Non-Executive Independent Directors of the Company not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from April 01, 2010.

It is proposed to pay commission not exceeding one percent per annum of the net profit of the Company in any financial year computed in accordance with the provisions of the Companies

Act, 2013 for a period of five years commencing from April 01, 2015 to the Non-Executive Independent Directors. This Commission will be distributed amongst all Non-Executive Independent Directors in accordance with the directions given by the Board. The Commission will be in addition to the sitting fees paid for attending meetings of the Board of Directors or any Committee thereof. The commission proposed to be paid to Non-Executive Independent Directors requires approval of the Members of the Company pursuant to the provisions of Sections 149, 197 and 198 of the Companies Act, 2013.

The Board recommends the resolution at item no. 7 of the Notice for approval of the Members by an Ordinary Resolution.

All the Non-Executive Independent Directors of the Company are concerned or interested in the resolution at item no. 7 of the Notice to the extent of the remuneration that may be received by each of them.

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

Place: Mumbai  
Date: April 28, 2015

**AJAY N. THAKKAR**  
Company Secretary & Head - Legal

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

<b>Particulars</b>	<b>Re-appointment</b>	<b>Appointment</b>
<b>Name</b>	Dr. Subhash Chandra	Mr. Atul Goel
<b>Age</b>	65 years	38 years
<b>Qualification and Experience</b>	<p>He is one of the founder Members and associated with the Company since 1982 as Chairman. He has a wealth of experience in the industry in various sectors such as Packaging, Media, Entertainment, etc. He is also serving as a Director on the Board of various reputed Companies.</p> <p>He is awarded the 2011 International Emmy Directorate Award at the Emmy Awards night. He is the first Indian to receive a Directorate Award recognizing excellence in television programming outside the United States. He is also the founder Chairman of Global Foundation for Civilization Harmony (India), an Eastern Initiative for conflict avoidance and also a partner of the United Nations Alliance of Civilization.</p>	<p>He is an alumnus of the American Graduate School of International Management at Thunderbird, USA.</p> <p>He leads E-City Ventures and has over 15 years experience.</p> <p>He has pioneering experience in developing and managing malls &amp; multiplexes on a Pan India scale.</p> <p>He has also steered the business of leasing of digital cinema equipment to cinema exhibitors for over 10 years now.</p>
<b>List of Companies in which outside Directorship held (excluding foreign and Section 8 companies)</b>	<ol style="list-style-type: none"> <li>1. Zee Entertainment Enterprises Limited.</li> <li>2. Essel Infraprojects Limited.</li> <li>3. Dish TV India Limited.</li> <li>4. Zee Media Corporation Limited.</li> <li>5. Essel Utilities Distribution Company Limited.</li> </ol>	<ol style="list-style-type: none"> <li>1. E-City Entertainment (INDIA) Private Limited.</li> <li>2. E City Publishing and Distributing India Private Limited.</li> <li>3. E-City Infrastructure Private Limited.</li> <li>4. E-City Real Estates Private Limited.</li> <li>5. E-City Contractors Private Limited.</li> <li>6. E-City Exhibition Holding Private Limited.</li> <li>7. Siti Energy Limited.</li> <li>8. E-City Giant Screen (India) Private Limited.</li> <li>9. Essel-Centrum Holdings Limited.</li> <li>10. Hi-Tech Mines and Minerals Private Limited.</li> </ol>
<b>Chairman/Member of the Committees of the Board of other Companies.</b>	<p>A. Nomination and Remuneration Committee:</p> <ol style="list-style-type: none"> <li>i) Zee Media Corporation Limited (Member)</li> <li>ii) Essel Infraprojects Limited (Member)</li> </ol> <p>B. Corporate Social Responsibility Committee:</p> <ol style="list-style-type: none"> <li>i) Zee Media Corporation Limited (Chairman)</li> </ol> <p>C. Audit Committee:</p> <ol style="list-style-type: none"> <li>i) Essel Infraprojects Limited (Member)</li> </ol>	Nil
<b>Shareholding in the Company (No. of shares)</b>	89,305 Equity shares of ₹ 2/- each.	Nil

**ESSEL PROPACK LIMITED**

Regd. Off. : P.O. Vasind, Tal. Shahapur, Dist. Thane, Maharashtra - 421 604, India.  
 Phone: 91-22-24819000/9200, Fax: +91-22-24963137 Website: www.esselpropack.com  
 Email: investor.grievance@ep.esselgroup.com, Corporate Identity Number: L74950MH1982PLC028947



**ATTENDANCE SLIP**

**32<sup>ND</sup> ANNUAL GENERAL MEETING – JUNE 30, 2015 AT 11:00 A.M**

Name of the Member(s) :			
Registered address :			
E-mail ID :			
Folio No./DP ID-client ID :		No. of Shares :	

I/We certify that I/We am/are the registered Member(s)/Proxy for the registered Member(s) of the Company.

I/We hereby record my/our presence at the 32<sup>nd</sup> ANNUAL GENERAL MEETING of the Company at the Registered Office at P.O. Vasind, Tal. Shahapur, Dist. Thane, Maharashtra - 421 604, India on Tuesday, June 30, 2015 at 11:00 a.m.

Note: Please complete this slip and hand it over at the entrance of the Meeting venue. Member's/Proxy's Signature

**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L74950MH1982PLC028947		
Name of the Company :	Essel Propack Limited		
Registered Office :	P.O. Vasind, Tal. Shahapur, Dist. Thane, Maharashtra - 421 604, India.		
Name of the Member(s) :			
Registered address :			
E-mail ID :			
Folio No./DP ID-client ID :			

I/We, \_\_\_\_\_ being the Member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint.

1.	Name	Address	Signature : _____ or failing him
	E-mail Id		
2.	Name	Address	Signature : _____ or failing him
	E-mail Id		
3.	Name	Address	Signature : _____
	E-mail Id		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Tuesday, June 30, 2015 at 11:00 a.m. at the Registered Office of the Company at P.O. Vasind, Tal. Shahapur, Dist.Thane, Maharashtra - 421 604, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Optional *	
		For	Against
<b>Ordinary Business</b>			
1	To consider and adopt: a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015 and the Report of the Directors' and Auditor's thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 and the Report of the Auditors thereon.		
2	To declare a dividend on equity shares for the financial year ended March 31, 2015.		
3	To appoint a Director in place of Dr. Subhash Chandra (DIN 00031458), who retires by rotation and being eligible, offers himself for re-appointment.		
4	To re-appoint Statutory Auditors and fix their remuneration.		
<b>Special Business</b>			
5	To appoint Mr. Atul Goel (DIN 00013157) as a Director of the Company.		
6	To ratify remuneration of M/s. R. Nanabhoy & Co, Cost Accountants, Cost Auditors of the Company for the financial year 2015-16.		
7	To approve payment of commission to the Non-Executive Independent Directors, for a period of five years commencing from April 01, 2015.		

Signed this ..... day of ..... 2015.

Signature of Member(s) : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 32<sup>nd</sup> Annual General Meeting.
- 3\*. It is optional to put a 'x' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) in above box before submission.

