

S u c c e s s   t h r o u g h   s h a r i n g



## ‘Co-creating Success’

*Sharing throws open an array of better possibilities. It keeps the flame of innovation burning. Resulting in merging of great ideas, capabilities and interests. Over the years, Essel Propack has advocated this belief through its philosophy of 'Shared Vision'. By creating a mutually beneficial environment for its clients, vendors, employees and shareholders, the company aims at building strong partnerships, setting the stage for a bright future. After all success is a journey, not a destination!*

ReportJunction.com

## Board of Directors

**Subhash Chandra**

Chairman

**D. Ahuja**

Director

**Tapan Mitra**

Director

**K. V. Krishnamurthy**

Director

**Andreas Schwyn**

Director

**Beat Buehlmann**

(Resigned and ceased to be Director w. e. f. December 7, 2005)

**J. M. Fernandes**

(Resigned and ceased to be Director w. e. f. March 14, 2006)

**V. K. Badgamia**

(Resigned and ceased to be Director w. e. f. March 14, 2006)

**Boman Moradian**

Director

(Appointed as an Additional Director w. e. f. March 14, 2006)

**Ashok Kumar Goel**

Vice Chairman and Managing Director

**Company Secretary & Head(Legal)**

Ajay Nagle

**Auditors**

MGB & Co

**Bankers**

State Bank of India

Standard Chartered Bank

Corporation Bank

BNP Paribas

HDFC Bank Limited

Credit Lyonnais

**Advocates & Solicitors**

ANS Law Associates

**Registered Office**

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

**Corporate Office**

135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018, India.

Tel.: +91-22-5653 5653, 5653 5700. Fax: +91-22-2496 3137

**Factories - India**

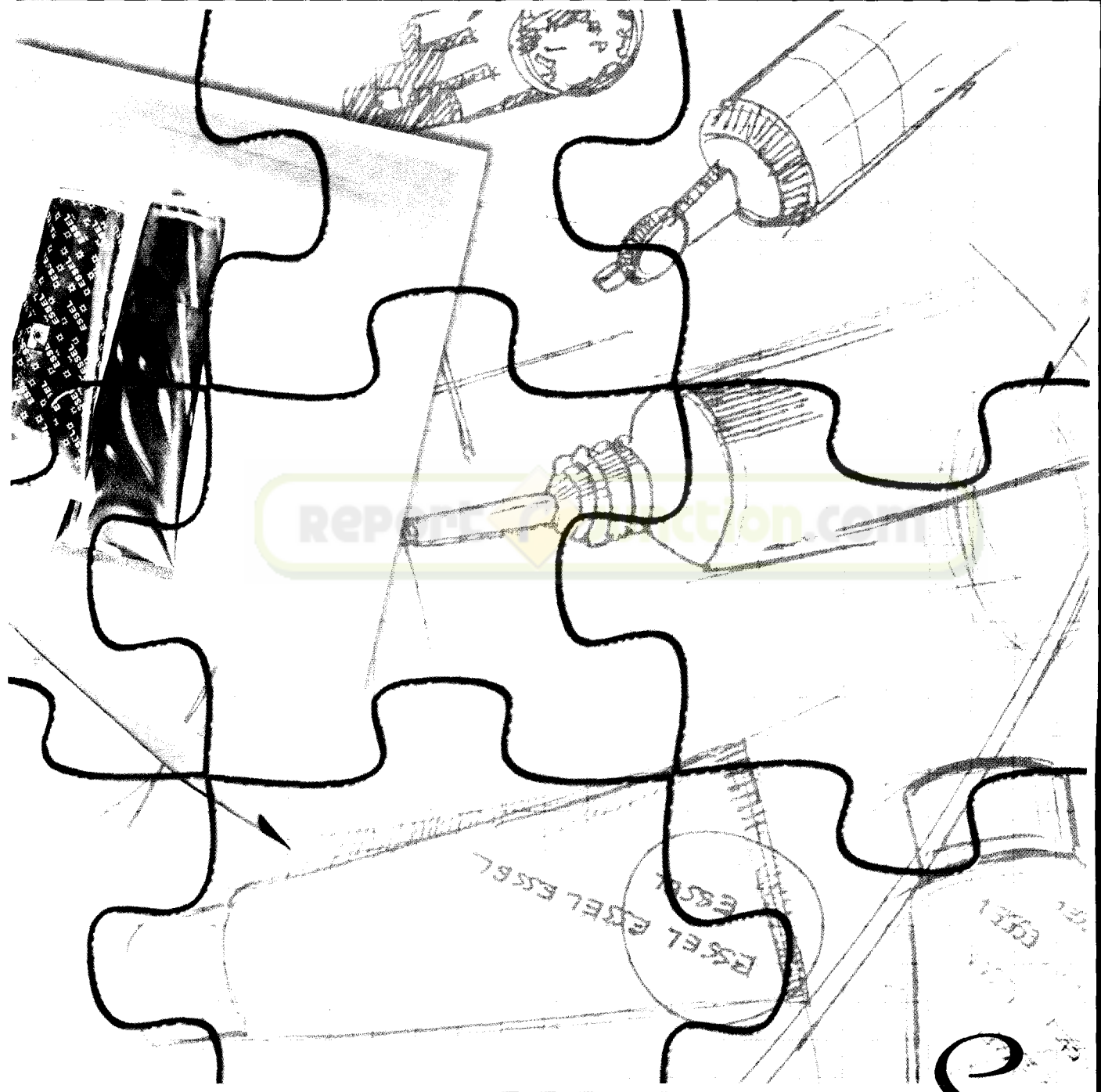
Goa, Murbad, Nalagarh, Silvassa, Vasind & Wada

