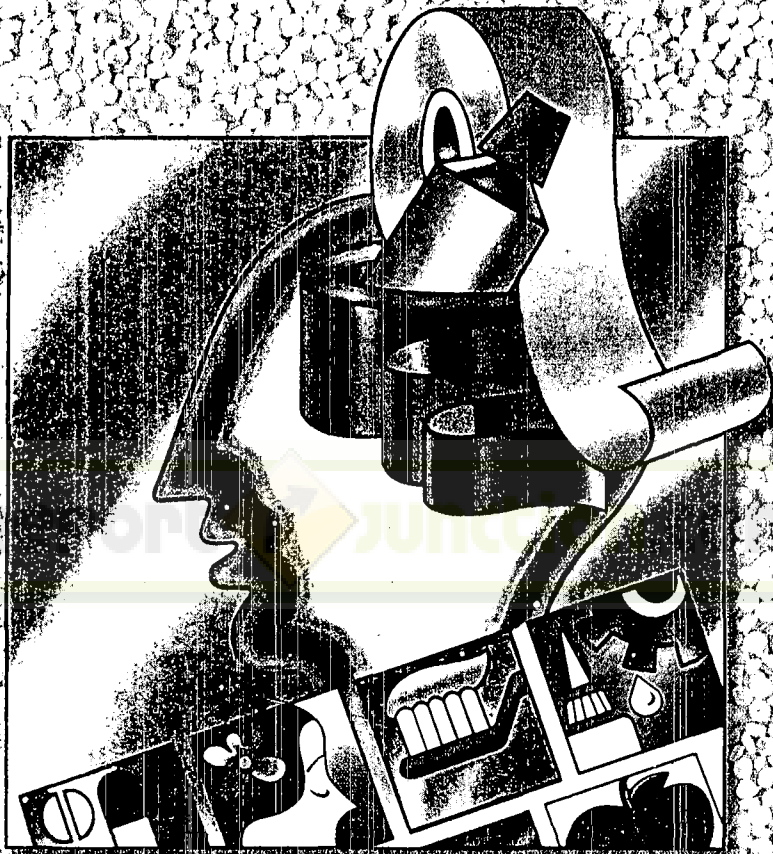
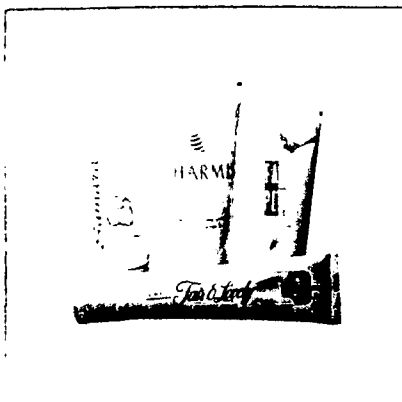
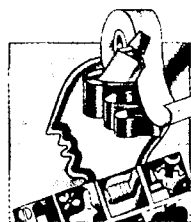


ESSEL PACKAGING LIMITED

shaping your packaging ideas...



MD				BKG	PP
CS				DPY	PP
RO				DIV	✓
TR				AC	✓
AGM				SHI	✓
YE					



Contents

Page No.

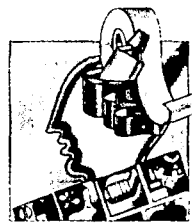
<i>Executive Committee</i>	2
<i>Board of Directors</i>	3
<i>Chairman's Statement</i>	5
<i>Performance of the Company</i>	6
<i>Directors' Report</i>	7
<i>Annexure to Directors' Report</i>	18
<i>Corporate Values</i>	20
<i>Auditors' Report</i>	21
<i>Balance Sheet</i>	24
<i>Profit and Loss Account</i>	25
<i>Schedules forming part of Balance Sheet</i>	26
<i>Schedules forming part of Profit and Loss Account</i>	31
<i>Accounting Policies and Notes to Balance Sheet and Profit and Loss Account</i>	34
<i>Balance Sheet Abstract and Company's General Business Profile</i>	38
<i>Cash Flow Statement</i>	39
<i>Shareholder's Information</i>	40



Executive Committee



The Executive Committee: In sequence from top left – *Cyrus Bagwadia, Executive Director; Sahjay Das, Executive President (Overseas); P. Sainani, Executive President (South Asia/India) ; V. Suresh, Senior Vice President (Technical Services); M.R.Ramasamy, Senior Vice President (Operations); M.K.Banerjee, Vice President (R&D/Seamless Tubes); C. Divakaran, Vice President (Materials); R. Chandrasekhar, Vice President (Finance), A.K.Raina, General Manager (Works-Wada)*



