



growth in a multi-cultural environment

Essei Propack - a Company that has grown. From a single-location operation to a multi-location success, the journey has been eventful. The Company has successfully charted its global itinerary across the international landscape. And in the course, has learnt, developed and progressed. Not only geographically, but intrinsically as well.

The growth has come by combining and applying the best management practices, business processes and techno-trends from all the cultures Essei Propack operates in. The result is there for all to see.

Essei Propack has consolidated all its learnings and is applying these learnings throughout its international network of operations, in turning the Company into a truly global enterprise.

Board of Directors

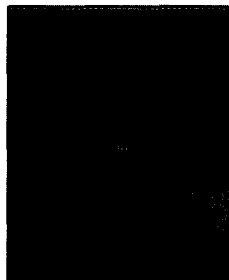
CHAIRMAN	SUBHASH CHANDRA
DIRECTORS	ASHOK KUMAR GOEL J.M. FERNANDES D. AHUJA V.K. BADGAMIA ANDREAS SCHWYN (Appointed as Director w.e.f. 5th April, 2002) BEAT BUEHLMANN (Appointed as Director w.e.f. 5th April, 2002) BERNHARD A. SCHWYN (Ceased to be Director w.e.f. 5th April, 2002) S.S. SANYAL (Expired on 14th July, 2002)
MANAGING DIRECTOR	CYRUS BAGWADIA
COMPANY SECRETARY	RAJU ANANTHANARAYANAN
AUDITORS	MGB & Co
BANKERS	STATE BANK OF INDIA STANDARD CHARTERED GRINDLAYS BANK BNP PARIBAS CORPORATION BANK
REGISTERED OFFICE	P.O. VASIND, TAL. SHAHAPUR, DIST. THANE, MAHARASHTRA -421 604, INDIA
CORPORATE OFFICE	135, CONTINENTAL BUILDING, DR. A.B. ROAD, WORLI, MUMBAI - 400 018, INDIA
FACTORIES - INDIA	VASIND, WADA, MURBAD, GOA & SILVASSA
OVERSEAS OPERATIONS	EGYPT, CHINA, NEPAL, GERMANY, VENEZUELA, INDONESIA, PHILIPPINES, COLOMBIA, MEXICO & USA
WEBSITE	www.esselpropack.com


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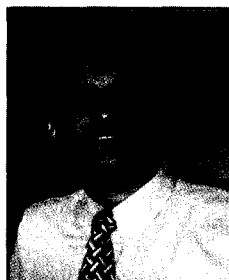
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Global Leadership Team

CYRUS BAGWADIA
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER



R. CHANDRASEKHAR
CHIEF FINANCE OFFICER



M.R. RAMASAMY
CHIEF TECHNOLOGY OFFICER



M.K. BANERJEE
CHIEF CREATIVITY &
INNOVATION OFFICER



PRAKASH WAKANKAR
REGIONAL DIRECTOR
(EAST ASIA PACIFIC)



MANUEL DIEZ
REGIONAL DIRECTOR
(AMERICAS)



DIEGO ESTRADA
REGIONAL DIRECTOR
(EUROPE)



NILAY GUHA
REGIONAL DIRECTOR
(AFRICA, MIDDLE EAST &
SOUTH ASIA)



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Chairman's Statement



Dear Investor,

Our growth over the last year has highlighted a strength that I am proud to say is unique to us - growth in a multi-cultural environment. Our merger with Propack has empowered us to operate in and learn from a wider spectrum of cultures all over the world.

A wider spectrum, because I have always considered that our Company has been a multi-cultural entity, right from day one. It was in May 1981 when we first set out to manufacture packaging tubes. The

know-how for our product came from an American company, the equipment was Swiss and the technology for making laminates came from Japan. Although our start was shaky then, it has been our spirit and eagerness to learn and change that has propelled us to world leadership today. We have always believed in absorbing new ideas, improving upon them and then aiming to spread our wings far.

From there, our journey started and when in 1994-95, multinationals started coming into India, we could benchmark our strengths with the bigger players. Our experience and the absorption of technology in our early years helped us beat world-class competition in the segment we play in. This gave us the confidence and the motivation to try something bigger like spreading our operations outside India. And this we did, starting with operations in Egypt and China and expanding to other markets like Europe and Latin America.



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Even as a domestic Company, we were multi-cultural with employees from various parts of India. My belief is that India itself is global in nature. It has been a classic example of tolerance to diversity and openness to a different thinking process. Historically, India has been at the forefront of absorbing various cultures. The basic inherent strength of the Indian culture, that is, being open to a multi-cultural scenario, is showcased in Essel Propack also, making it a successful Company in the global arena. And from the Company, it reflects in the personality of every individual who works here.

Our people are the key drivers of our success. The inter-personal sharing, interaction and growth are unique at Essel Propack. We are highly driven by human values and respect for human beings across all levels. The confidence and trust that come from such a work culture are truly our competitive edge. It is personally heartening for me that every

individual at Essel Propack has lived up to this confidence and trust.

We are one of the few Indian companies to operate in so many geographies. My vision is that in the near future, we aim to emerge as a "one-stop-solutions company" for our customers. By providing turnkey solutions, right from procurement to the final product, we will enable our customers to concentrate on their core competence, that is, marketing their products. The strategy will be to foster a work culture which encourages out-of-the-box thinking, anticipating customer needs, providing solutions in the best, most efficient and effective manner, thereby delighting our customers.

