

MULTIPLY

PRODUCTS. MARKETS. GROWTH.

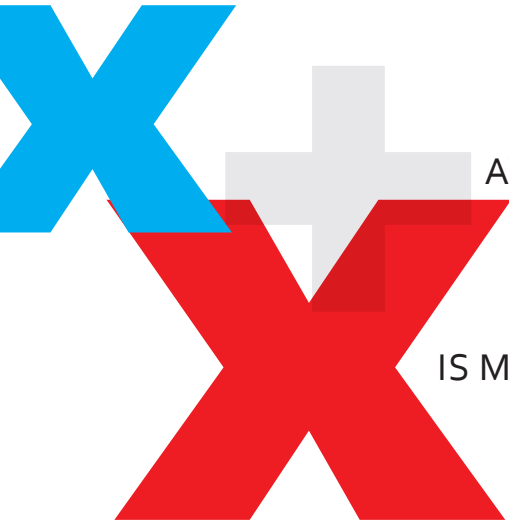


“OPPORTUNITIES
MULTIPLY AS THEY
ARE SEIZED.”

-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, toiletries, 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

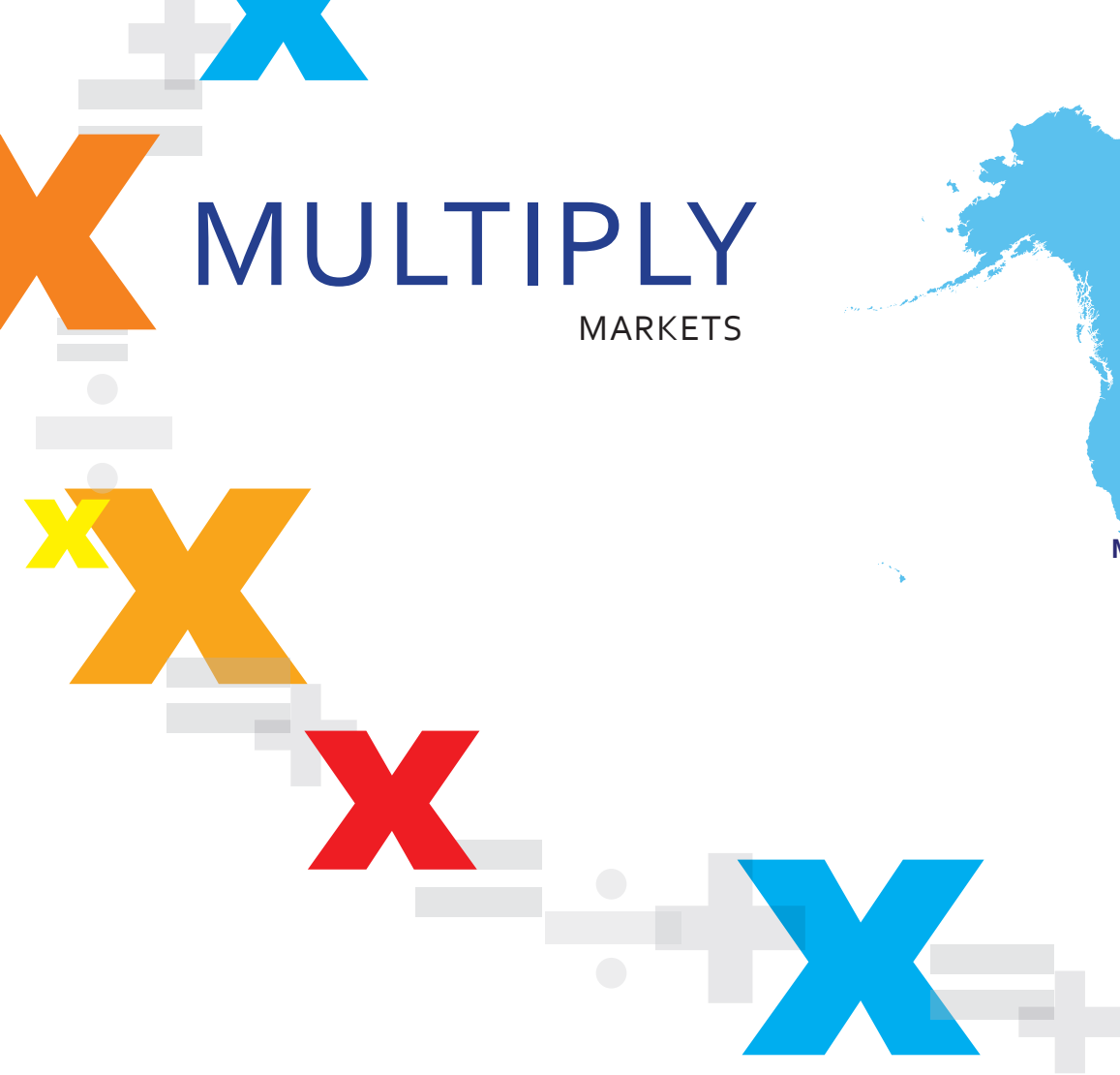


PHARMA PRODUCTS



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.



ST. JUDES, OLD AGE HOME, GOA



CHILDRENS DAY CELEBRATION AT
GOVERNMENT HIGH SCHOOL, NALAGARH

INDIA - GOA

Employees of Essel Propack's Goa and Nalagarh plants regularly organise community events at orphanages, old age homes and schools in the area.

Essel Propack, Goa won the Gomant Suraksha Puraskar, an award for outstanding performance in the area of Occupational Health, Safety and Environment instituted by the Inspectorate of Factories and Boilers, Government of Goa in association with the Green Triangle Society, an NGO actively involved in imparting awareness on occupational health, safety and environment.



MULTIPLY

ACHIEVEMENTS



Indian Flexible Packaging and Carton Manufacturers Association (IFCA) – 2011



Product Development Award for
Laminated Tubes with Digital
Printing



Product Development Award for
Fusion Printing in Plastic Co-
Extruded Tubes



Award for Creativity & Innovation -
New Applications
– Fragrance Tubes



Partner to Win Award Presented by
Hindustan Unilever Limited



1st Place in Global Packaging
Category (Germany) - Design
Freshmint Toothpaste

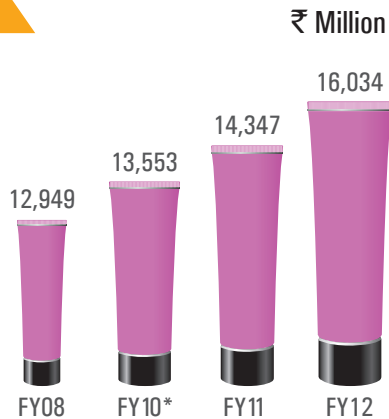


1st Runners Up
Asia Pacific Packaging Category
(Germany) – Design Laser Shaving Cream
(Singapore) – Odomos Mosquito Cream

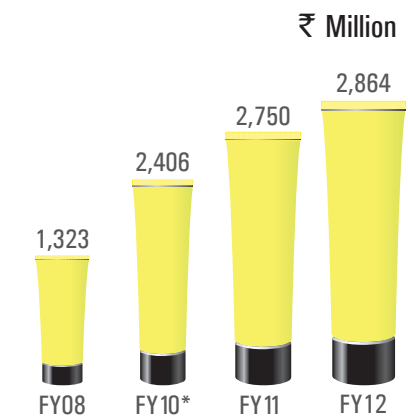
MULTIPLY

GROWTH

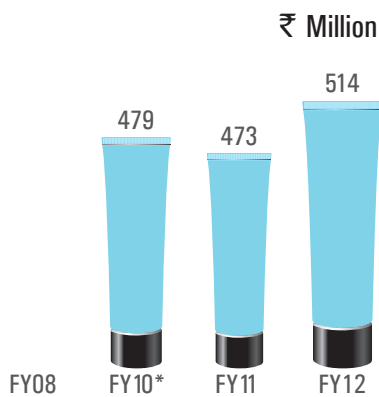
CONSOLIDATED FINANCIALS



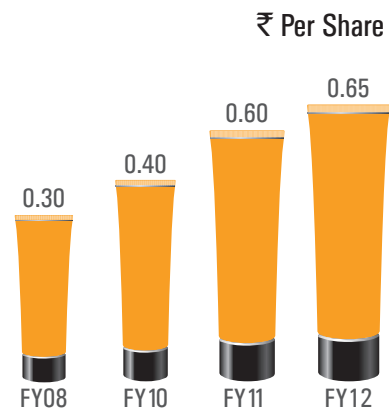
Sales and Other Income



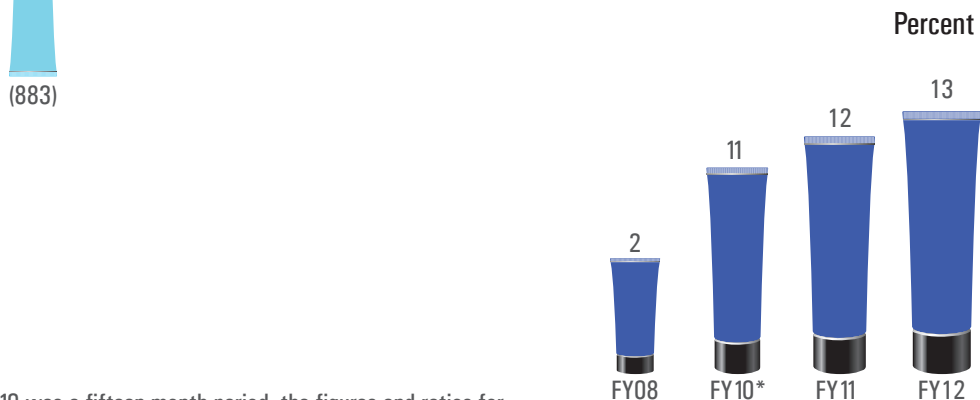
Profit Before Depreciation,
Amortisation, Finance Costs and Tax



Profit After Tax



Dividend



Return On Capital Employed

* Since FY 2010 was a fifteen month period, the figures and ratios for that year have been annualised.

BOARD OF
DIRECTORS



SUBHASH CHANDRA
Chairman



TAPAN MITRA
Director



K. V. KRISHNAMURTHY
Director



BOMAN MORADIAN
Director



MUKUND M. CHITALE
Director



ASHOK KUMAR GOEL
Vice Chairman & Managing Director

BOARD OF DIRECTORS

Subhash Chandra
Chairman

Tapan Mitra

K.V. Krishnamurthy

Boman Moradian

Mukund M. Chitale

Ashok Kumar Goel
Vice Chairman & Managing Director

Aashay S. Khandwala
Vice President (Legal) & Company Secretary

Auditors

MGB & Co.
Chartered Accountants

Bankers

Axis Bank Limited
Bank of India
Barclays Bank Limited
DBS Bank Limited
IDBI Bank Limited
ING Vysya Bank Limited
Punjab National Bank
Ratnakar Bank Limited
Standard Chartered Bank
State Bank of India
Yes Bank Limited

Registered Office

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

Corporate Office

10th Floor, Times Tower, Kamala City,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013, India.

Units - India

Vasind, Murbad, Wada, Chakan, Goa, Silvassa and Nalagarh

Subsidiaries / Joint Ventures / Associates

India, China, Colombia, Egypt, Germany, Indonesia,
Mexico, Philippines, Poland, Russia, UK and USA

Website

www.esselpack.com

Directors' Report

To The Members, Essel Propack Limited

Your Directors are pleased to present their Report on your Company's business operations alongwith the audited statement of accounts for the financial year ended March 31, 2012.

In a year that posed a challenging economic and business environment in terms of rising input costs, sharp rupee devaluation, high interest rates in India and sluggish economic growth, your Company by focusing on proactive customer development, efficiency improvement and cost control measures was able to post satisfactory results both on India Standalone and Consolidated basis.

Following the sanction by the Hon'ble Board of Industrial & Financial Reconstruction (BIFR) at its hearing held on May 10, 2012 of a Modified Scheme involving the merger of Ras Propack Lamipack Limited (RPLL) and Ras Extrusions Limited (REL), both sick companies where your Company was earlier joined as a co-promoter, the said companies merged with your Company from the appointed date i.e. April 1, 2011 in terms of the scheme of merger approved by the members earlier this year. Accordingly, the merger has been given effect in the accounts of your Company for the year ended March 31, 2012 and to this extent, the results of the year are not strictly comparable with those of the previous year.