**Factories - Overseas**

China, Columbia, Egypt, Germany, Indonesia, Mexico, Nepal,  
Philippines, Russia, UK, USA & Venezuela

**Website**

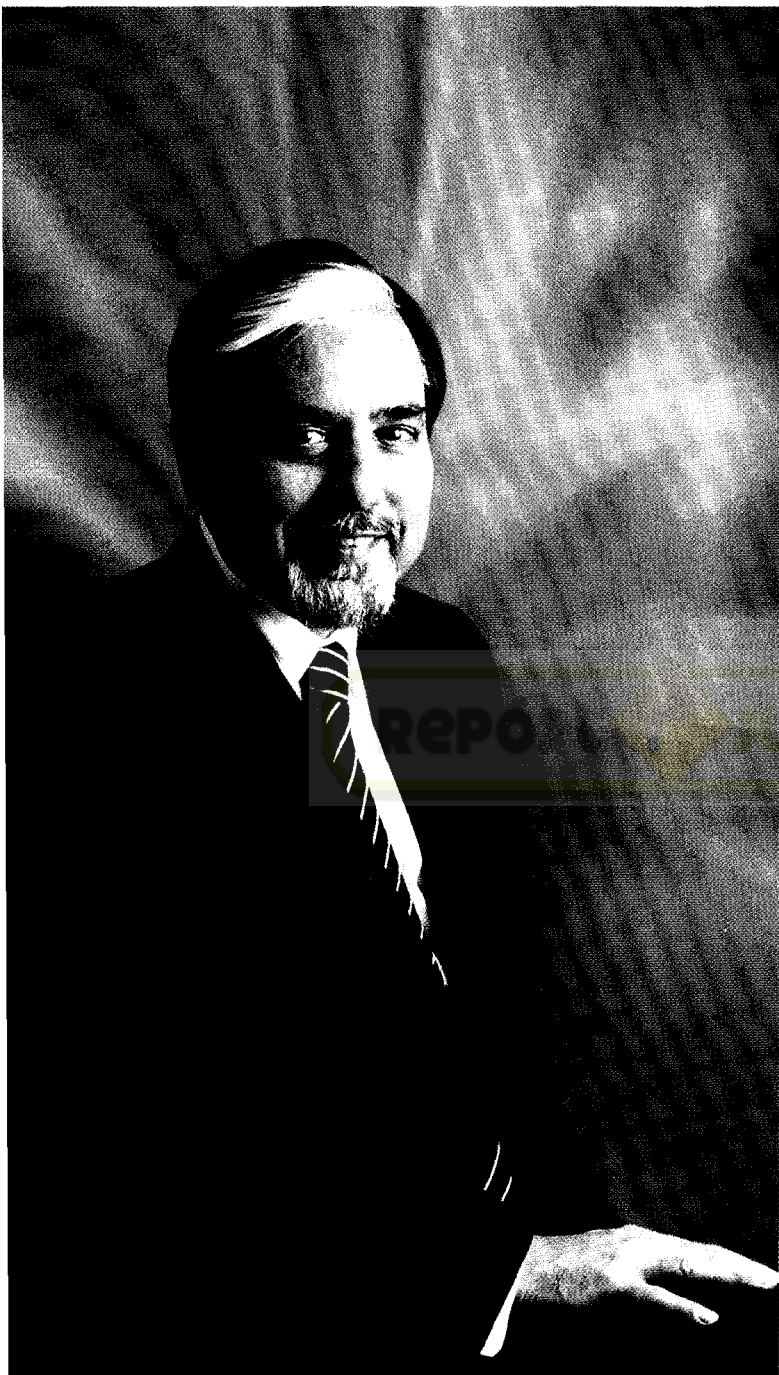
www.esselpropack.com



Sharing the blueprint of success



## 3-Cs of Success : Concentration, Consistency & Co-operation



Subhash Chandra, Chairman

Ours is a journey that began twenty-two years ago in 1984. We have been successful in reaching the present pre-eminent position only because we believed in the 3-Cs : **Concentration, Consistency and Co-operation**. When I say Concentration, I do not mean the current management diktat that asks the mind to focus on everything. **Concentration** is converging all senses on the present and ensuring that energies do not get diverted either in rueing the past for what could have been or brooding about a perceived uncertainty in the future. Allow yourself to solely live and work in the present and you will all see the benefits of concentration.

Once this enables you to see nothing but the proverbial bull's eye, you shall automatically be able to become **Consistent** in your approach and this will further lead you into seeking **Co-operation** of your entire business *kutumb (family)* - buyers, clients and employees. Why, you even have to relate to

**"This is what I term as  
my constant**

**3 - Rs: Reception,  
Reaction and Response."**

your machines and equipment because you cannot allow even the slightest element of disharmony as this would give rise to friction which in turn would lead to agitation resulting in negative results.

I frequently tell Essel Propack managers that we are constantly involved in three levels of transactions : listening to the opinion of clients about products; reflecting on it and finally, the third level of transaction - analysis and reaction to the situation. This is what I term as my constant 3-Rs : **Reception, Reaction and Response**.

At Essel Propack we have learnt the method of implementing both the 3-Cs and 3-Rs. When we equate the 3-Rs with a factory or its machines, **Reception** could be translated as **Inputs**, **Reaction** as the **Process** and **Response** as the **Output**. Thus, there exist a parallel between human mind and machines. We have believed that this approach of strategising the mind **must be equated** with the manufacturing process because you must look at your five senses as raw materials for the processes of the mind. I talk about the right mental

**"People at Essel Propack have met with unheralded success because of imbibing these values that have further motivated them to set higher targets of growth and draw out a comprehensive roadmap for the future."**

approach because just as you inspect the raw material carefully to get the best product quality - you have to filter and channelise your mental inputs. We have reached here today only because such a process has enabled us to pass on the benefits of the method to the customers.

People at Essel Propack have met with unheralded success because of imbibing these values that have further motivated them to set higher targets of growth and draw out a comprehensive roadmap for the future.

