


**MULTIPLY**  
PRODUCTS. MARKETS. GROWTH.

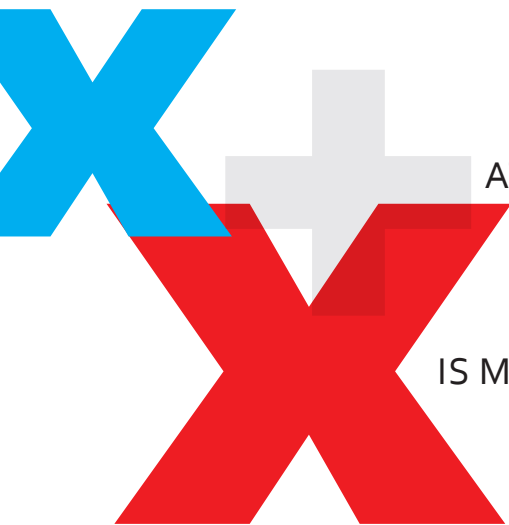


“OPPORTUNITIES  
MULTIPLY AS THEY  
ARE SEIZED.”

- SUNTZU

## CONTENTS

01 Theme | 02 Chairman’s Message | 04 Vice Chairman and Managing Director’s Message |  
06 Multiply Product Categories | 08 Multiply Markets | 10 Multiply Achievements | 12 Board of Directors |  
14 Directors’ Report | 21 Management Discussion and Analysis | 26 Corporate Governance Report |  
42 Financial Statements - Standalone | 79 Financial Statements - Consolidated |



AT ESSEL PROPACK,

# MULTIPLY

IS MUCH MORE THAN A VERB TO US. IT IS A MINDSET.

AND IT IS THIS POWERFUL MINDSET TO MULTIPLY THAT HAS PROPELLED US TO BECOME THE BIGGEST LAMINATED TUBES PLAYER WITH A GLOBAL SHARE OF OVER 33%.

**WHEN YOU MULTIPLY DETERMINATION WITH DARE**, the impact is nothing short of a revolution –after we introduced laminated tubes, the entire oral care packaging market in India was converted from aluminum tubes to laminated tubes.

**WHEN YOU MULTIPLY INSPIRATION WITH INNOVATION**, new world with new markets open up - our products are being increasingly used in non oral care industries like cosmetics, toilet-ries, food products, pharma, and hair care, increasing our size, scale and scope.

**WHEN YOU MULTIPLY CAPABILITIES WITH CAPACITIES**, supply chain and global reach undergo paradigm shifts - with our 24 manufacturing facilities located in 12 countries and 5 continents, we deliver matchless quality of products and service to our customers.

**WHEN YOU MULTIPLY THE PASSION OF 2500 PEOPLE** representing 25 nationalities with the trust of 3000 customers in 68 countries - we become a USD 340 million enterprise making more than 5 Billion tubes a year!

AT ESSEL PROPACK, WE CONTINUE TO SEIZE  
OPPORTUNITIES AND

# MULTIPLY

PRODUCTS. MARKETS. GROWTH.





## CHAIRMAN'S MESSAGE



Dear Shareholders,

It is always a pleasure to share with you my thoughts and strategic overview of Essel Propack.

The financial year ending March 31, 2012 began with a promise of global economic recovery, but soon meandered into yet another year of difficulties and uncertainties. Crisis in Eurozone, particularly the precarious debt-repayment situation in Greece dominated global headlines during the year and underpinned the widespread nervous sentiments amongst investors globally. This and the concern over the contagion spreading to Italy and Spain and the weak US economy have caused volatile situation in the commodities, currency and money markets and depressed business sentiments globally.

Against these strong macro headwinds, even the two fastest growing economies in the world – namely, China and India, witnessed a slowdown in growth. The Chinese economy had to grapple with the menace of inflation. In India too, inflation continued to remain the thorn in the flesh, leading to government to tighten its monetary policy and increase interest rates. Coupled with a weakening currency that saw the Indian Rupee falling to its record low against the US Dollar in the month of December and policy paralysis



THE FUTURE AT ESSEL PROPACK LOOKS PROMISING AND EXCITING. NEW OPPORTUNITIES ARE OPENING UP – BOTH IN TERMS OF NEW GEOGRAPHIES AS WELL AS NEW APPLICATION AREAS. OUR CREATIVE SOLUTIONS EMERGING AS A RESULT OF CONSTANT INNOVATION ARE HELPING US MAKE STRONG INROADS INTO APPLICATIONS AREAS LIKE COSMETICS, PHARMACEUTICALS AND FOOD.

at the Government, the Indian economy suffered a slowdown and is estimated to grow at 6.5 percent in FY 12, compared to over 8 percent in the earlier times. Increased input costs and higher interest rates affected profitability of most companies, across industries and sectors.