Results of Operations:

India standalone results:

The summary results are set out below:

	(₹ Million)	
	Year ended 31.03.2012	Year ended 31.03.2011
Total Revenue (excluding Excise duty)	5,419	4,754
Total expenditure	(4,030)	(3,284)
Profit Before Depreciation, Interest and Tax	1,389	1,469
Finance cost	(587)	(594)
Depreciation	(286)	(243)
Profit before Tax and exceptional items	516	632
Tax	(25)	(192)
Profit after Tax	491	441
Appropriations:		
Dividend recommended (inclusive of tax)	119	109
Transfer to General Reserve	49	44

A strong sales growth of 18.7% driven by robust volumes and a lower tax incidence on account of the merger and availment of MAT credit helped the Company to off-set higher input and energy costs and post a Net profit of ₹ 491 million as against ₹ 441 million in the previous year.

Consolidated Global results:

The summary results are set out below:

	(₹ Million)	
	Year ended 31.03.2012	Year ended 31.03.2011
Total Revenue (excluding Excise duty)	16,034	14,347
Profit before Depreciation, Finance and Tax	2,864	2,750
Finance cost	(841)	(851)
Depreciation	(1,170)	(1,070)
Profit before Tax and exceptional items	853	829
Exceptional items	(13)	(45)
Tax	(223)	(338)
Share of profits from associates	24	25
Minority interest	(25)	(30)
Profit after Tax and minority interest from continuing operations	616	441
Profit/(Loss) from discontinued operations	(102)	31
Net profit	514	473

Strong sales growth in India, improved profitability in the Americas operations, sharp reduction in the losses of Europe operations and a lower tax incidence, underpin higher net profit of ₹ 616 million on consolidated basis from the continuing operations, as compared to ₹ 441 million in the previous year. Loss of ₹ 102 million on account of discontinuing operations for the year, relates to settlement during the year of certain claims of the medical device subsidiary divested in the year 2009. Consequently, the consolidated net profit of the Company for the year is ₹ 514 million as against ₹ 473 million in the previous year.

Review of business and operations:

Your Company is a leading manufacturer globally of multi-layered plastic collapsible tubes and laminates, considered as specialty packaging. Its tubes are extensively used by industry in the packing of their products spanning categories such as toothpaste, cosmetics, foods and pharmaceuticals. Packaging plays an important role in protecting the product, keeping it fresh and potent and

making for its aesthetics and display value in the retail shelf, besides helping to deliver it to consumer in an efficient and convenient manner. The packaging industry continues to grow given its symbiotic linkage to products of mass daily consumption. The growth in developing markets like India is even more pronounced. As a leader in the tube space, your Company is constantly striving to grow the market and gain share through innovative offerings and efficient supply chain.

India:

Your Company having pioneered laminated tubes in India since the 1980's, continues to be the market leader. The toothpaste category is a pre-dominant user of the laminated tubes in India. This category holds high growth potential given the current low per capita usage of tooth paste and the growing income and awareness levels and will continue to power your Company's sales.

Complementing this, your Company is actively promoting the use of high value laminated and plastic extruded tubes in categories such as cosmetics, foods and pharmaceuticals. The increasing number and range of customers and SKUs bear testimony to your Company's success with this strategic foray. So much so, over 47% of your Company's India sales this year is from the non-oral care category.

Your Company's innovation driven R&D, show-cased to customers as Creativity & Innovation (C&I) has been powering these efforts through a pipeline of innovations in material structure, product dispensing, 'look and feel' features, and product recyclability. During the year, your Company filed 18 patent applications. Your Company has invested in printing technologies which can produce high impact graphics and decoration and can flexibly cater to varying run sizes and print customization.

During the year, your Company ramped up its new plastic tube capacity at Wada and continued to invest in new capacities to support the fast growing demand. Customer service process was strengthened in order to achieve higher order servicing levels and faster order turnaround.

The rupee devaluation coupled with escalating global commodity prices put pressure on input costs. While your Company has an established process of regular price review and pass through of cost escalation, the margins were impacted on account of the lag effect in passing through the cost escalation. Your Company has also initiated in parallel, a number of measures to improve material and machine productivity and to make its cost structure even more competitive on long term basis.

Subsidiary operations:

Being a global player in the laminated and plastic extruded tubes, your Company has active manufacturing

and marketing presence in eleven other countries through its direct and step down subsidiaries, joint ventures and associates. Your Company also has a wholly owned subsidiary in India to manufacture and market flexible packaging used in the packing of home care, personal care, food and pharma products. All these subsidiaries / joint ventures / associates continue to work closely with the customers and grow their business with product offerings relevant to their markets.

There was no change in the subsidiaries or in the holding pattern during the year under report. Following the re-organisation of your Company's Egypt business, the Egyptian Indian company for Modern Packaging S.A.E. closed its operations during the year.

With a view to improving the cost structure, Essel Propack UK Limited, UK has closed its manufacturing operations in the UK at the end of the year and going forward will source its sales requirements from other Essel Propack's group companies in Europe. The closure costs have been provided in the consolidated accounts under 'exceptional items'.

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Report of Board of Directors and Auditors', Balance sheet and Statement of Profit and Loss (financial statements) of its subsidiaries. In view of the general exemption granted by the Ministry of Corporate Affairs, Central Government vide General Circular no. 2, 2011 dated February 8, 2011, the said reports and financial statements of the subsidiaries are not attached. The Company will make available annual accounts of the subsidiary companies and the related prescribed information, where applicable, upon request by any member of the Company. Any member interested in obtaining such particulars may inspect the same at the Company's registered and corporate office between 11.00 a.m. to 1.00 p.m. on all working days till the date of the 29th Annual General meeting.

The Consolidated Financial Statements presented by the Company include financial results of all its subsidiaries.

Joint ventures and Associates:

Your Company has a joint venture for manufacture of laminated tubes in Germany and an associate company in Indonesia. These continued to be profitable and their results have been appropriately considered in the consolidated financial results of your Company.

Management Discussion and Analysis:

The Management Discussion and Analysis of the operations of your Company and all of its subsidiaries, associates and joint ventures is provided in a separate section of the Annual Report and forms part of the Directors' Report.

Merger of Ras Propack Lamipack Limited (RPLL) and Ras Extrusions Limited (REL), sick industrial companies with the Company:

Hon'ble BIFR in its hearing held on May 10, 2012, sanctioned a 'Modified Scheme' including Scheme of Merger ('the Scheme') of Ras Propack Lamipack Limited (RPLL) and Ras Extrusions Limited (REL) with Essel Propack Limited (EPL) from the appointed date of April 1, 2011. The merger has since been effected and the other formalities including the issue of your Company's shares to the shareholders of RPLL and REL as per the share exchange ratio stipulated in the Merger scheme would be completed shortly. Consequently, your Company will issue 500,155 equity shares of face value of ₹ 2 each to the equity shareholders of RPLL and REL, while your Company's existing holding of equity shares in these two companies will be cancelled. Pending allotment of these new shares, your Company has credited the same to share suspense account. Your Directors extend their warm welcome to the members of RPLL and REL on their joining the Essel Propack family. Your Company will work to improve the operations of the RPLL and REL facilities and leverage their existing capacity to create value for all shareholders.

Dividend:

Taking into account the profits reported, the overall need to maximize internal accruals as means to lower your Company's financial gearing and keeping in mind the interests of the shareholders, your Directors recommend a dividend of ₹ 0.65 per share of face value of ₹ 2 each, for the financial year ending on March 31, 2012. (previous financial year: ₹ 0.60 per share of face value of ₹ 2 each). The shares issued pursuant to merger will also be entitled to the aforesaid dividend in respect of the full financial year.

Finance and Accounts:

Your Company continues to focus on reducing financial leverage and finance costs through enhancing capital productivity and improving cash generation. Forex and interest rate exposures are closely reviewed and appropriately hedged in order to minimize risk.

Your Company closely plans and monitors its fund flow with a view to maintaining a healthy mix of long and short term debt that is optimal in terms of cost, flexibility and risk. The Euro crisis during the second half of the year 2011, caused some delay in the timely completion of the borrowing programme of your Company's overseas subsidiaries. Being just a timing issue, your Company supported their requirement through advances resulting in an increase in short term borrowings in the India standalone balance sheet. The subsidiaries have since successfully raised finances and repaid these advances to your Company to reduce the short term debt.

Buy-Back of shares:

Your Company has not announced in the last three years any Share Buy-Back programme. If there is any future proposal for Buy-Back, fresh mandate will be sought from the members as necessary under the applicable guidelines.

Public Deposits:

Your Company has not accepted any fixed deposits from the public and there are no outstanding fixed deposits from the public as on March 31, 2012.

Human Capital:

Your Company has 852 employees in India and 2,546 employees globally as of March 31, 2012. The information on employees' remuneration as per Section 217 (2A) of the Companies Act, 1956 (the Act) read with the Companies (Particulars of Employees) Rules, 1975, as amended till date, forms part of this Report. However, as per provisions of Section 219(1)(b)iv of the Act, the Report and Accounts are being sent to all the members, excluding the statement containing the particulars of employees to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Company's registered and corporate office between 11.00 a.m. to 1.00 p.m. on all working days till the date of the 29th Annual General Meeting. Further, those seeking a copy of the said statement may write to the Company Secretary at the Corporate Office.

Directors:

The following Directors seek re-appointment:

Mr. Subhash Chandra, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

Mr. Mukund M. Chitale, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

Brief resumes of Mr. Subhash Chandra and Mr. Mukund M. Chitale as required by Clause 49 of the Listing Agreement with the Stock Exchanges is annexed to the Notice convening the 29th Annual General Meeting of the Company.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors confirm that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
2. Appropriate Accounting Policies have been selected and applied consistently and have made judgment

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit for the financial year ended March 31, 2012;

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. The Annual Accounts have been prepared on a “going concern” basis.

Auditors:

M/s MGB & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Corporate Governance:

Your Company has complied with the Corporate Governance requirements as per the revised Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance along with a Certificate of Compliance from the Auditors, forms a part of this Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies

(Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in a separate annexure, which forms a part of this Report.

Cautionary Statement:

Statements in the Directors’ Report and the Management Discussion and Analysis may be forward looking within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Certain factors that could affect the Company’s operations include increase in price of inputs, availability of raw materials, changes in government regulations, tax laws, economic conditions and other factors.

Appreciation:

Your Directors wish to place on record their appreciation for the co-operation and support received from banks and financial institutions, customers, suppliers, members and employees towards the growth and prosperity of your Company and look forward to their continued support.

For and on behalf of the Board of Directors
ESSEL PROPACK LIMITED

Subhash Chandra
Chairman

Mumbai, August 31, 2012

Annexure to Directors' Report

Information under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report:

A. Conservation of Energy

(a) Energy Conservation measures taken:

Your company is committed to continuously reducing energy consumption at its various units. Besides sustaining previous year initiatives, new measures were implemented during the year under report. Your Company has been striving for ensuring environment friendly initiatives through various projects on energy saving at its units. Gist of initiatives taken to ensure your Company has energy efficient systems to support the environment as under:

- Usage of solar heaters.
- Purchase of new energy efficient machines and utility equipment.
- Double glass window panels to get natural light and save AC energy for mini production hall.
- Low HP motorized vacuum trim extractor replacing high compressed Air trim extraction system.
- Transparent sheet provided on the roof to eliminate lighting during day time.
- Opening made in ducting to take fresh air inside for cooling of room during winter season to avoid utility chillers running during winter.
- Harmonic analysis of the machines done to check any noise in the system lines.
- Replacing Servo motor to handle hydraulic and main motor functions reducing cost.
- Removing redundant cooling towers, pumps etc.
- Motors with lower loading converted from Delta to star.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

Your Company is pursuing other investment proposals to reduce the consumption of energy:

- Provide insulation jacket on heaters to reduce heat emission.

- Reduce consumption of compressed air & power by audits & actions.
- Reduction in operating pressure of compressors.
- DG optimization.
- Heat removal from machine panels to get better cooling effect and save power on air conditioning.
- Conversion of trim suction unit which is running on compressed air.
- Identify the high power consuming machines and actions.