At this juncture, when I am a non-executive Chairman of the company, I am often asked about my experiences during the formative years of the company when I was more directly involved with building it up. I tell them that I was always guided by the thought that we are in the people's business - that we are in the service industry dealing with clients and not dealing with consumers directly. But, we always kept in mind that the client would be satisfied with us only if the end -consumer was happy with the final product. We built a code in our sub-conscious and in practice - that we must constantly relate to the desires and aspirations of two sets of people : one with whom we were dealing directly and the

**"Today, I can proudly state that over the years Essel Propack has not only been able to absorb the latest in the field of technology very well but has also successfully improved upon it by concerted R&D that is any day far ahead of any of its competitors. "**

other with whom we had an indirect relationship. It was this strategy that resulted in more and more people wanting to give us business.

Because both clients and end-customers were very important for us, we kept one eye constantly on developing technology and soon we reached a stage where we used the latest technology though few could fathom the amount of input behind each product. In many of the countries that we set up our operations, initially people undervalued the element of technology in our operations. When we first went to China, we were not recognised as a sector that used modern technology. But within a year they understood that ours was not a primitive technology - that we were not a backwater company - and provided us with all the recognition and benefits. Today, I can proudly state that over the years Essel Propack has not only been able to absorb the latest in the field of technology very well but has also successfully improved upon it by concerted R&D that is any day far ahead of any of its competitors.

Given the fact that we are a global company, I often take stock of how the packaging industry as a whole has grown globally and how does Essel Propack evolve further from its present position of being the market leader.

Globally the packaging industry has developed far differently than in India and in most developed countries, the packaging material is far superior, both conceptually and in terms of material used. But there are areas like the tubes that Essel Propack is making - where we have evolved considerably. We use new polymers that add to properties like flavour-



retention of products and also make the final product much more attractive. This satisfies both our clients and the end-users.

Innovation is, thus, a necessity to grow further but this has to be integrated with strategies that persevere with existing technologies that have met with success. Evolution, thus, has to be in sync with the demands of the market and not because

**"Evolution, thus, has to be in sync with the demands of the market and not because of blind pursuit of new technologies. Change should never be solely for the purpose of doing something new as more often than not, this backfires."**

of blind pursuit of new technologies. Change should never be solely for the purpose of doing something new as more often than not, this backfires.

In the era of globalisation, we have to gear up for the new challenges that the changes in the market are posing. Over the next few years, there will be a shift in manufacturing hubs, from high cost environment to low cost environment, basically arbitraging on manufacturing value chain. To state an example, I envisage India becoming a manufacturing hub catering to South Asia : India, Pakistan, Bangladesh even the Middle East and Far East. Some multinational companies might also shut down a plant or two in Europe and open plants here dedicated to manufacturing products for European markets. That will be the time when new challenges will be before us.

It is, thus, the appropriate time for us to look at other options. For instance, begin offering a one-stop shop for the customers in the packaging industry. We should tell manufacturers that let this be a kind of Business Process Outsourcing - that you dedicate a team with your formula and leave the entire packaging to us. From the present situation where we provide

our clients with empty packaging material, we should offer them a process through which we will take their finished

**"Packaging will gather greater importance as a marketing tool which, in turn, will result in the growth of packaging industry globally. Thus, the sky is the limit for the packaging industry!!! "**

product and package it so that it is ready to hit the market. Our clients, especially the big ones, can then focus on their primary goals - product development, brand building and distribution.