As India's leading multi-national and multi-cultural Company, Essel Propack is a perfect paradigm that other companies can follow. No Indian company



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should fear the MNCs, instead it should aspire to become one itself. And therein lies the true essence of growth.

I would like to personally acknowledge the co-operation and support received by the Company from the Customers, Suppliers, Banks, Financial Institutions and Governments of all the countries in which we operate. I would also like to thank all shareholders for the continuous faith reposed in the management of the Company.

Your Company is global in nature not only geographically, but intrinsically as well. By leveraging this strength, we can achieve whatever we aim for.

And I am confident of your support, co-operation and encouragement in all we do. It is indeed a great honour to share our growth and success with you.

I assure you that we will perform beyond your expectations and invest in your delight,..... always.

Place : Mumbai

Date : 28th March, 2003

SUBHASH CHANDRA
Chairman



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Timeless Principles

Essethapa has built its success on the foundation of its value system that encompasses the core competencies. These timeless principles have helped the company core competencies further.

To perform. To progress. To perfect.

Directors' Report

To,
The Members,
ESSEL PROPACK LIMITED

Your Directors have pleasure in presenting their Report on the business and operations of your Company for the year ended 31st December, 2002.

Results of Operations :

Consolidated Global Results

	(Rs. in Million)	
	Year ending 31st Dec., 2002	Period ending 31st Dec., 2001 (9 months)*
Total Revenue	4,675	3,647
Operating Profit (EBDIT)	1,523	1,210
Profit before Tax	863	727
Profit after Tax & Minority Adjustment	630	550

* The previous year's figures are not comparable with the current year. The figures for the previous period ended 31st December, 2001, include accounts of Essel Propack (India) and its Nepal subsidiary for nine months' period from April 2001 to December 2001 and accounts for all other subsidiaries are for twelve months' period from January 2001 to December 2001. In case of the erstwhile Propack's operating units, the pre-acquisition profits during the period 1st January, 2001, to 31st March, 2001, have been eliminated from the profits for the calendar year 2001 for the consolidation.

- Your Company has a minority interest in Germany and Indonesia and the share of profits from these companies has been consolidated in proportion to your Company's investment in the capital of these companies.

Period in Retrospect - Global Operations:

The year witnessed a shift in the revenue pattern with the overseas revenues reaching 49% of the total revenues. With major growth coming from the overseas market, the share of the Indian business is expected to go down gradually.

Your Company has divided the global business into four regions headed by a Regional Director in each of these regions.

EAP (China, Philippines & Asean)

The East Asia Pacific Region basically covers countries of China, Philippines and Indonesia. The following are the manufacturing locations in this region :-

- Essel Packaging (Guangzhou) Limited [EPGL], China
- Essel Propack (Shanghai Branch) [EPSB], China
- Guangzhou Propack Company, China
- Essel Propack Plastic Products Company Limited, China
- Essel Propack Philippines Inc., Philippines
- PT Lamipak Primula, Indonesia

EPSB is a branch of EPGL. The results of EPSB are merged with the results of EPGL. During the year, a new "state-of-the-art" laminator became commercially operational in record time. Your Company's Chinese operations witnessed a growth in market share from 46% in 2001 to over 50% in 2002.



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The growth in this region is in line with our expectations. Your Directors firmly believe that this is the growth region for your Company in the coming years, although very competitive. Your Company will continue to aggressively position itself and consolidate its hold in these markets in line with the opportunities in these markets.

During the current year, your Company proposes to restructure its business in China.

Europe

The Company has a plant located in Dresden, Germany, called Essel Deutschland GmbH. In 2002, the business witnessed a growth of 19% in volume. The main customers are the private label brands of supermarkets.

Americas

Your Company has three manufacturing operations spread over Colombia, Venezuela and Mexico in Latin America and a fourth plant was established during the year at Danville, Virginia, USA. The companies in this region are as given below :-

- Tubopack De Colombia S.A., Colombia
- Industrias Lamitubos C.A. , Venezuela
- Essel de Mexico, Mexico
- EsselPropack America, LLC

The Latin American region continued to be bedeviled with political, social and economic volatility. The Colombian operations came under tremendous pressure in the first half of 2002. The unit quickly

staged a recovery in the second half and has since started posting profits. The Venezuelan operations performed to expectations. In spite of a major economic and political crisis in November / December 2002, the unit has continued to produce tubes. The Mexican operations which went into commercial production in December 2001, are expected to break even in 2003.

The main highlight of the year was the Procter & Gamble (P&G) project in the USA. Your Company has set up a dedicated plant in Danville, Virginia, to supply 100% of P&G's requirement for the North American market. This is a prestigious project that has opened new corridors for your Company and has given it a strong global recognition and presence in the highly lucrative, yet competitive US market. The US operations have started commercial deliveries.

AMESA (India, Nepal & Egypt)

The year under review has been challenging for your Company in the Region of Africa, Middle-East and South Asia. The slowdown in the FMCG sector had an impact on the Indian and Nepal operations. The Company's revenues continued to be under pressure on this count.

The companies in this Region are :-

- Essel Propack Limited, India
- Essel Packaging (Nepal) Private Limited, Nepal
- Egyptian Indian Company for Modern Packaging S.A.E., Egypt



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