(c) Impact of the above measures as stated under (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- Natural light used to save power during daytime.
- Natural air used for cooling during winter for airconditioning.
- Usage of energy efficient equipment to reduce power cost.
- Conversion of hydraulic motors to servo motors to reduce power consumption.

(d) Total energy consumption and energy consumption per unit of production in respect of the industries specified:

Not Applicable to the company

B. Technology Absorption:

(a) Research and Development (R&D)

1. Specific areas in which R & D was carried out by the Company:

Your Company continues to pursue innovation and applied research as means to sustain its global leadership in a competitive environment. Your Company's Research thrust spans for innovative yet reliable raw materials, basic substrate and web structures, dispensation system, graphics and decoration, anti-counterfeit features and sustainability.

2. Benefits derived as a result of the above R&D:

- i) Your Company has exported about 200,000 m² (₹ 13 million) of ‘dual barrier’ tube web for packing aggressive ‘Baking soda based’ whitening toothpaste, produced by a large oral care companies in UK.
- ii) New generation high performance polymer based web structure enabled your Company to design and develop high resilience, higher chemical resistance tube that found usage for highly acidic as well as highly alkaline product formulations.
- iii) High lustre ‘Egnite®’ plastic barrier tube substrate gaining huge popularity in western and far eastern FMCG customers. One large FMCG customer in USA and two FMCG customers in China have approved this special web for cosmetics and toiletries packaging.

3. Future Plan of Action:

Your Company’s Creative & Innovation team is working on several new projects encompassing sustainable tube design, easy recyclable tube, tube for food application and easy dispensing, tamper evident tube and closures and new generation interactive graphics.

4. Expenditure on R&D:

	(₹ million)
a) Capital	35.80
b) Recurring	2.20
c) Total expenditure	38.00
Total Expenditure as a % of Total Turnover	0.77%

(b) Technology Absorption, Adaptation & Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

- i) New generation decoration technology such as ‘Fusion Print®’ and ‘one click Print®’ that was adopted during the previous year, started yielding results in the current year. Both decoration technology has been well appreciated by the FMCG companies.
- ii) ‘Elite Print®’ technology has been implemented in December 2011. ‘Elite

Print®’ enables your Company to print multi discipline printing process to sequentially print photo quality graphic on the polymeric substrate. In a single pass, one can print screen, flexo graphic and foil blocking.

2. Benefits derived as a result of the above efforts:

- i) Your Company has successfully deployed ‘Fusion Print®’ technology for Plastic extruded tubes which has enabled your Company to bag multiple high-end cosmetic and toiletries brands in India and abroad. During the year your Company executed 115 SKUs totaling the number of tubes sold to 12 million. Out of which, 55 SKUs are conversion from wrap around label.
- ii) ‘One Click® Print’ technology has been a great success and during the current financial year your Company commercialized 572 SKUs covering 12 million tubes.
- iii) During the last quarter, your Company commercialized 9 SKUs covering 0.65 million tubes. Considerable amounts of SKUs are awaiting approval from various FMCG companies.

3. Imported technology (imported during the last 5 years reckoned from the beginning of the financial year):

- (a) **Technology imported** - Combination pixel quality print system State of Art technology for pre press CTP, graphics software

- (b) **Year of import** - 2010

- (c) **Has Technology been fully absorbed?** - Yes

- (d) **If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.** - NA

C. Foreign Exchange Earnings and Outgo

(a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans.

Your Company has continued to grow and strengthen in traditional Exports markets of SAARC, Middle East and Israel through a focused approach of developing new customers and catering to new applications beyond the oral care. The thrust has been provided by plastic tube sales improvements and concerted efforts to strategically shift to new customers and new geographies like Iran for improving contributions.

The expansion in the capacity for plastic tubes and the new printing and decoration capability both in Plastic and Laminated tubes, are being leveraged to tap opportunities in existing and the sophisticated markets of Europe and US. Market Mapping and local trade participation in Sri Lanka and Bangladesh has started to yield results. Over a period, these initiatives will help diversify the export portfolio. Export of extruded plastic tubes, lower diameter laminated tubes and laminate sales to new geographies will continue be the focus area to drive growth in these markets.

Africa region is being viewed as a separate focus area and market mapping for the region has been completed and your Company is in process of concluding discussions with MNC partners present in the region to lay a footprint.

Competition from Indian manufactures and Far East tends to put pressure on prices and margins. Your company is addressing these with a clear value proposition and supply reliability.

(b) Total Foreign exchange used and earned

	(₹ million)
I Foreign exchange earned (excluding deemed export)	684.13
II. Foreign exchange used	1,738.20

For and on behalf of the Board of Directors
ESSEL PROPACK LIMITED

Subhash Chandra
Chairman

Mumbai, August 31, 2012

Management Discussion and Analysis

Your Directors are pleased to present the Management Discussion and Analysis for the year ended March 31, 2012.

Business overview:

Your Company manufactures and markets a wide range of plastic tubes, both laminated and extruded and flexible plastic laminates. These tubes are eminently suited for packing viscous product forms such as pastes, gels and creams. Besides preserving and protecting the product, tubes as a packaging form offer superior value proposition in terms of ease of dispensing product, hygienic storage in a multiple usage situation and excellent brand visibility on retail shelves. Tubes therefore have become a favoured packaging material worldwide for a range of consumer products such as toothpaste, face creams, hair conditioners, shaving creams, cosmetics and pharmaceutical ointments. Flexible Plastic laminates on the other hand, find use as pouches, sachets and wrappers to contain product forms such as solid, powder and liquids. They offer excellent brand visibility at low cost. A number of products use these laminates, such as detergent powder, soap tablets, food products, oils, shampoos, biscuits, chocolates, pharmaceuticals etc.

Your Company pioneered plastic laminated tubes in India. Over the last 28 years, it has transformed into a leading global player in laminated tubes, manufacturing and selling over 5 billion tubes across 12 countries. The other two products, viz plastic extruded tubes and the flexible plastic laminated are relatively recent forays targeting select markets viz. India, Europe and USA in the case of plastic extruded tubes and India alone in the case of flexible plastic laminates. Your Company's key strengths include strong domain knowledge of polymers and plastic structures, proven innovation capability, global customer network and a fully integrated manufacturing.

The market for your Company's products is huge in the developed markets of Europe and America. It is growing rapidly in the emerging markets of Asia, Africa and Latin America driven by a booming Fast Moving Consumer Goods (FMCG) industry. As the disposable income in these markets grows, both the usage and sophistication of packaging is expected to witness sustained uptrend. Plastic laminated and extruded tubes in a sense are a more evolved form of packaging and in the long term could benefit from conversion from other packaging forms such as bottles and sachets. With its scale, global reach and innovation capability, your Company is strategically well-placed to benefit from this linkage to the FMCG sector.

Operational Performance Review:

The year under review was marked by volatile commodity and input prices, weak consumer demand in the USA and Europe, slowdown in the Indian and Chinese GDP growth, high inflation and interest rates in India, and a sharp devaluation in Indian rupee. Despite the difficult environment, your Company posted satisfactory results during the current year helped by a four pronged strategy, viz.

1. Pro-active customer development, specially in India and Europe.
2. Cost reduction programs across the business.
3. Fixing performance issues of the plastic extruded tubes business in US and Poland.
4. Conservation of Cash through selective capex spend and inventory reduction.

Key high notes of the year are as follows:

1. Strong growth in the profits of the US operations.
2. Robust revenue growth of 50% and reduction by 50% in the EBITDA losses at the Polish unit.
3. A strong 15% volume growth in India, with the new plastic extruded tubes capacity ramping up.
4. Finance costs contained at previous year level, through pro-active management of the borrowings and interest rates.
5. ₹ 400 million reduction in inventory through improved stock turn.
6. Strong recovery in the profitability of the India flexible packaging unit helped by high capacity utilization and improvement in operating efficiencies.

The key challenges faced by the business have been:

- Input cost increases due to volatility in the global commodity prices accentuated in India, Mexico and Russia by sharp currency devaluation, impacting the margin and profits.
- Off-take issues with a key customer in China for a significant period during the year, impacting sales and profits.

Segment Performance Review:

Your Company's key business is in Plastic packaging materials. The business is managed by four geographical segments viz.

1. **Americas** (with operations in the USA, Mexico and Colombia)

2. **Europe** (with operations in the UK, Germany, Poland and Russia)
3. **AMESA** - Africa, Middle East & South Asia (with operations in Egypt and India)
4. **EAP** - East Asia Pacific (with operations in China, Philippines & Indonesia)

Segment financial highlight:

The table below sets out the segment financial highlights for the year :

(₹ Million)

	FY ended March 31, 2012	FY ended March 31, 2011
Revenue:		
Americas	3,705	3,300
Europe	1,775	1,376
AMESA	7,794	6,953
EAP	3,690	3,511
PBIT		
Americas	148	34
Europe	(253)	(219)
AMESA	964	957
EAP	712	686

Developments in each of the Regions are set out below:

Americas:

Your Company has strong market presence in the USA, Mexico and Colombia. Laminated plastic tubes constitute the mainstay in all these markets; extruded plastic tubes are manufactured only in USA. During the year, the Region as a whole grew its revenue and operating profits significantly despite continued weak economic growth in its key market viz. USA.

The laminated tube unit in the USA improved its operating margin by 4% through improved sale mix and savings from material and machine productivity programs, thus more than doubling its profit over the previous year.

The extruded tube unit in the USA ramped up its capacity utilization beginning the second half of the year on the back of a large export contract. This, together with a focused cost reduction program, has improved the Unit's operating margin by 9% and reduced its operating losses significantly during the year.

The Mexican unit, however posted operating loss on account of lower sales volume and higher material cost due to weaker Peso. The Unit management has been re-vamped since the last quarter of the year with a view to improving plant efficiency and supply reliability as a means to re-gain the sales volume.

The Colombian subsidiary continues to grow strongly and is operating at its capacity. There have been new customer wins here necessitating capacity expansion going forward.

Europe:

Your Company offers both the laminated tubes and plastic extruded tubes in Europe. The Polish unit is the hub for extruded plastic tubes. During the year, the region as a whole grew its revenue significantly. The operating losses however increased due to under achievement of sales and operating margin by the German unit.

The Polish unit grew its sales by over 54% by quickly ramping up its newly established capacity for laminated tubes and continuing to grow its plastic extruded tube sales through new customer acquisition based on high quality and a quick order turnaround. Your directors are happy to note that this unit is poised for an early and decisive turn-around and would contribute to your Company's profits.

The Russian unit posted yet another year of improved performance helped by a double digit sales growth.

Your Company's unit in the UK closed down its manufacturing operations by end of the year and would source its requirement from the Company's Polish and German units as part of your Company's supply chain strategy. The down-sizing of the establishment however was done in a phased manner given the need to sustain customer order servicing until the alternative supply sources ramped up. This and other one time separation and other closure costs caused this unit to post a higher operating loss. The separation and other closure related costs have been reported as exceptional item in the consolidated accounts.

Your Company's German joint venture unit was faced with decline in sales in the first half of the year. This together with higher scrap levels caused the unit's profit to decline significantly during the year. The operational management issues are being addressed on priority with help from your Company with a view to restoring efficiencies and restoring profitability.

The strategic thrust in the Europe region is to secure an early break even of the Polish unit, seize opportunity with a few large volume customers and pursue scale of economies.

AMESA (Africa, Middle East and South Asia)

The Region's sales grew by 12%, driven by a strong performance from India tubing operations.

The India unit has been successfully growing its sales by partnering with key long term customers and developing new business in the high value cosmetics and pharma categories. The profitability was impacted due to lag effect in passing through of the cost escalations in the course of the year. With the stabilization of input prices

and the rupee exchange rate, the margins should recover.

The Egypt unit continued to perform well despite the unstable political and economic environment. The unit began its foray into the pharma category offering laminated tubes as alternative to the aluminium tubes. This could be an important growth driver for your Company in this market.

Your Company's flexible plastic laminate subsidiary in India turned out a good performance, improving margin and profits in a highly competitive environment through pro-active price reviews and improved material efficiency. Over the last five years, the unit has successfully diversified its customer and product portfolio and ramped up its capacity in Uttarakhand.

For this region, the key thrust is to grow the plastic extruded tube market in India, create greater flexibility in the supply chain and instant order turnaround capability in order to grow and gain share in the high value cosmetic and pharma categories, while continuing to grow and improve its share with existing customers.