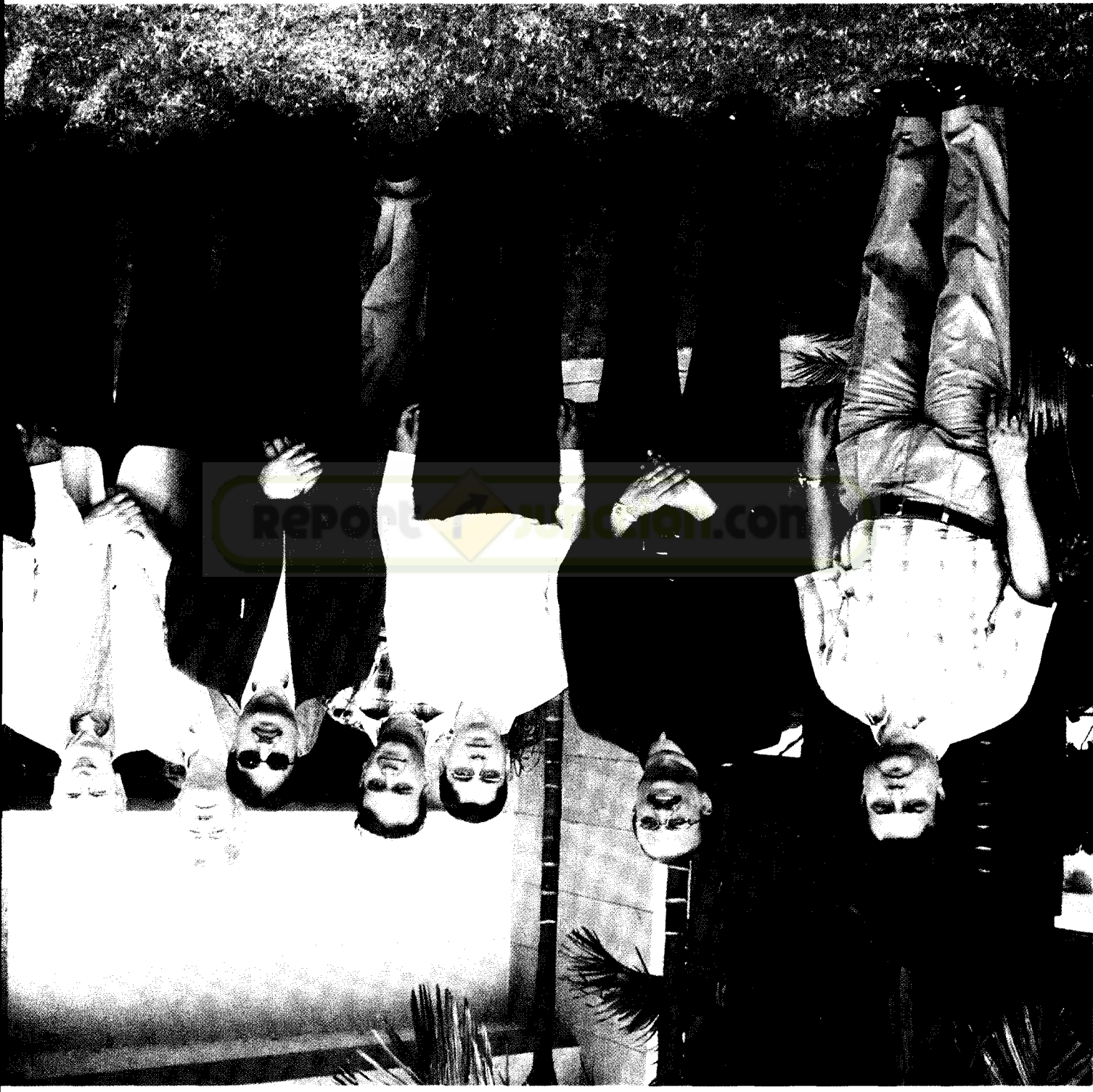
The advent of FMCG multinational companies would also add to the pressure on smaller manufacturers to improve their packaging and this is another vista of opportunity that would open for Essel Propack. The very direction in which the world is evolving indicates that products, brands and services will seamlessly move increasingly from one geography to another. This will intensify the competition and struggle for survival with more and more brands vying for recognition. Packaging will gather greater importance as a marketing tool which, in turn, will result in the growth of packaging industry globally. Thus, the sky is the limit for the packaging industry!!!

In conclusion, I would like to thank the Company's customers, vendors, banks and financial institutions as well as the governments of all the countries where we operate and supply, for their support and co-operation. I would also like to thank our shareholders and Human Capital for the faith they have reposed in the management of the Company over the years. I am sure that with their continued support, the Company will continue to build upon the 3-Cs : **Concentration, Consistency and Co-operation**, to grow further and continue to succeed.

