



...LIBERATING

SUSTAINABILITY is one of ESSEL's intrinsic values. Our patented products like Green Maple leaf and Etain provide for efficient re-cycling and consequent reduced carbon footprint. The challenge for any Packaging solution is how to meet the various functionality needs of brands such as safety, protection to the product, ease of use and aesthetic look and feel, in an eco-friendly way. Often the functionality considerations may prevail over the use of a sustainable packaging solution. There is no one size fit all here.

At Essel, we therefore are committed to the cause of Sustainability not only by offering innovative products such as Green Maple leaf, but also by creating solutions for efficient re-use and re-cycling where the functionality needs require the brand to use traditional laminate structures.

The two exquisite laminated tubes you see below, one with a unique triangle shape and rich decoration designed to highlight the premium nature of the product it contains which is a Restoring Cleansing foam; and the other which is a specialty tube designed to pack a sensitive product viz. Sunblock cream, and provided with a unique colour change property when exposed to harmful UV rays outdoor to signal the consumer to apply the cream. Both these tubes use a metal barrier embedded in the laminate on functionality considerations.

Such brands can soon feel liberated that Essel's newly identified LIBERTY Technology can separate the metal and the plastic components in an eco-friendly manner and without harming either, so that the two fractions can be most efficiently re-used/re-cycled.

This is but one way we Make Sustainability the Business' DNA...

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Disclaimer:

This document contains statements about expected future events and financial and operating results of Essel Propack Ltd., which may constitute "forward-looking statements". By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.

At Essel Propack, **SUSTAINABILITY** as a credo has been internalized ever since we commenced our journey in the early eighties, so much so it now **MAKES THE BUSINESS' DNA**. Every step of our journey has seen us innovate in products, processes, materials, technology and design with a single-minded focus on how we can further the cause of resource reduction, re-use and re-cycling as much as on how we can delight customers and create value for our stakeholders.

Essel's R&D with its deep understanding of material science, has been the fountainhead of rapidly-evolving laminate structures which demonstrate Essel's ethos of caring for environment in everything we do. Besides R&D, from products to processes, materials to machines, governance to CSR, every aspect of Essel's business is committed to Environmental and Sustainability considerations, BECAUSE it is THE Right thing to do; it is THE Responsibility to Society, that we own with pride; and, it is THE stakeholders' expectation of us as the global leader in laminated tubes.



Today, when across the globe, Environment and Sustainability hold the centrestage, urging brands to go Green, it is most **LIBERATING** for our customers to have in Essel an enlightened long-term supply partner ready to power their Brand innovations with unique Sustainable packaging solutions designed to win the hearts and minds of increasingly environment-conscious consumers, the world over.

MAKING **SUSTAINABILITY** THE BUSINESS' **DNA**,
is truly **LIBERATING...**



MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR

Dear Shareholders

It is that time of the year again when I have the privilege of apprising you of the activities during the year gone by.

I am happy to announce that with your good wishes, your Company has maintained a steady performance.

During FY18, the Company's Consolidated Revenue was up 5.3% year-on-year at ₹ 2,424 Crores (exclusive of excise duty recovery) and Net Profit at ₹ 171.6 Crores. Despite the temporary setback during the GST roll out and implementation in India and the challenges that are an integral part of any expansion project (Wada, Vapi - injection moulding & Colombia), the Company has maintained its growth trajectory and has charted out a strategic roadmap, that besides helping sustain and boost growth, is also conducive to adapt to the changing needs of customers and business dynamics. "Customer Centricity" being one of our core values is always the pivot of our innovations, processes and technology.

Two major developments in recent times pose both challenges and opportunity for us - challenges in the short term; opportunities in the long term.

The first is the call for 'Sustainability', which we are continuously addressing, the latest being our "sustainable innovations" Etain and Green Maple Leaf, details of which have been communicated earlier. The call for sustainability has reached new heights and now includes finding solutions for disposal of waste generated as well as handling the material post use. The social and legal obligations on the manufacturer and Brands to ensure eco-friendly waste collection and disposal is increasing by the day. For us, this means handling our laminate and tube scrap, and the best way for this is to recycle them; recycling helps recover valuable material besides trying to make it economically viable.