EAP (East Asia Pacific):

Strong customer partnering and high quality servicing has helped the region to gain a high market share and builds a large business. The China unit has four manufacturing locations across the Country giving it access to most of the China tube market, as well as to Japan and Korea.

During the year, the China unit sales were impacted by certain off-take issues by key customers. The situation has been improving since. The unit has been growing volumes with new customers; this coupled with strong cost management, helped the unit to minimize impact on profits. The unit is actively developing customers in the pharma and cosmetic category by leveraging the new capability it has set up. It has also secured a long term customer tie up in Japan. Overall, this unit with a strong balance sheet and a track record of operational excellence is gearing up for the next level of growth.

The Philippines and the Indonesian units with their strong market presence continued to contribute to your Company's profits.

The region's thrust is to build a sizeable business in the pharma and cosmetic category with state of the art technology, while continuing to grow and improve its share with existing customers.

FINANCIAL AND OPERATIONAL PERFORMANCE

Overview:

(₹ Million)

Particulars	FY ended March 31, 2012 (***)	FY ended March 31, 2011	Growth
Net Sales/ Income from operations	15,837	14,083	12.5%
Profit from Operations before Other Income, Interest and Exceptional items	1,497	1,416	5.7%
Finance cost	(841)	(851)	1.2%
Profit/ (Loss) from ordinary activities before tax	840	784	7.1%
Net Profit for the period from continuing operations	616	441	39.7%
EPS – continuing operations	3.92	2.83	38.5%

*** The FY 12 results include the impact of merger of RPLL and REL with EP and are not strictly comparable with previous year's results

From the above it can be seen that during the current year, your Company's sales grew by 12.5%, but the input cost increase impacted the margin causing the Profit before tax to grow at 7.1%. Lower tax costs on account of the merger and the MAT credit entitlement however helped the net profit to grow 48.1% over the previous year.

CREATIVITY & INNOVATION (C&I)

The Research and Development function has been one of the key drivers of your Company's growth into a leading global player.

Dedicated group in creativity and innovation continuously work on various polymers, additives and allied process. Idea is to apply new science on the commonly available materials and transform them into special featured laminates and tubes. Some such developments include, polymer with high clarity and high sheen that looks like metal but feels like soft plastic. In another innovation, the C&I have created a large diameter tube which has a rigid 'bottle like' feel but a much lower component weight, thus reducing the use of plastic material and helping position tube packaging as more 'sustainable' compared to bottles.

Another area of C&I work covered designing tubes in such a manner that they become more chemically inert and are able to accommodate chemically more aggressive product formulations such as hair colourants.

Yet another area of C&I work goes to inventing a new processing technique for polymer conversion. Here the idea is to have more energy efficient conversion and do away with unnecessary sub process.

Group of dedicated C&I members along with the new product development team assisted by legal department working on creating intellectual property rights. As a result, your Company has filed 18 patent applications during the year. Your Directors believe that this will provide your Company long term competitive advantage and further enhance your Company's image.

Your Company's research and development efforts continue to win accolades in several forums across the globe. Your Company is committed to leverage its R&D capability to further sharpen its competitive edge globally and make a difference to its customers.

FINANCE

Your company continued to focus on cash generation through cost management and capital productivity improvement measures. Capital expenditure during the year was confined to the growth markets of India and China. Inventory and receivables were closely managed. A global inventory reduction program was initiated during the year, which has helped bring down inventory by ₹ 400 million through improved stock turn. Raw material price volatility was pro-actively addressed, including through regular price reviews and "pass through" clauses in the long term contracts. Interest cost was contained during the year by actively managing the borrowing mix and interest rates and through rate reviews with lenders based on your Company's improved financials. Your Company follows a prudent financial policy in order to ensure timely availability of funds for business needs, and timely servicing of debt obligations. Foreign currency exposures are closely monitored and hedged through forward contracts and open exposures are controlled within limits.

HUMAN CAPITAL

Your Company attaches great importance to the continuous development of its Human Resources as means to sustain profitable growth. During the year, most of the managers and executives across the global operations were put through individual development plans. Top talent went through a career development process. Training, both in house and external, was imparted as determined in the development plans.

Your Company has significantly strengthened the Performance Management System through Goal Setting Workshops and a streamlined Reward System. Six sigma projects have been rolled out to all key operations, and have helped to address issues of material yield and machine productivity. Industrial relations in all the units were cordial.

During the year, your Company carried out a repeat survey globally on employee engagement with the help from renowned consultants. The survey which evoked near total response shows a significant improvement in the employee engagement score. Based on the survey results, action plan has been worked out by all the units to further improve the score.

INFORMATION TECHNOLOGY

During the year, your Company continued to leverage its ERP platform for providing high quality internal MIS spanning areas of material and machine efficiencies, sales, inventory and receivables analysis. Timely and standardized reports are now made available to the operating management, facilitating proactive corrective measures and performance improvement. Continuous training was imparted for staff on the effective use of SAP and the knowledge of power users has improved. A dedicated core team supports SAP globally. A Steering Committee comprising of the Corporate Leadership Team supervises the IT initiatives globally through its regular monthly reviews.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

Your Company has in place internal control systems and a structured internal audit process charged with the task of safeguarding the assets of your Company and ensuring reliability and accuracy of the accounting and other operational data. The internal audit department reports to the Audit Committee of the Board of Directors.

Your Company has a system of monthly review of business as a key operational control wherein the performance of units is reviewed against budgets and corrective actions initiated.

Your Company has in place a capital expenditure control system for establishing the viability of and committing of funds to new projects. Accountability is established for implementing projects on time and within approved budget. This is overseen by the Investment Committee of the Corporate Leadership team.

The Audit Committee, the Statutory Auditors and the Top Management are regularly apprised of internal audit findings. The Audit Committee of the Board consisting of non-executive independent Directors periodically reviews the quarterly, half yearly and annual financial statements of your Company. A detailed note on the functioning of the Audit Committee and of the other Committees of the Board forms part of the section on corporate governance in the Annual Report.

During the year your Company issued several internal policy guidelines for uniform application across its units, relating to both financial and operating matters.

RISK MANAGEMENT

The Board of Directors and the Audit Committee of the Board regularly review the risk matrix in terms of impact and probability of occurrence. The leadership team led by Vice Chairman & Managing Director is responsible for risk mitigation measures.

Key risks to which your Company is exposed include :

- a) Raw material price escalation and the lag effect in passing these on to the customers:

The constraints in ethylene capacity could continue for some more time causing upward pressure on raw material prices.

- Your Company is proactively managing its pricing terms to customers in order to minimize the lag in passing through the raw material price increases.

b) Single product dependency:

Oral care category now accounts for large part of Company's business.

- Being an essential consumer product and an item of daily use, tooth paste as a category naturally dominates the Company's product range. However, it also tends to have a stable demand in an adverse economic environment. Your Company's engagement with all global majors in this category further fortifies its position. All the same, the Company is actively developing product / customers in the cosmetics, food and pharma categories with a view to maximize value and tap the benefits of a diversified portfolio. Technology, integrated manufacturing process and innovation capability are other factors which further strengthen your Company's competitiveness. Today, the non-oral care revenues account for 34% of tubes revenue. The efforts are to continuously increase this share globally.

c) Attracting and retaining talent in the context of the business exigencies:

High demand for talent globally impacts people turnover.

- Your Company is addressing this to the best possible extent by on going initiatives of career planning, competitive remuneration, culture of empowerment, objective performance management system and variable performance pay.

d) Currency volatility:

The global nature of operations exposes the Company to multiple currencies; fluctuations in exchange rates could affect your Company's performance.

- Appropriate pass through clauses have been built into certain customer contracts in order to offset the impact on material costs by reviewing the prices. The Company also has the policy of systematically hedging its exposures using forwards/ options

wherever available in the different countries in which your Company operates.

e) High debt equity ratio:

In a downturn, higher debt could increase financial risk.

- As mentioned elsewhere in this report, your Company continues to focus on reducing financial leverage through higher capital productivity and improved cash generation. It has in place system for regular review of funds flows and a prudent financing policy aimed at optimal mix of short and long term debt. Measures to conserve cash are actively pursued.

f) Economic downturn:

This could impact your Company's markets, suppliers, customers and finances leading to business slow down, disruptions etc.

- Your Company's products are linked to daily necessities of consumers and should not be much impacted by the downturn. The Company will focus on containing costs as a means to stay competitive. Proactive supplier and customer engagement is one way your Company seeks to minimize risk to business continuity.

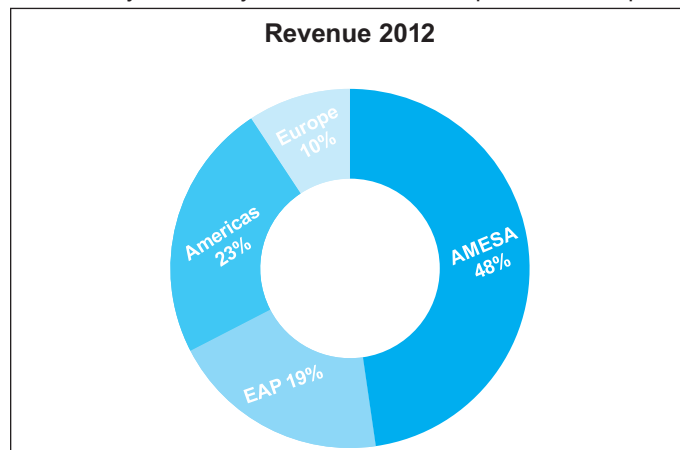
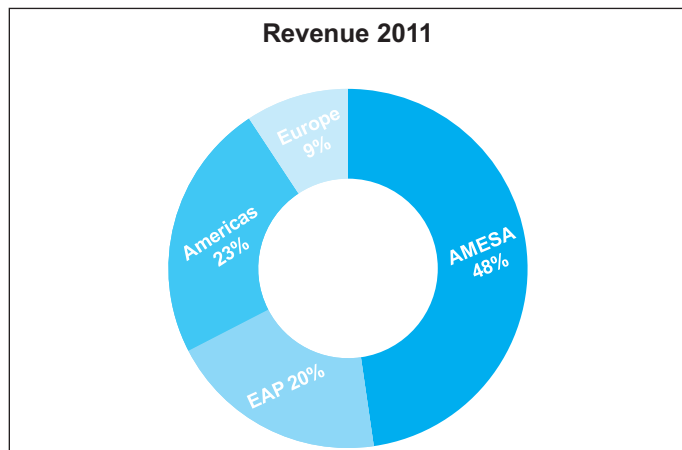
OUTLOOK

The global economic outlook is beset with recessionary concerns. While this may hold back an ambitious growth in the developed markets of USA and Europe, opportunity to grow will exist in Latin America, Africa and Asia, especially in laminated tubes. The market however could be competitive and pricing may come under pressure.

The new innovations and capabilities built up by your Company, and its significant global presence should help your Company seize the opportunity. With its renewed focus on costs and efficiency, your Company is poised to sustain a profitable growth in these difficult times.

CAUTIONARY STATEMENT

Statements in this report, particularly those which relate to management discussion and analysis, describing your Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may materially differ from those expressed or implied.



Corporate Governance Report

I. BOARD'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting the Best Global Practices in the area of Corporate Governance and follows the principles of full transparency and accountability, thereby protecting the interests of all its stakeholders.

The Board considers itself a Trustee of all shareholders and acknowledges its responsibilities to the shareholders for creating and safeguarding their wealth. During the financial year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Company's business and ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

II. BOARD OF DIRECTORS:

1. Composition:

The Board of Directors comprises of:-

Non Executive

- i) Chairman;
- ii) Four Independent Directors.

Executive Director

- i) Vice Chairman & Managing Director (CEO);

The Board of Directors provide strategic direction and thrust to the operations of the Company. The Board has a Non-Executive Promoter Chairman, Executive Promoter Vice-Chairman & Managing Director and four Independent Directors. Hence, the Company complies with the listing agreement norms for Independent Directors.

The Non-Executive Directors are professionals with specialization in their respective fields and have varied skill and expertise.

