

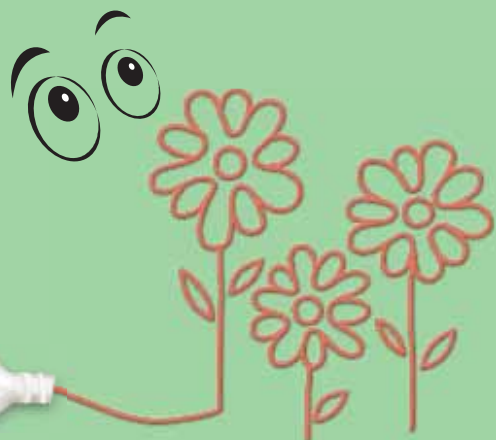


ESSEL PROPACK

**Essel Propack Limited**

annual report 2010 - 2011

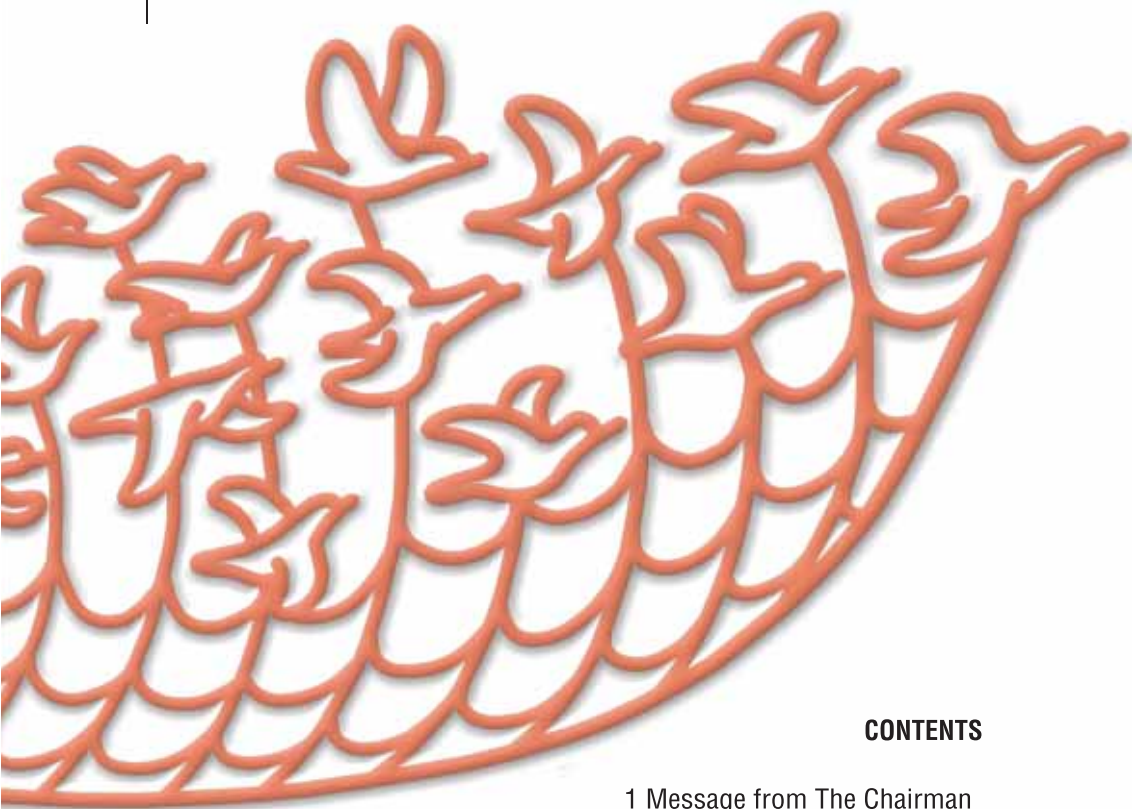
# DRIVEN BY INNOVATION...



There's more to growth than mere figures. There's more to the learning than just the experience. There's more to packaging solutions than what meets the eye. At Essel Propack, we call this the Spirit of Innovation. It is about making a breakthrough, Out taking our illustrious past, Out thinking competition and Envisioning the tomorrow. Changing time gives birth to changing needs. And the best way to succeed is to be prepared for it. **At Essel Propack, the emphasis has always been on, Treading beyond the beaten path, Harnessing the power of possibilities, Thinking out of the box, Creating a rewarding future & Being the benchmark.**

In our pursuit to be future-ready, we continuously evolve ourselves with each coming day and look forward for better ways to satisfy our Stake Holders.