Our Plastic Based Laminate poses no problem for recycling since it consists only of polymers. It is the Aluminium Based

Laminate (ABL) that poses a challenge since it has metal (aluminium) and polymer. We have been working on finding a solution for recycling ABL for 3-4 years now and I am happy to inform you that your Company is once again "first mover"; we have identified a process and technology that will facilitate electrostatic separation of polymer and metal. As a result, the polymer and metal can go into their respective recycling chains without any degradation during the process of liberation, without the use of heat or chemicals. We have christened this Project "Liberty". It will be rolled out in India this year and subsequently to all our units. Later, we propose to offer the facility to our customers, should they want us to re-cycle them after the end of the consumer cycle.

The second challenge is the new flourishing business form - E-Retail or E-Commerce. It is a big disruptor globally as far as supply-chain is concerned. The established brands are struggling to compete with the mushrooming new brands, that just launch themselves on the e-commerce platform. They are gaining quite a bit of market share thanks to the advancement of internet and online technology. The tech savvy millennial population and Gen X are active on social media with a natural propensity to try new products, buying them online from e-commerce sites. This trend causes volatility and uncertainty in the offtake of existing brands in traditional forms of business on the one hand, while the newer ones on e-platform gain currency. The established players are grappling with the need to understand the on-ground scenario and find a solution to respond to the disruption caused by e-commerce. For us, this volatility makes the forecasts given to us by our Customers less reliable. Volatile forecasts and established Brands losing market share gives rise to need for us to fill in the gap in volumes. The mushrooming new brands on the e-commerce platform provides us ample opportunity.

However, to take advantage of this, we need to introspect - go into a self-disruption mode to change the way we do business, because here, speed to market is the essence. We have deliberated the situation internally and have

begun working on solutions that will help us gain share and to be ready for the future, when e-commerce retailing becomes a way of life. The plan of action involves identifying bottlenecks and if need be, changing some of our processes and/or adapting technology to debottleneck production and be able to respond faster to changing needs of existing customers as well as prospective new ones. Our front end teams need to coordinate with the established Brands and give them their requirement while at the same time, meet with and evaluate opportunities with the new brands emerging owing to change in the delivery system viz. new market place, referred to as e-commerce.

In short, we need to be Lean, Hungry and Fast to stay ahead. We must change the rules of the game - do what it takes to accelerate speed of seizing new opportunities and executing them.

The entire organisation is fully charged up and I am confident that together, we will meet the targets we have set for ourselves. "THE OLD ORDER (TRULY) CHANGETH, YIELDING PLACE TO NEW..."

I would like to thank our valued Customers, Suppliers, Bankers and all our Stakeholders including the Shareholders, the Board of Directors for their guidance and encouragement, Esselites across the globe for their never-say-die attitude and commitment, all of which have contributed to the growth of your Company.

 **Ashok Goel**
Chairman & Managing Director



We have been working on finding a solution for recycling Aluminium Based Laminate (ABL) for 3-4 years now and I am happy to inform you that your company is once again "first mover".



DRIVING SUSTAINABILITY LIBERATING BRANDS

Rooted in our long-term vision, Sustainability encompasses every facet of our business – from products to process, material to machines, governance to CSR.

PRODUCTS AND MATERIALS

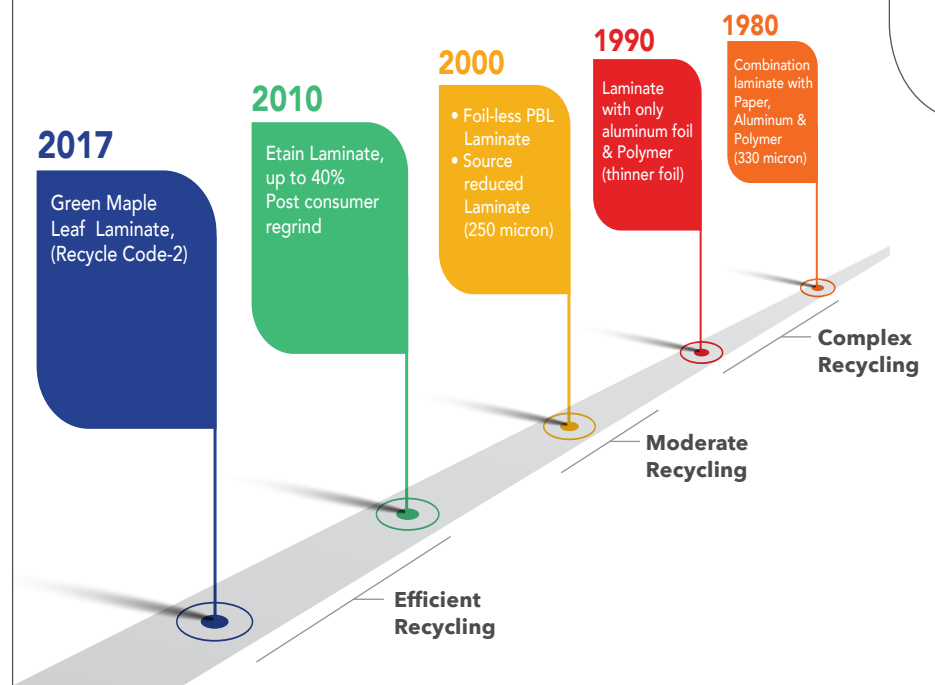
Over the three decades of existence, we have transformed the laminated tubes with higher and higher levels of resource reduction, recyclability and environmental conservation. Deep knowledge of the polymer science coupled with an equally deep commitment to Sustainability, has paved way for us to successively eliminate paper, optimize polymer usage, replace metal barrier films, incorporate Post Consumer Grind polymers and introduce sub micron single family films and organic polymers in our laminated tubes. Available under names PBL, Etain, Super Titanium, GML etc., our laminated tubes today make possible for our customers to create and offer "Sustainable Brands" to the delight of the environmentally conscious consumers worldwide.