The composition and attendance of Directors at the Board Meetings and the previous Annual General Meeting (AGM) held on September 9, 2011 and also their directorship in other companies and membership of committees as on March 31, 2012 is as under:

Name of the Director	Category of Director	Board Meetings		AGM Attended	No. of Committee Memberships # @		No. of Directorships in other Companies # @
		Held	Attended		Chairman	Member	
Mr. Subhash Chandra (Chairman)	PD, NED	7	5	No	Nil	Nil	5
Mr. Ashok Kumar Goel (Vice-Chairman & Managing Director)	PD, ED	7	7	Yes	Nil	1	5
Mr. Tapan Mitra	NED, ID	7	7	Yes	2	Nil	1
Mr. K.V. Krishnamurthy	NED, ID	7	5	No	5	5	9
Mr. Boman Moradian	NED, ID	7	6	Yes	2	2	1
Mr. Mukund M. Chitale	NED, ID	7	6	Yes	5	5	10

PD: Promoter Director

ED: Executive Director

ID: Independent Director

NED: Non-Executive Director

@ Excludes directorships in Private Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956.

Only Audit Committee and Investor Grievance Committee are considered.

2. Board Procedures:

The Agenda is prepared in consultation with the Chairman of the Board of Directors, the Chairman of various Committees and Vice Chairman & Managing Director. The Agenda for the Meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meeting date. The meetings are usually held in Company's Corporate office at Mumbai.

The Board also approves Resolution by circulation for any urgent item of business permitted by the Companies Act, 1956.

3. Meetings of the Board of Directors:

During the year under review, the Board of Directors met 7 seven times on 4 May 2011, 30 May 2011, 15 July 2011, 28 July 2011, 21 October 2011, 13 February 2012 and 15 March 2012.

At least one Board Meeting was held during every quarter and the time gap between two Meetings was not more than four months.

III. COMMITTEES OF THE BOARD

1) Audit Committee:

a) Composition:

The Committee comprises of four Non-Executive Independent Directors:

- Mr. Tapan Mitra (Chairman)
(upto August 31, 2012)
- Mr. K.V. Krishnamurthy
- Mr. Boman Moradian
- Mr. Mukund M. Chitale (Chairman)
(w.e.f. August 31, 2012)

The representative(s) of the Statutory Auditors of the Company attend all the meetings of the Committee. The Internal Auditor, respective Presidents of global regions, Chief Financial Officer (Global) and Financial Controller (Global) attends the meetings of the Committee at the invitation of the Chairman. Operational heads are invited to the meeting, if required.

The Company Secretary acts as the Secretary to the Committee.

Mr. Tapan Mitra, Mr. K. V. Krishnamurthy and Mr. Mukund M. Chitale have expert knowledge of Finance and Accounting. Mr. Boman Moradian is an eminent Management Consultant.

b) Terms of Reference:

The role, powers and functions of the Audit Committee are as per Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges.

The Committee, *inter alia*:-

- Ensures the preservation of good financial practices throughout the Company.
- Monitors that internal controls are in force to ensure the integrity of the financial performance reported to the members.
- Provides by way of regular meetings, a line of communication between the Board and the Statutory & Internal Auditors.
- Considers and recommends the appointment, terms of reference and remuneration of the Statutory Auditors, the Internal Auditors and the outsourced Internal Auditors (who has direct access to the Chairman of the Audit Committee)
- Discusses the audit plans with both the Statutory and Internal Auditor before the commencement of audit and ensure co-ordination between them.
- Reviews the interim and full year financial statements with the Management and Statutory Auditor before recommending them to the Board.
- Reviews Management Discussion and Analysis of financial condition and result of operations.
- Reviews Statement of Related Party transactions.
- Discusses with the Statutory Auditor their concerns, if any, arising from their audits.
- Reviews the Auditors' Management Letters and the Management's responses.
- Reviews reports of the Internal Auditors and Management's responses thereto.
- Considers the findings of internal investigations and Management's responses thereto.
- Reviews the Company's financial control systems including those of treasury. In particular, it periodically reviews:
 1. Procedures for identifying business risks (including financial risks) and

controlling their financial impact on the Company;

2. Company's policies for preventing or detecting fraud;
3. Company's policies for ensuring compliance with the relevant regulatory and legal requirements and their operational effectiveness.

- Reviews with the Management the performance of the Statutory and Internal Auditor and the adequacy of the Internal Control System.
- Discusses with the Internal Auditor any significant findings and follow up thereon.
- Reviews the adequacy of the Internal Audit function.
- Discusses with Statutory Auditor before the commencement of the audit, the nature and scope of the audit as well as post audit discussion to ascertain any areas of concern.

c) Meetings and Attendance:

During the year under review, the Audit Committee met five times on 4 May 2011, 15 July 2011, 28 July 2011, 21 October 2011 and 13 February 2012.

The attendance of the Members of the Audit Committee is as under:-

Members	Meetings held	Meetings attended
Mr. Tapan Mitra	5	5
Mr. K. V. Krishnamurthy	5	5
Mr. Boman Moradian	5	4
Mr. Mukund M. Chitale	5	3

2) Investors' Grievance Committee:

a) Composition:

The Committee comprises of:

- Mr. K.V. Krishnamurthy (Chairman)
- Mr. Ashok Kumar Goel
- Mr. Boman Moradian

b) Terms of Reference:

The Committee deals in matters relating to:

- i) Redressal of Shareholders' grievances.
- ii) Issue of duplicate Share Certificates.
- iii) Review of Dematerialised shares.
- iv) Transfer and Transmission of shares.
- v) Other matters related to shares.

c) Meetings and Attendance:

During the year under review, the Committee met four times on 4 May 2011, 28 July 2011, 21 October 2011 and 13 February 2012.

The attendance of the Members of the Investors' Grievance Committee is as under:-

Members	Meetings held	Meetings attended
Mr. K.V. Krishnamurthy	4	4
Mr. Ashok Kumar Goel	4	4
Mr. Boman Moradian	4	4

d) Number and nature of Complaints for the year ended 31 March 2012 is as under:

Nature of Complaints	No. of Complaints	No. of Complaints redressed
Non-receipt of Dividend	Nil	Nil
Non-receipt of Annual Report	1	1
Non-receipt of Share Certificates	Nil	Nil
Dematerialisation	Nil	Nil
Miscellaneous	3	3

3) Remuneration Committee:

a) Composition:

The Committee comprises of three Non-Executive Independent Directors:

- Mr. K. V. Krishnamurthy (Chairman)
(w.e.f. May 4, 2011)
- Mr. Tapan Mitra
- Mr. Mukund M. Chitale

b) Terms of Reference:

The Committee approves and recommends to the Board of Directors, the remuneration of Mr. Ashok Kumar Goel, Vice Chairman & Managing Director of the Company.

c) Meetings and Attendance:

During the year under review, the Committee met twice on 4 May 2011 and 28 July 2011. The attendance of the Members of the Remuneration Committee is as under:-

Members	Meetings held	Meetings attended
Mr. K.V. Krishnamurthy	2	2
Mr. Tapan Mitra	2	2
Mr. Mukund M. Chitale	2	1

IV REMUNERATION TO DIRECTORS

- a) Remuneration to Executive Director of the Company:

The Committee approves and recommends to the Board of Directors, the remuneration of the Vice Chairman & Managing Director by way of Salary, Allowances Perquisites and Annual Performance Bonus. The Company has a structured assessment of the Key Performance Indicators for all employees including the Vice Chairman & Managing Director and Annual Performance Bonus is related to the achievement of performance standards.

- b) Remuneration to Non-Executive Independent Directors of the Company:

The Non-Executive Independent Directors are paid sitting fees of ₹ 15000 for attending each Meeting of the Board of Directors and Committees thereof. The Members at Annual General Meeting has approved payment of Commission to Non-Executive Independent Directors, not exceeding 1% of the net profits of the Company as computed under the applicable sections of the Companies Act, 1956. The Commission is decided each year by the Board considering the valuable contributions, guidance for the various business initiatives and decisions and also profitability of the Company.

The details of Sitting fees and Commission paid during the year ended 31 March 2012 are given below:

Director	Sitting Fees (₹)	Comm-ission (₹)	Total (₹)
Mr. Tapan Mitra	210,000	900,000	1,110,000
Mr. K. V. Krishnamurthy	240,000	900,000	1,140,000
Mr. Boman Moradian	210,000	900,000	1,110,000
Mr. Mukund M. Chitale	150,000	900,000	1,050,000
TOTAL	810,000	3,600,000	4,410,000

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

- c) The Remuneration paid to the Executive Director of the Company for year ended 31 March 2012, is as under:-

Director	Position	Gross Remu-neration Paid (₹)	Stock Options Granted	Service Contract	Notice Period
Mr. Ashok Kumar Goel	Vice Chairman and Managing Director	31,190,000 #	NIL	Re-appointed for 5 years w.e.f. 21/10/2008	3 months

Break up of remuneration paid /payable is as under:

(₹)

Sr. No.	Particulars	2011-2012
1.	Salaries, Allowances and Perquisites*	28,400,000
2.	Contribution to Provident and other funds	2,790,000
	Total	31,190,000

*Excludes Leave encashment and Gratuity which is based on actuarial valuation provided on an overall Company basis.

- d) The Non-Executive Independent Directors of the Company do not hold any shares of the Company. Mr. Subhash Chandra, Promoter and Chairman holds 89,305 Equity Shares of the Company and Mr. Ashok Kumar Goel, Vice Chairman & Managing Director holds 3,20,760 Equity Shares of the Company.

V. DISCLOSURES

1. Materially significant Related Party Transactions

The transactions between the Company and the Management, Directors or their relatives are disclosed in the Note No. 34 of the Annual Accounts in compliance with the Accounting Standard relating to 'Related Party Disclosures'. There were no materially significant related party transactions that may have potential conflict with the interest of the Company.

2. Statutory Compliance, Penalties and Strictures

There were no cases of non-compliance with Stock Exchanges or SEBI regulations, nor any cases of penalties or strictures imposed by any Stock Exchange or SEBI or any other statutory authorities for any violation related to the capital market during the last three years.

During August 2008, the Office of Registrar of Companies ("RoC") issued various show cause notices for alleged violation of certain provisions of the Companies Act, 1956. The Company had, in order to avoid further litigation, gone for compounding of the offences.

Hon'ble Company Law Board vide its order dated 11 May 2011 and 1 June 2011 has compounded all the said alleged offences against the Company and its Directors and erstwhile Directors and officers.

3. Whistle Blower Policy

The Company has a Whistle Blower Policy. None of the Company's employees has been denied access to the Audit Committee under the said policy.

4. Code of Conduct

The Company has adopted a Code of Conduct for the Board of Directors, Senior Management and the Employees of the Company who have affirmed their adherence to the Code, and has been posted on the Company's website (www.esselpropack.com). The declaration from the Vice Chairman & Managing Director to this effect forms a part of this Report.

5. Listing Agreement Compliance

The Company complies with all the requirements of the Listing Agreement and the mandatory requirements of Clause 49 of the Listing Agreement.

6. Risk Management

As required under Clause 49 of Listing Agreement, the Company has a procedure to apprise the Board of Directors of the Company on the key risk assessment areas and suggest risk mitigation mechanism. All the unit heads of the Company and its subsidiaries submit the certificate confirming compliance of the applicable laws and regulations of any potential liabilities.

7. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

As per the requirement of Clause 49 of the Listing Agreement, a Certificate duly signed by CEO and CFO of the Company was placed at the Board Meeting of the Company held on August 31, 2012. A copy of the certificate is annexed to this Report.

8. Corporate Social Responsibility Policy

The Board of Directors has approved a Corporate Social Responsibility Policy of the Company. The Company supports programmes for various social causes and education for the betterment of the society. This Policy has been uploaded on the Company's website for information of the Members.

VI. MEANS OF COMMUNICATION

The quarterly financial results and annual financial results are published in newspapers viz. The Economic Times and DNA (in English) and Maharashtra Times (in Marathi) and simultaneously uploaded on the Company's website (www.esselpropack.com).

The Company sends a copy of the quarterly unaudited financial results to all the shareholders as part of the non mandatory requirements of the listing agreement. The financial results, press releases and presentations are also uploaded on the Company's website.

The Members are also kept informed about important developments in the Company.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis forms part of the Annual Report.

VIII. SHAREHOLDERS' INFORMATION

1. Annual General Meeting

(Day, Date, Time & Venue)

Thursday, September 27, 2012, at 11:00 a.m. at Registered office at P.O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra - 421604, India.