Despite the challenging business environment in India as well as in major markets globally, Essel Propack continued to deliver satisfactory performance during the year. At Essel Propack, we always have firmly believed that “opportunities multiply as they are seized”. We have been seizing opportunities and multiplying in terms of products, markets and growth in the most trying circumstances, a reason why we continue to be a leading player in the global laminated tube space.

The future at Essel Propack looks promising and exciting. New opportunities are opening up – both in terms of new geographies as well as new application areas. Our creative solutions emerging as a result of constant innovation are helping us make strong inroads into applications areas like cosmetics, pharmaceuticals and food.

In terms of geographical markets, India itself is very promising in both oral and non-oral products. As FMCG penetration keeps increasing, so will our products. East and West Africa are two emerging regions that show a tremendous growth potential, as do markets in other countries in the East Asia. The Company has consolidated its Europe operations and given its relative small presence is poised to gain share and grow.

Looking forward, we are confident with a clear focus to MULTIPLY our products and markets and our investment in new capabilities to accelerate our growth momentum.

I would like to take this opportunity to thank our employees, our customers, our suppliers, our partners, our bankers and above all – our investors, for the faith and trust they have shown in us.

With best wishes,

Subhash Chandra  
Chairman

# VICE CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

Essel Propack has delivered another steady performance during financial year ending March 31, 2012, and continues to lead in the niche packaging space of laminated tubes with a global market share of over 33 percent. The Company is today the biggest player in the laminated tubes category. What has propelled Essel Propack to this leadership position has been its approach and mind set to MULTIPLY. We have always looked to multiply—our products and our markets. What has underpinned and powered this drive to multiply has been our deep desire to multiply opportunities.

Today, we have multiplied product application areas and our products are used in diverse categories ranging from pharmaceutical to cosmetics and foods other than oral care. Each new category we enter opens up new markets—both in terms of product markets as well as geographic markets. It is this multiplication of products and markets that will drive our future growth.

Today, Essel Propack has global presence in 12 countries having factories in 24 locations. Worldwide we are partnering with big multinational FMCG players in their quest for better products for their customers.

In India, there is a tremendous potential for growth on the back of increasing FMCG penetration, explosion in the product range and forms and the development of Modern Retail Trade Categories like hair care, skin care, fairness creams, pharmaceuticals etc., are growing at a rapid pace. This growth in high value non oral care categories, will drive strong growth in India.

In China, we did witness a marginal slowdown in growth during the year due to lower performance of our key customers. However, China continues to remain a promising market for the Company as its economy is thriving, driving high consumerism. Your Company is engaged in serious market development activities in the pharma

WE HAVE DELIVERED MORE THAN 5 BILLION TUBES LAST  
YEAR – THIS SPEAKS VOLUMES ABOUT THE TRUST AND  
CONFIDENCE CUSTOMERS HAVE IN OUR PRODUCTS.

space (where the Company got the license after a long wait) as also in the higher value cosmetic space leveraging its new capability. The Company's new products are expected to have an excellent potential in the Chinese markets.

Growth in the European markets was propelled by new contract wins both in the laminated and plastic tube categories. We have a relatively smaller base in Europe, now we are poised to leverage our capabilities to build more growth in both oral care and non-oral care categories.

USA is a mature market with less opportunity for organic growth in terms of volumes. In this key market we are focussing on improving profitability through efficient operations, introduction of high value decoration tubes targeting cosmetic and beauty care category.

Innovation is at the heart of Essel Propack. At Essel Propack, innovation goes beyond products – into processes and sustainability. Our dedicated C&I team continues to challenge itself in evolving efficient structures and processes. We are leveraging the power of design and decoration to make our product offering, fresh and contemporary. Sustainability is a key consideration in all our efforts in innovation. With our ETAIN (process patent applied for) tubes, we have delivered 'more for less'.

On the operational front, we continue to strive and achieve better

productivity, improved customer service and higher asset turnover as means to drive long term profitability. We strive to maximise our capacity utilisation by relocating the machineries towards demand zones. Another key area we are focussing on is in the improvement of supply chain capability and flexibility to meet customer demands efficiently. Working capital has been a focus area where the company has managed to reduce inventory and manage receivables tightly. We believe improved profitability and growth will complement our efforts to build a stronger balance sheet as means to seize new opportunities to grow.

There has been some organisational change in recent past that is targeted at making the organisation more agile. We have delivered more than 5 billion tubes last year – this speaks volumes about the trust and confidence customers have in our products.

We are ready to seize the right opportunity.

Looking ahead, I am confident that we are on track to become half a billion USD Company in the next three years.

With best wishes,

Ashok Goel

Vice Chairman and Managing Director





# MULTIPLY

## PRODUCT CATEGORIES

At Essel Propack, we have transformed the use of tubes to MULTIPLY product categories from ORAL-CARE to COSMETICS, TOILETRIES, FOOD PRODUCTS, PHARMA and HAIR CARE.