Plastic packaging offers the benefits of affordability, ease of use and handling, and relatively lower demand on fossil hydrocarbon as compared to metals and glass packaging. By promoting its efficient re-use/recycling, it will be a Win-Win solution for the society as a whole.

With Etain, we are able to incorporate up to 40% Post Consumer Regrind in our tubes; the Green Maple leaf is created using polymers of one family

and qualifies for Recycle Code-2. We are much encouraged by some of our early discerning customers who see the longer term value/lower "cost of ownership" aspects of our Sustainable tubes, rather than only the price, in adopting these packaging solutions for their brands. We believe this line of thinking will gain traction going forward, and vindicate our passion and efforts in pioneering various Sustainable tube structures.

EP INNOVATION JOURNEY



TECHNOLOGY AND PROCESS

Going beyond the Products, our Sustainability drive also extends to Technology and Process. Some of the key initiatives that make our manufacturing environmental friendly, include:

- (a) On-line and real-time inspection systems, now under trial in our factories, aimed at reducing the process scrap for both us and our customers.
- (b) Curing with UV instead of hot air, further reducing energy usage, and making it a non-polluting process.
- (c) A Computer to Plate process which leverages digital technology in making for a near pollution-free



- pre-press operation with high consistency and high quality reproduction of images.
- (d) Co-creating jointly with Machinery manufacturer higher and higher speed tubing lines, taking up the speed from 60 tubes per minute to 500 tubes per minute but with much lower consumption of power and other utilities.
- (e) Working jointly with Equipment supplier to create advanced decoration capabilities on a single equipment (ELITE printing technology) obviating multi stage handling and wastage of material.
- (f) Deploying "one click" technology inter alia to radically improve the print integrity and lower the set up scrap.

PROJECT LIBERTY

Essel Propack has collaborated with multiple major technical partners across the globe and co-created a solid-state environment-friendly process. By this, the metal and the plastic components of the Aluminum Barrier Laminate tubes can be separated in an eco-friendly manner without the use of chemicals or heat, and without degrading the two components. The recovered materials can be efficiently re-used/recycled in separate streams dispelling any concerns on Sustainability.

Further, in step with **our Vision of "Every single tube made by Essel is recyclable"** we have launched in March 2018, the first-of-its-kind path breaking solution (Project LIBERTY) to help our customers whose brands necessitate use of laminate tube with embedded metal barrier and liberate them of concerns on recyclability.

OUR SUSTAINABLE OFFERINGS



Green Maple Leaf,
Recycling Code-2



Green Maple Leaf,
with Organic polymer



Super Titanium with
Post Consumer Regrind

CSR

PORTABLE TOILET AND SCHOOL FURNITURE MADE WITH ESSEL'S LAMINATE SCRAP



We are also innovating more ways to re-use our manufacturing waste in a socially responsible manner. This accomplishes in one stroke, the twin objectives of Sustainability and Social development. Given the versatility and flexibility of plastic as base material, there is much that can be done with it. People in our factories are actively involved with the local communities to identify their infra-structural needs and creatively address those needs using inter alia the plastic scrap generated at our factories. One such initiative has been the manufacture of school chairs and benches from the process scrap. These are distributed free to schools in and around our manufacturing units. Another example is toilet made from recycled plastic and distributed to the rural communities.