2. Financial year

April to March

3. Book Closure Dates

From September 26, 2012 to September 27, 2012 (both days inclusive)

4. Financial Calendar

(Tentative)

Dividend

Dividend for the year : within 5 days from ended 31 March 2012 the date of the 29th AGM i.e. on or after October 1, 2012

Last AGM held on : September 9, 2011

Board meeting to approve Quarterly Unaudited & Audited Financial Results

1st Quarter (2012) : 27 July, 2012

2nd Quarter (2012) : Oct / Nov 2012

3rd Quarter (2012) : Jan / Feb 2013

4th Quarter (2012) &

Annual Audited Accounts (2012-2013) : May 2013

5. Registered Office

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

6 Listing of Shares on Stock Exchanges

1. BSE Limited,

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

Scrip Code: 500135

2. National Stock Exchange of India Limited,

Exchange Plaza, 5th Floor, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051.

Scrip Code: ESSELPACK

(Prescribed listing fees have been paid to the Stock Exchanges.) ISIN No. INE255A01020

7. Corporate Benefits

Details of corporate benefits issued by the Company is given below :-

a) Dividend

Year	%	Year	%	Year	%
1990-91	10%	1998-99 (Interim)	20%	2004 ((Final)	10%
1991-92	15%	1998-99 (Final)	34%	2005 (Interim)	100%
1992-93	20%	1999-00 Special	150%	2005 (Special)	120%
1993-94	27%	1999-00 (Interim)	54%	2006 (Interim) *	100%
1994-95	27%	2000-01	54%	2007	60%
1995-96	32%	2001	55%	2008	15%
1996-97 (Interim)	15%	2002	65%	2009-10 (15 months)	20%
1996-97 (Final)	30%	2003 (Interim)	70%	2010-11	30%
1997-98 (Interim)	20%	2003 (Final)	10%		
1997-98 Final)	32%	2004 (Interim)	80%		

* The face value of equity shares was subdivided from ₹ 10 to ₹ 2 with effect from 15 June 2006.

b) Rights Shares (Price inclusive of premium)

Year	Face Value (₹)	Ratio	Price (₹)
1990	10	1:2	10
1992	10	1:4	50
1995	10	1:3	225

c) Bonus shares

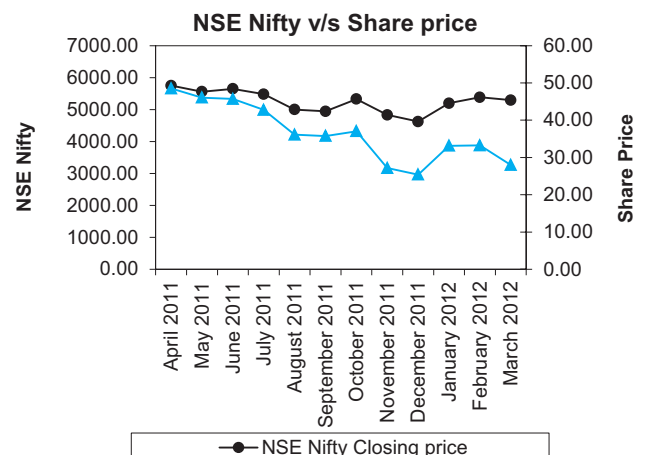
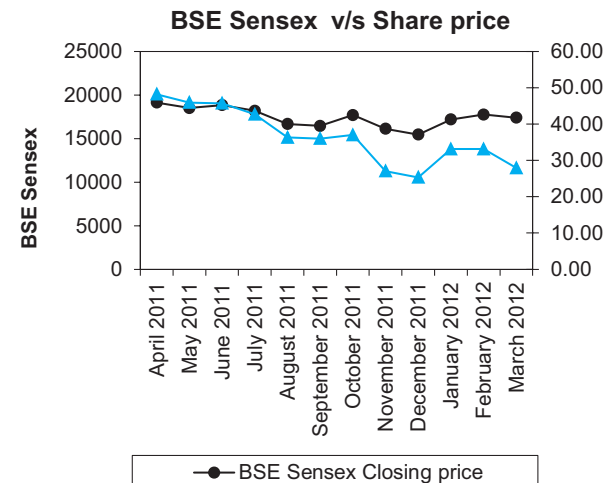
Year	Face Value (₹)	Ratio
1994	10	1:2
2000	10	3.5

8. Market Price Data: (High / Low during each month for the 12 months period ended 31 March 2012)

(₹)

Month	BSE		NSE	
	High	Low	High	Low
April 2011	52.00	46.00	53.80	46.10
May 2011	49.40	42.55	49.60	42.40
June 2011	48.00	40.70	47.40	38.15
July 2011	48.00	42.10	47.80	42.40
August 2011	43.60	34.30	43.70	34.45
September 2011	39.75	35.15	39.90	35.00
October 2011	38.90	34.00	39.00	33.85
November 2011	38.40	26.30	38.50	26.45
December 2011	28.70	23.65	29.90	23.30
January 2012	35.40	24.80	36.40	24.25
February 2012	34.85	31.85	35.10	30.55
March 2012	35.40	27.60	38.00	27.55

9. Stock Performance of Essel Propack in comparison to BSE Sensex & NSE Nifty.



10. Registrar & Transfer Agent

Sharepro Services (India) Private Limited
Unit: ESSEL PROPACK LIMITED
Samhita Warehousing Complex,
Plot No. 13 A B, Gala No. 53,
Sakinaka Telephone Exchange Lane,
Andheri - Kurla Road, Sakinaka,
Mumbai – 400 072.
Tel. : (022) 6772 0300 / 400
Fax : (022) 28591568
E-mail: sharepro@shareproservices.com

11. Compliance Officer

Mr. Aashay S. Khandwala
Vice President (Legal) & Company Secretary
Essel Propack Limited,
10th Floor, Times Tower,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Telephone Number : 022 2481 9000
Fax Number : 022 2496 3137
Email : aashay.khandwala@ep.esselgroup.com

12. Investor Relations

Mr. Surje Singh
Manager - Investor Relations
Essel Propack Limited,
10th Floor, Times Tower,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Telephone Number : 022 2481 9000 / 9065
Fax Number : 022 2496 3137
E-mail : surje.singh@ep.esselgroup.com

In order to facilitate investor servicing, the Company has designated email id: investor.grievance@ep.esselgroup.com for registering complaints by investors.

13. Share Transfers

Physical shares sent for transfer are duly transferred within 15 days of receipt of the documents, if they are complete in all respects. Shares under objection are returned within 7 working days. Share transfers in physical form can be lodged with Sharepro Services (India) Private Limited, Registrar & Transfer Agents at the above mentioned address. The Investors' Grievance Committee reviews the transfers approved by the Company Secretary or Manager – Investor Relations, who have been delegated with requisite authority.

All requests for dematerialisation of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Members holding shares in electronic mode should address

all their correspondence to their respective Depository Participant (DP) regarding change of address, change of bank mandate and nomination

14. General Body Meetings

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Vasind at 11.00 a.m. on 12 May 2009, 24 September 2010 and 09 September 2011.

Special Resolutions passed in the previous General Meetings held during last 3 years:

- i) Annual General Meeting (AGM).
 - a) 26th AGM held on 12 May 2009:
 - Special Resolution was passed to confirm and approve minimum remuneration of ₹ 2,286,527 p.m. consisting of salary, allowances and perquisites to Mr Ashok Kumar Goel, Vice Chairman & Managing Director, as per the terms of his appointment for the period from 1 January 2008 to 20 October 2008.
 - Special Resolution was passed to confirm and approve the re-appointment & remuneration of Mr. Ashok Kumar Goel, Vice Chairman & Managing Director of the Company for a period of five years commencing 21 October 2008.
 - b) 27th AGM held on 24 September 2010:
 - Special Resolution was passed for payment of Commission to Non-executive Independent Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, for a period of five financial years commencing from 01 April 2010, such amount be paid to the Directors in such manner as the Board of Directors of the Company may from time to time determine.
 - Special Resolution was passed to keep the Register of Members, Index of Members and other related returns or documents at Sharepro Services (India) Private Limited, Registrar and Transfer Agent at Samhita Warehousing Complex, Plot No. 13 A B, Gala No. 53, Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Mumbai - 400 072.

- c) 28th AGM held on 09 September 2011:
- Special Resolution was passed for partial modification in terms of remuneration of Mr. Ashok Kumar Goel, Vice Chairman and Managing Director for remaining tenure with effect from 21 October 2011 to 20 October 2013.
- ii) Extra-ordinary General Meeting (EGM)
- a) EGM held on 26 April 2012:
- Special Resolution was passed to approve modified draft rehabilitation scheme containing Scheme of Merger between Ras Propack Lamipack Limited and Ras Extrusions Limited ('transferor

companies') and Essel Propack Limited ('transferee company')

- Special Resolution was passed to approve issue and allotment of equity shares of Essel Propack Limited to the shareholders of Ras Propack Lamipack Limited ('RPLL') and Ras Extrusions Limited ('REL') (other than to EPL for shares held by EPL in RPLL and REL), in accordance with the share exchange ratio stated in the scheme of merger.

15. Postal Ballot

No special resolution was passed by way of Postal Ballot during the year ended 31 March 2012.

16. Distribution of Shares as on 31 March 2012:

Distribution	No. of shareholders	% to total holders	No. of shares	% to total shares
Less than 500	20,850	71.40	3,879,115	2.48
501 – 1000	4,125	14.13	3,267,451	2.09
1001 – 2000	2,182	7.47	3,279,330	2.09
2001 – 3000	760	2.60	1,933,104	1.23
3001 – 4000	326	1.12	1,179,818	0.75
4001 – 5000	254	0.87	1,207,897	0.77
5001 – 10000	390	1.34	2,844,591	1.82
10001 and above	314	1.07	139,009,824	88.77
TOTAL	29,201	100.00	156,601,130	100.00

17. Categories of Shareholders as on 31 March 2012:

Sr No.	Category	No. of shares held	% of share holding
1	Promoter's Holding (A)	92,589,390	59.12
2	Non-Promoters Holding (B)		
	- Mutual Funds, FIs & Banks	10,897,773	6.96
	- Foreign Institutional Investors	13,663,156	8.72
	- Body Corporates	13,107,181	8.37
	- Resident Indians	24,950,555	15.94
	- NRIs	1,393,075	0.89
	Sub- Total (B)	64,011,740	40.88
	Total (A+B)	156,601,130	100.00

18. Dematerialisation of Shares

The Company has arrangements with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) for demat facility. As on 31 March 2012, 98.62 % of the total Equity Capital is held in the demat form with NSDL and CDSL.

Category	As on 31 March 2012	%
No. of Shares held by NSDL	117,611,111	75.10
No. of Shares held by CDSL	36,835,023	23.52
Physical	2,154,996	1.38
Total	156,601,130	100.00

19. Outstanding GDR / ADR / Warrants or any Convertible Instruments and their likely impact on Equity

As on date there are no outstanding warrants or any convertible instruments. The Company has not issued any GDR/ADR.

20. Subdivision of Shares

As approved by the Members at the 23rd Annual General Meeting of the Company held on 06 May 2006, the nominal face value of the Company's Equity Shares has been subdivided from ₹ 10 per share to ₹ 2 per share, with effect from 15 June 2006.

21. Plant Locations (India and Overseas)

India (11), China (4), Egypt (1), Philippines, Germany, Russia, USA, Colombia, Mexico, Poland and Indonesia.

IX. NON-MANDATORY REQUIREMENTS

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under Clause 49 of the Listing Agreement:

- 1) Remuneration Committee of the Company. Presently, the Committee comprises of three Non-Executive Independent Directors of the Company.
- 2) Quarterly unaudited financial results are sent to all the Members.
- 3) Company has adopted a Whistle Blower Policy for the employees.

For and on behalf of the Board of Directors
ESSEL PROPACK LIMITED

Subhash Chandra
Chairman

Mumbai, August 31, 2012

DECLARATION

It is hereby declared that all the Board Members, Senior Management and Employees of the Company have affirmed adherence to and compliance with the 'Code of Conduct' laid down by the Company for the year ended March 31, 2012.