ORAL CARE



COSMETICS



TOILETRIES

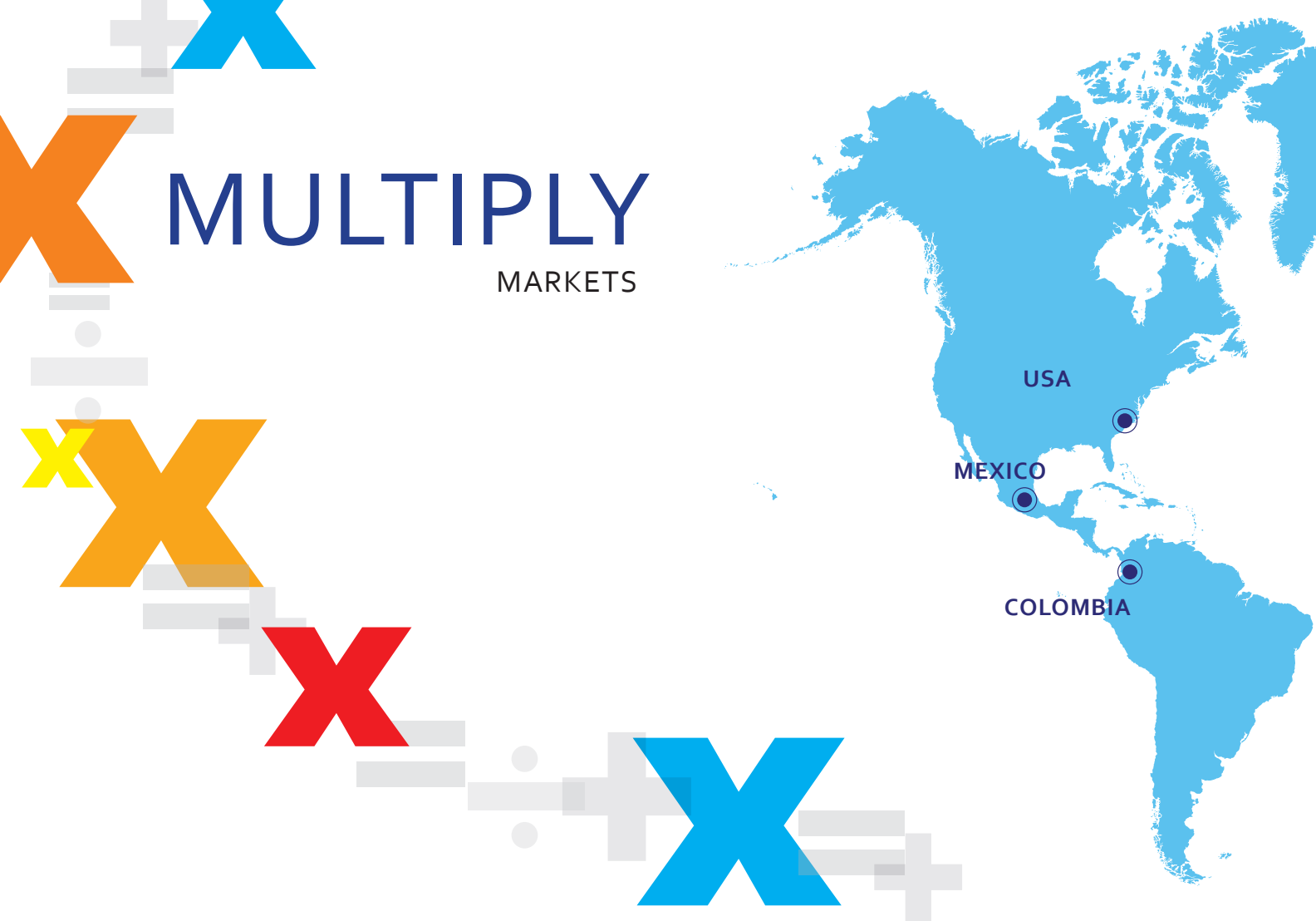




PHARMA PRODUCTS



FOOD PRODUCTS



# MULTIPLY

MARKETS

# MULTIPLY

VALUES – CONNECTING COMMUNITIES GLOBALLY



ESSEL P&G HOPE SCHOOL CHINA

CHINA

ESSEL P&G HOPE SCHOOL

Was started in September 2011 at Dingji town in the Anhui province of China. This school is sponsored by Essel Propack and P&G, and has 458 students. The school is fully equipped with a scientific laboratory, a 6000 book library and a computer room.



TUBOPACK COLOMBIA SNA STUDENT TRAINING PROGRAM

COLOMBIA

Tubopack Colombia received recognition for its work with SNA (Servicio Nacional de Aprendizaje) Student Training Program. SNA is a national program that requires businesses to provide actual work experience to students for their education.

Tubopack Colombia sponsors a local community drug and alcohol awareness program.