All weather-resistant toilet as part of SWACHH BHARAT



Small and large school benches and desks distributed free to schools

AWARDS & ACCOLADES



CavinKare
Long Standing Partner
Award 2018



Indian Institute of Packaging
IndiaStar 2017 awarded to
Ginger Garlic Paste in Tube



Exxon Mobil appreciation for
being their valued Partner in
India for the year 2017

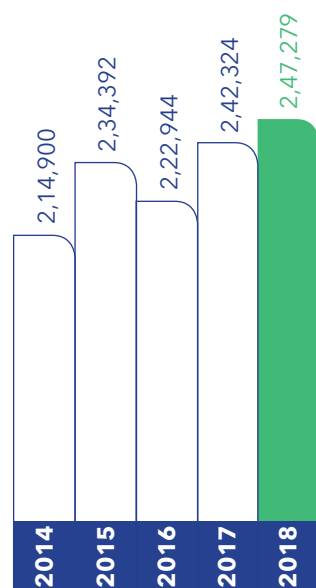


IFCA STAR 2017 Award
in Recognition of Excellence
for Children Water Colour
Tube in the category of
Innovations

FINANCIAL HIGHLIGHTS

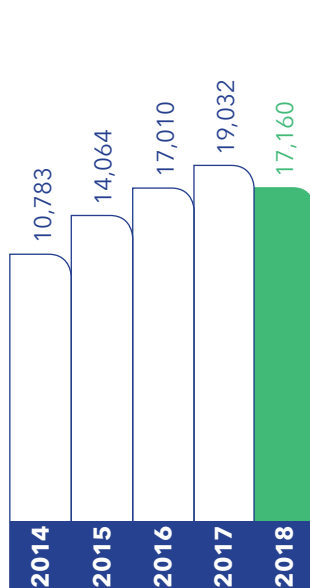
SALES AND OTHER INCOME

₹ in lakhs



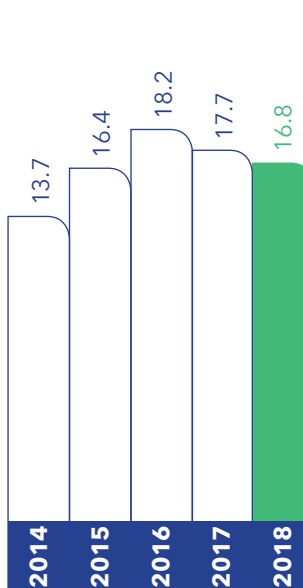
PROFIT AFTER TAX

₹ in lakhs



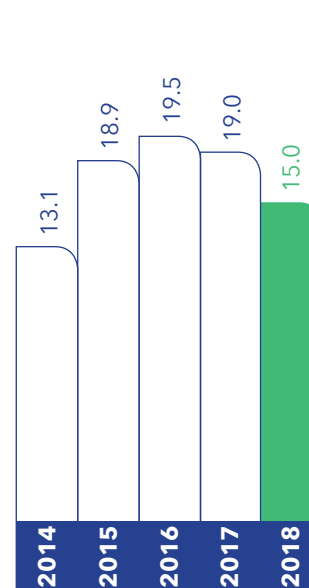
RETURN ON CAPITAL EMPLOYED

%



RETURN ON EQUITY

%





DIRECTORS WITH LEADERSHIP TEAM



STANDING LEFT TO RIGHT:

Suresh Savaliya, Head - Legal & Company Secretary | **Roy Joseph**, Regional Vice President - AMESA
M. K. Banerjee, Director - Creativity & Innovation | **Vinay Mokashi**, Financial Controller - Corporate
Dileep Joshi, Director - Human Capital | **Hariharan K**, Vice President - C & I | **Rajesh Bhogavalli**, Head Supply Chain Global
Prakash Dharmani, Chief Information Officer | **Alan Conner**, Regional Vice President - Europe
Parag Chaturvedi, Head - Global Quality & Process Improvement | **Rajiv Verma**, Technical Head - Corporate
Shrihari K. Rao, Head - Printing Technology | **Mauro Catopodis**, RVP - Americas

SITTING LEFT TO RIGHT:

Ted Sojourner, Director - Americas | **M. R. Ramasamy**, Chief Operating Officer | **Boman Moradian**, Independent Director
Ashok Goel, Chairman & Managing Director | **Radhika Pereira**, Independent Director | **Atul Goel**, Director
Mukund Chitale, Independent Director | **A. V. Ganapathy**, Chief Financial Officer
Kelvin Wang, Regional Vice President - EAP