BOARD OF DIRECTORS

Subhash Chandra	<i>Chairman</i>
Ashok Kumar Goel	<i>Managing Director</i>
Cyrus Bagwadia	<i>Executive Director</i>
J.M. Fernandes	<i>Director</i>
S.S. Sanyal	<i>Director</i>
Vasant Kumar Badgamia	<i>Director</i>
Davendra Ahuja	<i>Director</i>
Prithviraj Jindal	<i>Director</i>
K.A. Harnahalli	<i>IDBI Nominee Director</i>

COMPANY SECRETARY

Raju Ananthanarayanan

AUDITORS

M/s. M.G. Bhandari & Co.
Chartered Accountants

Report

REGISTERED OFFICE & FACTORY

P.O. Vasind, Taluka Shahapur,
Dist. Thane, Maharashtra-421 604

FACTORIES

Village Vadavli, P.O. Kudus, Taluka Wada,
Dist. Thane, Maharashtra-421 312

B-1/2, MIDC, Murbad, Dist. Thane,
Maharashtra-421 406

SHARE DEPARTMENT

2006, Fossbery Road,
Near I.C.I. Limited, Reay Road (East),
Mumbai-400 033.
Phone: 378 1516
Fax: 376 6583

BANKERS

State Bank of India
Standard Chartered Bank
ANZ Grindlays Bank

The Analyst Award 1996



"This award is a testimony of your company's sterling stewardship and your efforts in justifying the investors confidence." – Dr. A. Besant Raj, Chairman of The Institute of Chartered Financial Analysts of India



Chairman's Statement

Dear Investor,

The year has passed with very satisfying business performance. The overall results have been encouraging despite new global entrants having entered our markets. This certainly shows that your Company has intrinsic strength and it can successfully withstand global competition and continue to be the winner in India. Market conditions are expected to get more tough as India continues its journey towards open economy and attempts to catch up with world economic powers.

Essel Packaging has been particularly successful in its various programs to motivate its people. As you may have noticed the central theme of this year's Annual Report is "People". It is through involved, dedicated and happy employees that customers can be satisfied, their demands met and also they could be delighted by us doing more than what is expected.

Our business is capital intensive. Asset productivity, therefore, becomes very imperative to our business performance. This year we have seen remarkable increase in the asset productivity. With more suppliers in the market, the pressures on our Company will be enormous if demand does not keep pace with supplies over the next five years.

This period is going to be the second most crucial phase in the history of our Company (the first was when we had to struggle hard to make the multinationals change from metal tubes). I also say this to emphasise that the business environment and market demands are expected to go through rapid changes. Several new techniques and initiatives introduced in your Company over the last two years should enable us to face the challenges of the market place and succeed in the changing climate. I am confident of the future.