*'Equality is the Success to all Hurdles - Thought inspired from the Birds and the Poacher from Panchantantra'*



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*'Together let's face the challenge'*



## TREADING BEYOND THE BEATEN PATH

Dear Stakeholders,

Global economic environment remained fragile during 2010-11 with the US economy being kept afloat by continued quantitative easing and the European Union under pressure to ward off bankruptcy of some of its members. The emerging economies of India and China are battling inflation and possible slow down in growth. Combined with political unrest and uncertainty across many countries, businesses have to be ready to weather many more air pockets in the near term. During such times, it is always refreshing to sight examples of stability, resilience and creativity. Indian business in general has been inspirational. In particular, your Company delivered on its commitment to grow profitably after its turnaround in the previous year. This definitely is a result of doing the right things and at the right time. The challenge and the pride however will be in sustaining this in the coming years. The key to this, I believe, is Innovation.

Innovation is what catapulted Essel Propack as a formidable packaging company, converting a whole market of aluminum tubes in India into laminated tubes and gaining global leadership by offering competitive laminate structure and driving cost efficiency. But the world today is far more complex and evolving as compared to when Essel Propack started 27 years ago.

Sustainability, green house gas emission concerns, recyclability, lowering carbon foot print are all issues weighing on businesses, even as the concerns for quick poverty alleviation, affordability, improved standard of living in the developing world create a strong counter pressure.

As our customers grapple with these conflicts and seek a middle path of eco-friendly growth, innovation has to get into the core of our business as the means to differentiate, sustain and grow. Innovation then implies much more than creating new products. It is as much about opening up new paths, generating new insights, re-organising resources – men machine and materials, discovering new dimensions to engage customers, and in general, breaking paradigms, thinking out of the box and daring to push frontiers relentlessly.

Your Company today is re-capturing its innovative soul with single minded focus. The path is far from smooth, but with clarity setting in and a common vision emerging, the time to make a difference is not too far. The current year has set the platform, with a healthy top-line growth, for Essel Propack to embrace innovation more than ever and to be driven by innovation as the means to create outstanding value in the years to come for all our stakeholders.

I take this opportunity to express my sincere gratitude to all the Board members for their guidance. I thank everyone in our team for their commitment and dedication. I also thank all our shareholders, customers, suppliers, bankers and employees for believing in us and in our vision.

**Yours sincerely,**

**Subhash Chandra**

**Chairman**

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*'Harnessing the Power'* - thought inspired by the famous 'Swimmy' Fish



# HARNESSING THE POWER OF POSSIBILITIES

Dear All,

At Essel Propack, we have come a long way since our inception in 1984. Today, we are the biggest player in the Laminated Tubes category with a global market share over 33%. In fact, we have achieved a new milestone by producing 5 billion tubes this year alone. But, the road to this point has not been an easy. When we stepped into the beginning of this decade, there was a renewed sense of optimism. We all wanted things to get better. Unfortunately in the midst of the decade, a recession phase during year 2008-09 had dented the industry's confidence. Post-recession, everyone was busy restructuring their organization and trying to devise new strategies. This is when we decided to re-calibrate the organization from sales driven to innovation driven. For us, 'Innovation' is not only for product or process but ingrained in each and every aspect of our work culture. Hence, the road to innovation at Essel Propack is part of its ethos.

Innovation is the driving force in delivering value to our stakeholders. In order to enhance the consumer experience, we introduced the "Egnite" tube with an attractive metallic finish. Similarly keeping sustainability in context, our product innovation team introduced "Etain" made out of post consumer recycled material.

We have gone a step further for our high end fashion clients and we came out with Iridescent tubes with interplay of rainbow colours and tubes which will give the end user the fragrance of the inside packed product.

Apart from providing innovative solutions for our clients we are also increasing our focus on value added non oral care segments i.e. pharma, cosmetics, toiletries and hair-care. The contour of our growth strategy is a combination of capacity expansion, consolidation and acquisition.

For this we have expanded and consolidated our facilities in emerging markets like Mexico, Egypt, India and China. Most of our clients are tuning their business models from being country specific to a region-oriented business. We are also reinventing ourselves in line with them. In Egypt our new consolidated unit acts as a hub for servicing the Middle-East and promising African markets. Similarly our unit in China is catering to East Asian markets. The Poland unit serves Europe market for both plastic and laminated tubes.

In the emerging markets, we expect India and China to become bigger players. India will always remain our flagship market. We have already scaled up our capacities and capabilities for decoration and pharma products. In China we expect the demand to be buoyant. We are looking at opportunities to further expand. While venturing in the emerging markets, we remain equally focused on the European and US markets. We understand that this region still remains prone to the fragile financial conditions but is showing renewed demand for consumer products. In rest of Europe, the German and Russian units have also registered strong growth this year. We are always willing to grow with our customers and re-engineer our business model accordingly. We are always looking at a long term partnership with our global customers. I hope the years behind would not only add to our legacy but also make us a formidable force to be reckoned with and respected for Innovation.