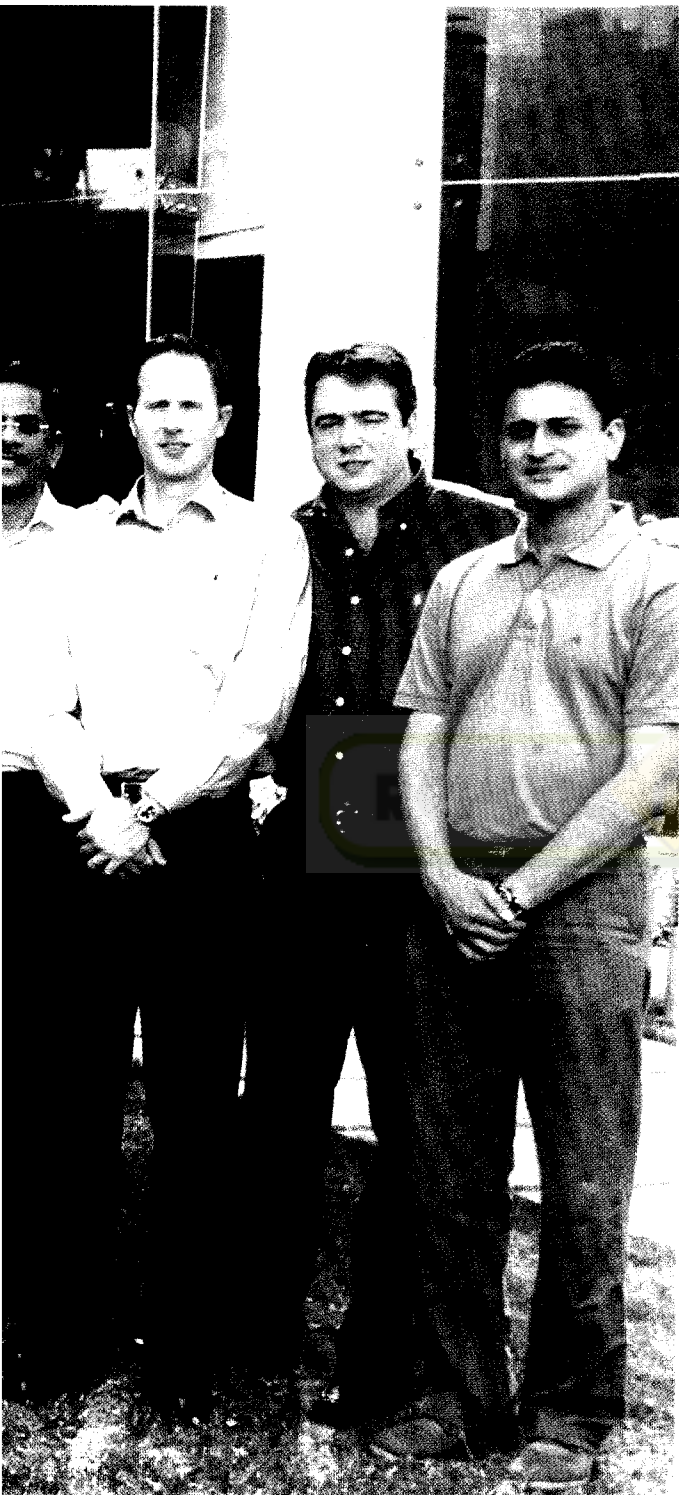
Regards,

Subhash Chandra  
Chairman

Mumbai, March 14, 2006

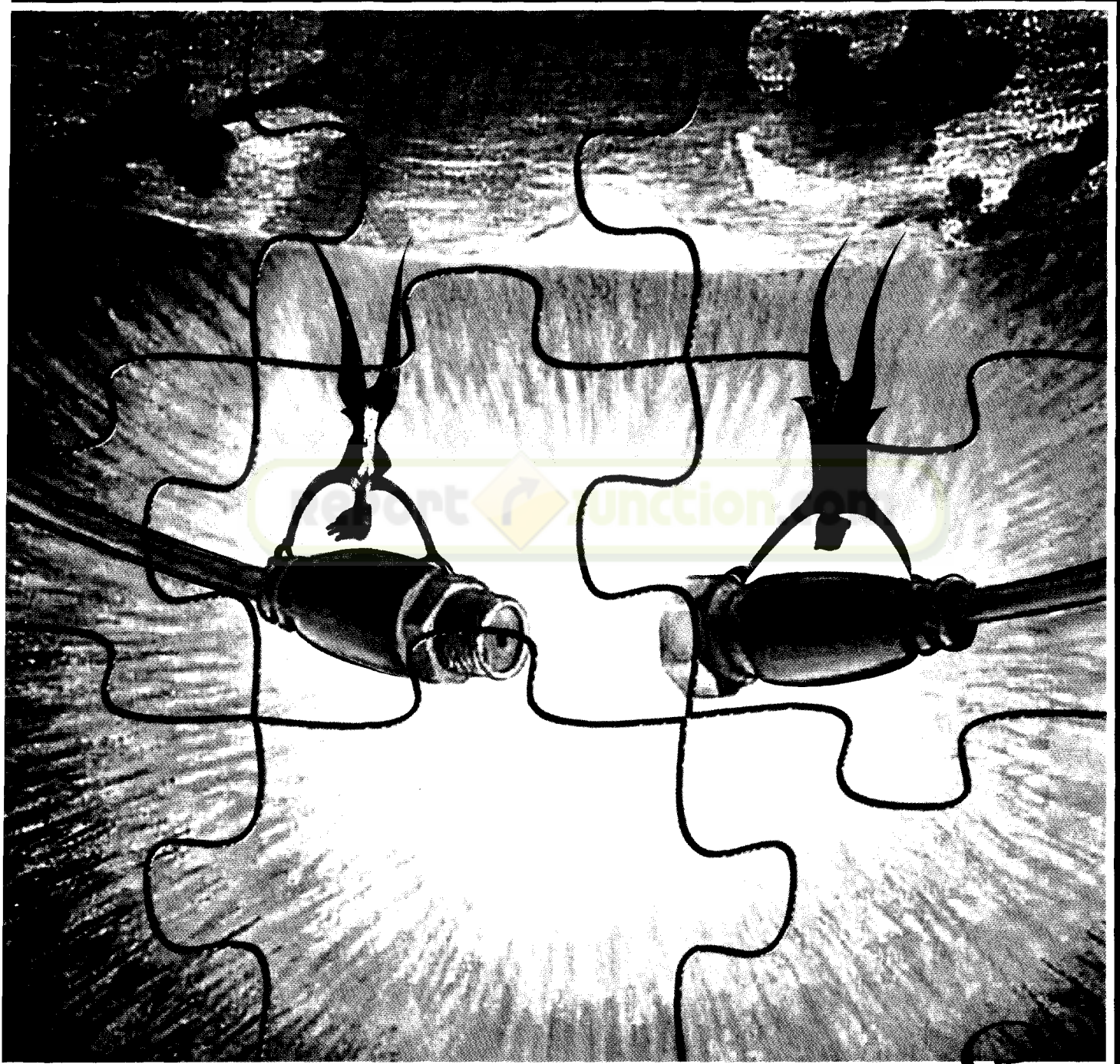






## Standing from Left to Right:

- **M. K. Banerjee**  
Director - Creativity & Innovation (Global)
- **R. Chandrasekhar**  
Chief Operating Officer (Global)
- **Anand Deshpande**  
Director - Human Capital (Global)
- **R. Ramakrishnan**  
Vice President - Finance (Global)
- **Ashok Kumar Goel**  
Vice Chairman and Managing Director
- **Adrian William Spencer**  
Regional Director (East Asia Pacific)
- **Jeremy Paul**  
Managing Director - Arista Tubes, UK
- **M. R. Ramasamy**  
Director - Manufacturing & Technology (Global)
- **Diego Estrada**  
Regional Director (Europe)
- **Manuel Diez**  
Regional Director (Americas)
- **Cherian Kenneth Thomas**  
Vice President - Marketing ( AMESA)



Sharing the wisdom of cumulative thinking