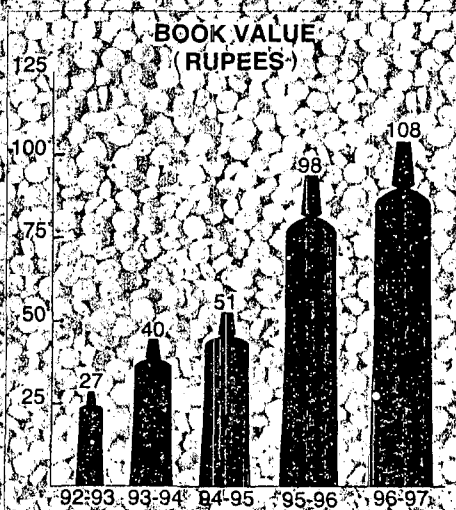
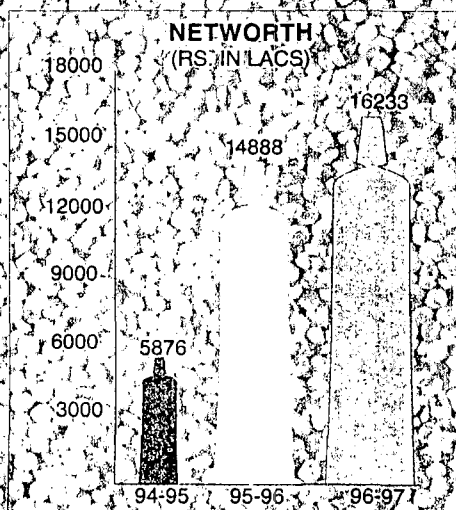
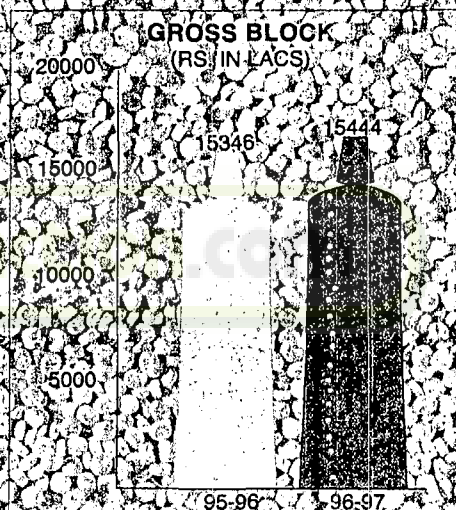
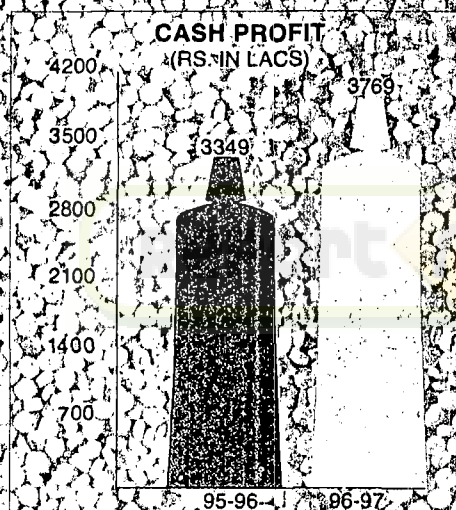
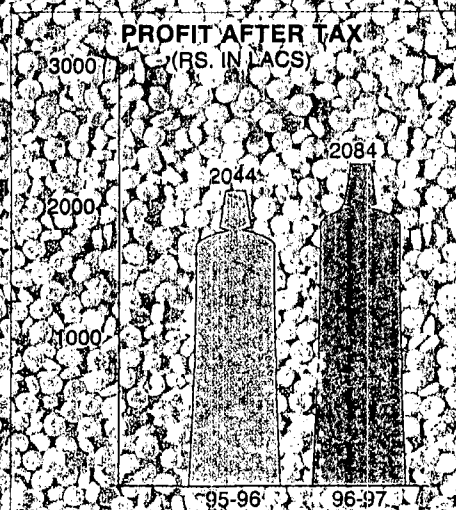
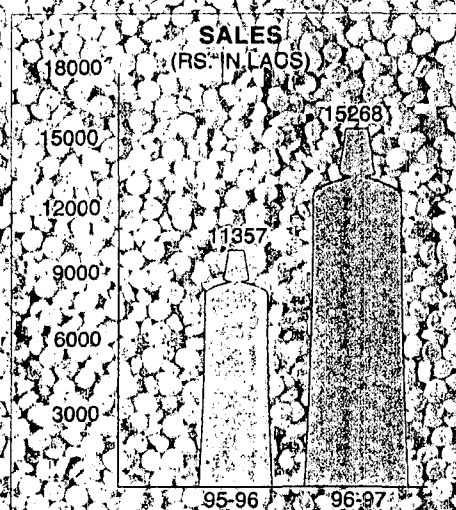
I have a strong belief that my Companies should be made up of "Stakeholders". Our corporate philosophy is to regard shareholders, customers, suppliers and employees as stakeholders and partners in the success of the company. We have tried to introduce quarterly reporting systems to the stakeholders. We believe in transparency, accountability and fairness as the cornerstone for creation of a great economic and corporate enterprise. An enterprise which is vibrant, growth oriented, customer focused and plays its rightful role in meeting its social commitments. I am confident that we will continue on the path of success by pursuance of our corporate philosophy.

This short report would not be complete without my personal thanks to all our employees and a very special appreciation and gratitude to banks, financial institutions and shareholders.

Subhash Chandra
30.4.97



Performance of the Company





Directors' Report

To

The Members

The Directors are delighted to report that 1996-97 was a year of notable progress and achievement for your Company. Our strong management team, combined with the determined efforts of all our employees have continued the Company's financial growth and significantly strengthened its operational capabilities. The Financial Highlights are as under:

FINANCIAL RESULTS

(Rs. in Lacs)

	Year Ended 31-3-97	Year Ended 31-3-96
Gross Income	15372	11752
Profit before Depreciation	4334	3409
Depreciation	1675	1295
Profit before Tax	2659	2114
Provision for Tax	575	70
Profit after Tax	2084	2044

APPROPRIATIONS:

Interim Dividend Paid	228	—
Proposed Dividend	456	467
General Reserve	800	1050
Surplus carried forward to Balance Sheet	491	531

DIVIDEND

An Interim Dividend of 15% for the six month period ended 30th September, 1996 amounting to Rs. 2.28 Crores was declared by the Board of Directors on 24th October, 1996. Your Directors are pleased to recommend to the Annual General Meeting, the declaration of the final dividend for the year ended 31st March, 1997 of 30% subject to deduction of tax, the dividend amounting to **Rs. 4.56 Crores**.

Alongwith the Interim Dividend of Rs. 1.50 per share which was declared in October 1996, the total dividend for the year works out to **Rs. 4.50 per share** (Previous year Rs. 3.20 per share).