It is said that employees bring their head, heart and hand to the business. But, we at Essel Propack believe that our employees bring their heart first so that they can use their head and hands better.

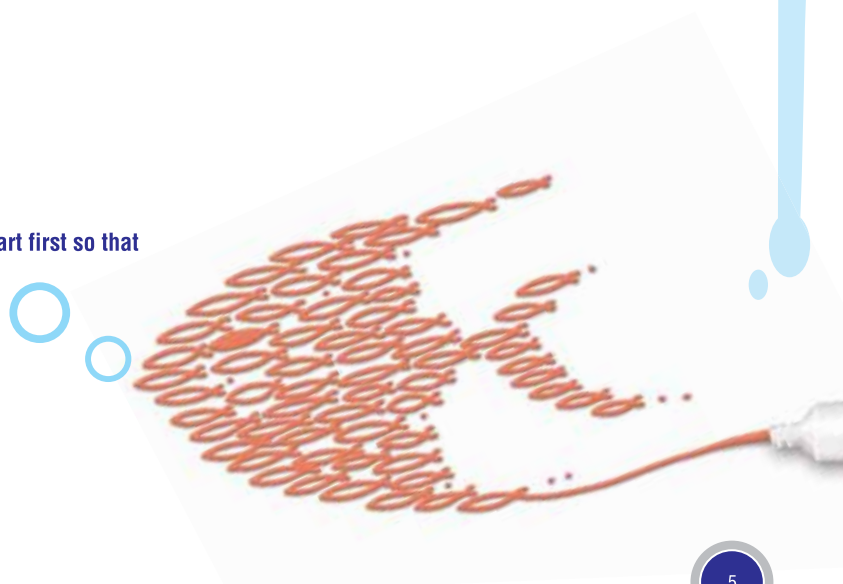
This will only help us serve you better. Once again I assure you that we are committed to better the return on the capital employed. I would like to take this opportunity to express my gratitude to all our stakeholders, who have reposed their trust in us and extended their continuous support.

**Best wishes and warm regards,**

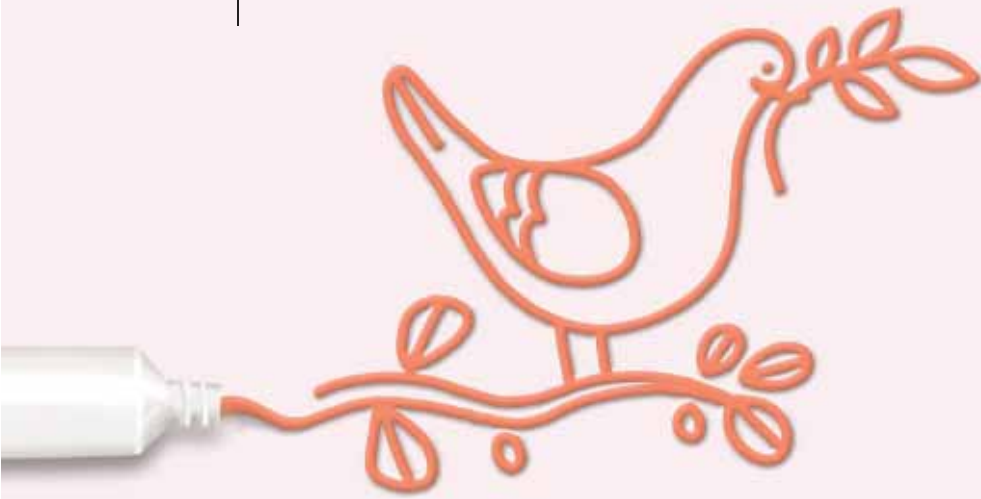
**Ashok Goel**

**Vice Chairman & Managing Director**

**We at Essel Propack believe that our employees bring their heart first so that they can use their head and hands better.**



*'An idea can be worth looking at' - The Ant & the Clever Dove, thought inspired from Panchatantra*



## THINKING OUT OF THE BOX



**'ONE CLICK' Decoration Process**



**Environmental friendly Extrusion Lamination Process**





Lustrous Laminated Tubes



Sustainable Tubes



Oval Tube for Enhanced Brand Display



4G Decoration



'ONE CLICK' Decoration Tubes



Innovating Dispensing



*'It is the will and not the size'- Teamwork, thought inspired from Panchatantra*

## CREATING A REWARDING FUTURE



UniLever 'Partner to Win' Global Award  
For Business Integration



Clean Room Facility For Pharmaceutical Tubes