For **ESSEL PROPACK LIMITED**

Ashok Kumar Goel
Vice Chairman & Managing Director

Mumbai, August 31, 2012

CEO/CFO CERTIFICATION

To,
The Board of Directors
Essel Propack Limited

We, the undersigned, in our respective capacities as Vice Chairman & Managing Director (CEO) and Chief Financial Officer (CFO) of the Company hereby certify that, to the best of our knowledge and belief:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2012 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls and evaluating the effectiveness of the same for financial reporting for the financial year ended March 31, 2012 and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - i. significant changes, if any, in internal control over financial reporting during the said financial year;
 - ii. significant changes, if any, in the accounting policies during the said financial year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

ASHOK KUMAR GOEL
VICE CHAIRMAN & MANAGING DIRECTOR

A.V. GANAPATHY
CHIEF FINANCIAL OFFICER (GLOBAL)

Place: Mumbai
Date : August 31, 2012

Certificate of Compliance with the Corporate Governance Requirements under clause 49 of the Listing Agreement

Auditor's Certificate on Corporate Governance

To
The Members of Essel Propack Limited

We have examined the compliance of conditions of Corporate Governance by Essel Propack Limited for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832
Mumbai, August 31, 2012

Five Years' Summary of Selected Financial Data (Consolidated)

₹ Million

	As per earlier Schedule - VI			As per revised Schedule - VI		
	2007	2008	2010#	2011	2012	
Sales and other income	12,086.50	12,949.29	16,941.36	Sales and other income	14,347.23	16,034.05
Profit before depreciation, interest and tax	2,113.18	1,323.12	3,007.87	Profit before depreciation, amortisation, finance costs and tax	2,749.55	2,864.17
Depreciation	667.35	1,119.90	1,328.67	Depreciation and amortisation expense	1,069.61	1,170.03
Profit before tax (before extraordinary & Exceptional items)	927.80	(489.04)	745.90	Profit before exceptional items and tax	829.24	852.75
Profit after tax	608.13	(883.11)	599.20	Profit after tax	472.70	513.58
Dividends	187.92	46.98	62.64	Dividends	93.96	102.12
Cash Profit	1,275.49	236.80	1,927.87	Cash Profit	1,542.31	1,683.61
Earnings per share - ₹ (Basic after extraordinary items)**	3.88	(5.64)	3.83	Earnings per share - ₹ (Basic after extraordinary items) from total operations	3.02	3.27
Dividend per share - ₹ **	1.20	0.30	0.40	Dividend per share - ₹	0.60	0.65
Capital Employed	15,388.65	17,480.71	16,046.31	Capital Employed	12,922.66	13,268.19
ASSETS LESS CURRENT LIABILITIES						
Goodwill	4,060.63	4,390.03	3,606.94	Goodwill	3,606.94	3,606.94
Fixed assets (net)	7,676.88	7,253.08	6,703.57	Fixed assets (net)	6,608.72	8,016.89
Investments	447.78	452.60	476.60	Non current investments	498.80	446.39
				Other non-current assets, loans and advances	396.26	600.11
Current assets, Loans and Advances	5,754.41	7,589.61	7,232.95	Current assets	7,711.07	8,267.37
	17,939.69	19,685.32	18,020.06		18,821.79	20,937.70
Current liabilities and Provisions	(2,551.04)	(2,204.62)	(1,973.75)	Current liabilities	(5,899.13)	(7,669.51)
Net Assets	15,388.65	17,480.71	16,046.31	Net Assets	12,922.66	13,268.19
FINANCED BY						
Share capital	313.13	313.13	313.13	Share capital	313.13	314.13
Reserves	7,848.71	6,678.65	7,295.39	Reserves	7,865.66	8,503.28
Shareholders' funds	8,161.85	6,991.79	7,608.52	Shareholders' funds	8,178.79	8,817.41
				Foreign currency monetary items translation difference account (net)	(7.28)	19.25
Miscellaneous Expenditure	(24.38)	(51.98)	(79.96)			
Net Worth	8,137.47	6,939.81	7,528.57	Net Worth	8,171.51	8,836.66
Minority interest	118.30	165.58	83.35	Minority interest	65.31	75.40
Deferred tax balances	56.13	61.20	36.77	Deferred tax balances	(82.75)	(85.41)
	8,311.90	7,166.59	7,648.68		8,154.07	8,826.65
Loan funds	7,076.75	10,314.12	8,397.63	Non current liabilities	4,768.59	4,441.54
Capital employed	15,388.65	17,480.71	16,046.31	Capital employed	12,922.66	13,268.19

Five Years' Summary of Selected Financial Data (Consolidated)

₹ Million

	As per earlier Schedule - VI			As per revised Schedule - VI		
	2007	2008	2010#	2011	2012	
FINANCIAL RETURNS AND STATISTICS						
Profit after tax as a percent of Sales and other income	5%	(7%)	4%	Profit after tax as a percent of Sales and other income	3%	3%
Profit before depreciation, interest and tax as a percent of Sales and other income	17%	10%	18%	Profit before depreciation, amortisation, finance costs and tax as a percent of Sales and other income	19%	18%
Return on Capital Employed (PBIT/Avg Capital Employed) (With Goodwill)#	11%	2%	11%	Return on Capital Employed (Profit before Finance Costs and Tax/Avg Capital Employed) (With Goodwill)	12%	13%
Return on Capital Employed (PBIT/Avg Capital Employed) (Without Goodwill)#	15%	3%	14%	Return on Capital Employed (Profit before Finance Costs and Tax/Avg Capital Employed) (Without Goodwill)	15%	18%
Return on Net worth (PAT/Avg Networth) (With Goodwill)#	8%	(12%)	7%	Return on Net worth (PAT/Avg Networth) (With Goodwill)	6%	6%
Return on Net worth (PAT/Avg Networth) (Without Goodwill)#	16%	(27%)	15%	Return on Net worth (PAT/Avg Networth) (Without Goodwill)	11%	11%
Loan funds as a percentage of Shareholders' funds	87%	148%	110%	Non-current liabilities as a percentage of Shareholders' funds	58%	50%
Financial Expenses Cover (Times) (Profit before Financial Expenses (Gross) and Taxation/ Financial expenses (Gross))	2	0.4	2	Finance Costs Cover (Times) (Profit before Finance Costs and Taxation/Finance Costs)	2	2
Cash profit to Sales and other income	11%	2%	11%	Cash profit to Sales and other income	11%	11%

The financial statements of 2010 are in respect of the fifteen months period from January 1, 2009 to March 31, 2010. Hence, balance sheet ratios have been annualised.

Five Years' Summary of Selected Financial Data (Consolidated)

USD Million

	As per earlier Schedule - VI				As per revised Schedule - VI	
	2007	2008	2010#		2011	2012
Sales and other income	292.25	298.23	353.93	Sales and other income	314.80	334.52
Profit before depreciation, interest and tax	51.10	30.47	62.84	Profit before depreciation, amortisation, finance costs and tax	60.33	59.76
Depreciation	16.14	25.79	27.76	Depreciation and amortisation expense	23.47	24.41
Profit before tax (before extraordinary & Exceptional items)	22.43	(11.26)	15.58	Profit before exceptional items and tax	18.19	17.79
Profit after tax	14.70	(20.34)	12.52	Profit after tax	10.37	10.71
Dividends	4.54	1.08	1.31	Dividends	2.06	2.13
Cash Profit	30.84	5.45	40.28	Cash Profit	33.84	35.13
Assets Less Current Liabilities						
Goodwill	102.97	90.61	79.91	Goodwill	80.78	70.90
Fixed assets (net)	194.67	149.70	148.51	Fixed assets (net)	148.01	157.58
Investments	11.35	9.34	10.56	Non current investments	11.17	8.77
				Other non current assets, loans and advances	8.87	11.80
Current assets, Loans and Advances	145.92	156.65	160.23	Current assets	172.70	162.50
	454.92	406.30	399.20		421.54	411.55
Current liabilities and Provisions	(64.69)	(45.50)	(43.73)	Current liabilities	(132.12)	(150.75)
Net Assets	390.23	360.80	355.48	Net Assets	289.42	260.80
FINANCED BY						
Share capital	7.94	6.46	6.94	Share capital	7.01	6.17
Reserves	199.03	137.85	161.62	Reserves	176.16	167.14
Shareholders' funds	206.97	144.31	168.55	Shareholders' funds	183.18	173.32
				Foreign currency monetary items translation difference account (net)	(0.16)	0.38
Miscellaneous Expenditure	(0.62)	(1.07)	(1.77)			
Net Worth	206.35	143.24	166.78	Net Worth	183.01	173.69
Minority Interest	3.00	3.42	1.85	Minority Interest	1.46	1.48
Deferred tax balances	1.42	1.26	0.81	Deferred tax balances	(1.85)	(1.68)
	210.77	147.92	169.44		182.62	173.50
Loan Funds	179.45	212.88	186.04	Non current liabilities	106.80	87.30
Capital employed	390.23	360.80	355.48	Capital employed	289.42	260.80

Five Years' Summary of Selected Financial Data (Consolidated)

USD Million

	As per earlier Schedule - VI			As per revised Schedule - VI		
	2007	2008	2010#	2011	2012	
FINANCIAL RETURNS AND STATISTICS						
Profit after tax as a percent of Sales and other income	5%	(7%)	4%	Profit after tax as a percent of Sales and other income	3%	3%
Profit before depreciation, interest and tax as a percent of Sales and other income	17%	10%	18%	Profit before depreciation, amortisation, finance costs and tax as a percent of Sales and other income	19%	18%
Return on Capital Employed (PBIT/Avg Capital Employed) (With Goodwill) #	10%	2%	10%	Return on Capital Employed (Profit before Finance Costs and Tax/Avg Capital Employed) (With Goodwill)	11%	14%
Return on Capital Employed (PBIT/Avg Capital Employed) (Without Goodwill) #	14%	3%	13%	Return on Capital Employed (Profit before Finance Costs and Tax/Avg Capital Employed) (Without Goodwill)	15%	19%
Return on Net worth (PAT/Avg Networth) (With Goodwill) #	7%	(13%)	6%	Return on Net worth (PAT/Avg Networth) (With Goodwill)	6%	6%
Return on Net worth (PAT/Avg Networth) (Without Goodwill) #	15%	(30%)	14%	Return on Net worth (PAT/Avg Networth) (Without Goodwill)	11%	11%
Loan funds as a percentage of Shareholders' funds	87%	148%	110%	Non current liabilities as a percentage of Shareholders' funds	58%	50%
Financial Expenses Cover (Times) (Profit before Financial Expenses (Gross) and Taxation/Financial expenses (Gross))	2	0.4	2	Finance Costs Cover (Times) (Profit before Finance Costs and Taxation/Finance Costs)	2	2
Cash profit to Sales and other income	11%	2%	11%	Cash profit to Sales and other income	11%	11%

Note : Audited INR numbers have been translated into US Dollar using the average exchange rate for P & L items and the year end exchange rate for balance sheet items.

The financial statements of 2010 are in respect of the fifteen months period from January 1, 2009 to March 31, 2010. Hence, balance sheet ratios have been annualised.

Five Years' Summary of Selected Financial Data (India)

₹ Million

	As per earlier Schedule - VI			As per revised Schedule - VI		
	2007	2008	2010#	2011	2012	
Sales and other income	3,311.91	3,548.13	4,541.34	Sales and other income	4,753.30	5,418.78
FOB value of exports	266.35	357.18	380.95	FOB value of exports	348.27	336.67
Profit before depreciation, amortisation, interest and tax	960.69	840.25	1,083.79	Profit before depreciation, amortisation, finance costs and tax	1,469.61	1,388.98
Depreciation and Amortisation	200.83	206.56	288.86	Depreciation and Amortisation	243.05	286.12
Profit before tax	559.94	372.79	442.57	Profit before tax	632.62	515.51
Profit after tax	372.93	271.78	345.49	Profit after tax	440.83	490.75
Dividends (including dividend tax)	219.86	54.96	73.04	Dividends (including dividend tax)	109.20	118.68
Cash profit	573.75	478.34	634.35	Cash profit	683.88	776.86
Book value per share	33.93	37.31	38.78	Book value per share	41.14	43.09
Earnings per share - (Basic after exceptional items)	2.38	1.74	2.21	Earnings per share - (Basic after exceptional items)	2.80	3.12
Dividend per share - ₹	1.60	0.30	0.40	Dividend per share - ₹	0.60	0.65
Closing share price on BSE at year end - (₹ per share)	77.15	18.08	43.40	Closing share price on BSE at year end - (₹ per share)	51.15	27.90
Market capitalisation (As at year end)	2,081.78	2,831.35	6,796.49	Market capitalisation (As at year end)	8,010.15	4,383.13
ASSETS LESS CURRENT LIABILITIES						
Fixed assets (Net)	1,679.12	1,813.21	1,752.83	Fixed assets (Net)	1,999.03	2,522.75
Investments	5,744.32	5,744.32	5,733.99	Non-current investments	5,685.94	5,635.35
				Other Non-current assets, loans and advances	1,046.61	394.01
Current Assets, Loans and Advances	2,938.56	4,629.51	4,168.59	Current Assets	2,859.68	4,650.12
	10,361.00	12,187.04	11,655.41		11,591.26	13,202.22
Current Liabilities	(672.88)	(696.92)	(650.33)	Current Liabilities	(2,529.22)	(4,111.02)
Net Assets	9,689.12	11,490.12	11,005.08	Net Assets	9,062.04	9,091.20
FINANCED BY						
Share capital	313.20	313.13	313.13	Share capital	313.13	314.13
Reserves	5,313.56	5,530.39	5,797.18	Reserves	6,128.80	6,335.84
Shareholders' Fund	5,626.76	5,843.52	6,110.31	Shareholders' Fund	6,441.93	6,649.97
Miscellaneous expenditure		-	37.08	Foreign currency monetary items translation difference account (net)	(7.28)	19.26
Net worth	5,626.76	5,843.52	6,073.23	Net worth	6,434.65	6,669.22
Deferred tax balances	129.81	124.32	171.12	Deferred tax balances	159.73	165.61
Loan Funds	3,932.55	5,522.28	4,760.72	Non-current liabilities	2,467.66	2,256.37
Capital Employed	9,689.12	11,490.12	11,005.08	Capital Employed	9,062.04	9,091.20

Five Years' Summary of Selected Financial Data (India)

₹ Million

	As per earlier Schedule - VI			As per revised Schedule - VI	
	2007	2008	2010#	2011	2012
FINANCIAL RETURNS AND STATISTICS					
Profit after tax as a percent of sales and other income	11%	8%	8%	9%	9%
Profit before depreciation, amortisation, interest and tax as a percent of sales and other income	29%	24%	24%	31%	26%
Return on capital employed	8%	6%	6%	14%	12%
Return on common stockholders' equity % (PAT)	7%	5%	5%	7%	7%
Non current liability as a percent of total year end Shareholders' Fund	70%	95%	78%	38%	34%
Financial expenses cover (Times) (Profit before financial expenses and taxation divided by finance costs)	2	2	2	2	2
Number of equity shares outstanding (in Million)	156.60	156.57	156.57	156.57	157.07
Cash profit to sales and other income	17%	13%	14%	14%	14%

The previous year's financial statements are in respect of 15 months period from January 1, 2009 to March 31, 2010. Hence, the financial numbers for the previous year are not comparable with past years which relate to 12 months period ending December. However, the financial ratios have been annualised as necessary and are thus comparable.

Auditors' Report

To the Members of **EsseL Propack Limited**

1. We have audited the attached Balance Sheet of EsseL Propack Limited ("the Company") as at 31 March 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ("the Act"), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
 4. Without qualifying our report, attention is invited to Note 30, regarding Merger of Ras Propack Lamipack Limited and Ras Extrusions Limited with the Company, given effect in these financial statements.
 5. Further to our comments in the Annexure referred to Paragraph (3) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books. Ras Propack Lamipack Limited and Ras Extrusions Limited have merged with the Company as per summary record of proceedings issued on 28 August 2012 w.e.f. 1 April 2011. Pursuant to the Scheme, the merged companies are deemed to be branches and are audited by other firm of Chartered Accountants and their reports have been considered by us in our Audit report;
- (iii) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Act;
 - (v) On the basis of written representations received from the Directors and taken on record by the Board, we report that none of the directors is disqualified as at 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
 - (b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
 - (c) In the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For MGB & Co.
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 31 August 2012

Annexure referred to in paragraph 3 of Auditors' Report to the Members of Essel Propack Limited on the accounts for the year ended 31 March 2012.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) During the year, there was no disposal of substantial part of fixed assets.
- (ii) (a) As explained to us, the inventories have been physically verified by the management during the year except stocks lying with third parties in respect of whom confirmations have been obtained. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) As explained to us, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) According to the information and explanations given to us, the Company has taken unsecured loan from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year is ₹ 100,000,000 and there is no amount outstanding at the year-end.
- (c) The rate of interest and other terms and conditions of such loan taken are prima-facie not prejudicial to the interests of the Company.
- (d) The Company is regular in repayment of the loan taken and interest thereon, considering the terms of the loan.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems in respect of the aforesaid areas.
- (v) According to the information and explanations given to us, there are no contracts or arrangements, the particulars of which are required to be entered into the register in pursuance to Section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost accounting records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Act and are of the opinion that prima facie the prescribed records have been maintained. However, we are neither required to carry out nor have carried out detailed examination of such cost accounting records with a view to determine whether they are accurate or complete.
- (ix) According to the records of the Company, examined by us and information and explanations given to us:
- (a) Undisputed Statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax / value added tax, wealth tax, service tax, custom duty, excise duty, cess and others as applicable have generally been deposited regularly with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues which have remained outstanding as at 31 March 2012 for a period of more than six months from the date they became payable.
- (b) The disputed dues of sales tax/value added tax, service tax, excise duty, income tax and cess which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount in (₹)	Period to which the amount relate	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	122,597,968	FY 1993-1994 to FY 2000-2001	Supreme Court
		45,994,625	FY 1997-1998 to FY 2000-2001 and FY 2002-2003 to FY 2005-2006	Tribunal CESTAT
		6,192,818	FY 2000-2001 to FY 2003-2004 and FY 2005-2006 to FY 2007-2008	Commissioner of Central Excise (Appeals)
		93,140,021	FY 1997-1998 and FY 2000-2001 to 2005-2006	Commissioner of Central Excise
		5,975,169	FY 1995-1996 to FY 1997-1998, FY 2002-2003, FY 2005-2006 to FY 2006-2007 and FY 2009-2010 to FY 2010-2011	Deputy / Joint / Assistant Commissioner of Central Excise
	Service tax	3,213,513	FY 1997-1998 and FY 2005-2006	Bombay High Court
		1,577,696	FY 2004-2005 to FY 2007-2008	Tribunal CESTAT
		2,130,161	FY 2002-2003 and FY 2004-2005 to FY 2009-2010	Deputy / Assistant Commissioner of Service Tax
Maharashtra Value Added Tax Act, 2002	Value added tax	36,134,596	FY 2005-2006	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Central sales tax	1,730,274	FY 2001-2002 and FY 2002-2003	Maharashtra Sales Tax Tribunal
		22,808,521	FY 2002-2003 to FY 2004-2005	Commissioner of VAT-Dadra and Nagar Haveli
		49,666,275	FY 2002-2003 and FY 2005-2006	Deputy Commissioner of Sales Tax (Appeals)
		13,024,068	FY 2001-2002, FY 2003-2004 and FY 2004-2005	Joint Commissioner of Sales Tax (Appeals)
		5,543,653	FY 2005-2006 to FY 2007-2008	Assistant Commissioner of Commercial Taxes
Bombay Provincial Municipal Corporation Act, 1959	Cess	4,298,445	FY 2002-2003 to FY 2007-2008	Bombay High Court
Income Tax Act, 1961	Income tax	11,974,477	FY 2007-2008	Commissioner of Income Tax (Appeals)

- (x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the current financial year or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions during the year. The Company has not issued any debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society.

- (xiv) The Company is not dealing or trading in securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by subsidiaries from banks are prima facie not prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans raised during the year have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company and related information as made available to us, we report that funds raised on short-term basis of ₹ 181,805,817 have been used for long-term investments and as explained the Company has since augmented long-term funds.
- (xviii) The Company has not made any preferential allotment of shares to companies or parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any secured debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based on the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 31 August 2012

Balance sheet as at 31 March 2012

	Notes	2012	2011
(Amount in ₹)			
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	314,130,920	313,130,610
Reserves and surplus	4	6,335,836,009	6,128,804,018
		6,649,966,929	6,441,934,628
Foreign currency monetary items translation difference account (net)	32	19,255,093	-
Non-current liabilities			
Long-term borrowings	5	2,050,982,896	2,419,886,597
Deferred tax liabilities (net)	6	165,606,739	159,730,922
Other long-term liabilities	7	1,375,000	-
Long-term provisions	8	204,011,866	47,769,842
		2,421,976,501	2,627,387,361
Current liabilities			
Short-term borrowings	9	2,137,982,602	871,563,268
Trade payables	10	327,898,962	350,642,085
Other current liabilities	7	1,509,602,027	1,182,683,289
Short-term provisions	8	135,541,151	124,334,446
		4,111,024,742	2,529,223,088
Total		13,202,223,265	11,598,545,077
ASSETS			
Non-current assets			
Fixed assets	11		
- Tangible assets		2,299,072,078	1,766,589,133
- Intangible assets		53,944,643	50,030,288
- Capital work-in-progress		160,215,233	176,527,994
- Intangible assets under development		9,518,010	5,881,424
Non-current investments	12	5,635,346,298	5,685,937,298
Long-term loans and advances	13	368,250,314	1,028,271,151
Other non-current assets	14	25,757,945	18,342,976
		8,552,104,521	8,731,580,264
Foreign currency monetary items translation difference account (net)	32	-	7,282,441
Current assets			
Inventories	15	546,725,944	625,121,538
Trade receivables	16	1,011,712,962	761,394,679
Cash and bank balances	17	27,617,009	22,580,569
Short-term loans and advances	13	2,798,383,560	1,266,262,212
Other current assets	14	265,679,269	184,323,374
		4,650,118,744	2,859,682,372
Total		13,202,223,265	11,598,545,077
Notes forming part of the financial statements	1-46		

As per our attached report of even date

For and on behalf of the Board

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Subhash Chandra

Chairman

Hitendra Bhandari
Partner
Membership Number 107832

Tapan Mitra
K.V. Krishnamurthy
Boman Moradian
Mukund M. Chitale

Directors

Place: Mumbai
Date: 31 August 2012

Ashok Kumar Goel
A.V. Ganapathy
Aashay S. Khandwala

Vice Chairman & Managing Director
Chief Financial Officer (Global)
Vice President (Legal) & Company Secretary

Statement of Profit and Loss for the year ended 31 March 2012

(Amount in ₹)

	Notes	2012	2011
Revenue			
Revenue from operations (gross)	18	5,313,071,510	4,398,438,469
Less: Excise duty		(346,904,950)	(215,064,646)
Revenue from operations (net)		4,966,166,560	4,183,373,823
Other income	19	452,609,611	569,922,236
Total		5,418,776,171	4,753,296,059
Expenses			
Cost of materials consumed	20	2,335,598,839	1,886,584,944
Changes in inventories of finished goods and goods-in-process	21	2,970,976	(29,096,763)
Employee benefits expense	22	484,732,160	431,657,546
Other expenses	23	1,206,491,087	994,536,434
Total		4,029,793,062	3,283,682,161
Profit before depreciation, amortisation, finance costs and tax		1,388,983,109	1,469,613,898
Less:			
Depreciation and amortisation expense	11	286,116,499	243,051,614
Finance costs	24	587,359,474	593,943,175
Profit before tax		515,507,136	632,619,109
Less: Tax expense			
Current tax - Current year		105,698,674	193,449,683
- Earlier years		4,039,899	9,732,471
MAT credit entitlement		(90,853,140)	-
Deferred tax		5,875,817	(11,390,523)
Profit after tax		490,745,886	440,827,478
Earnings per shares of ₹ 2 each fully paid up	40		
Basic		3.12	2.80
Diluted		3.12	2.80
Notes forming part of the financial statements	1-46		

As per our attached report of even date

For and on behalf of the Board

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 31 August 2012

Subhash Chandra

Tapan Mitra
K.V. Krishnamurthy
Boman Moradian
Mukund M. Chitale

Ashok Kumar Goel
A.V. Ganapathy
Aashay S. Khandwala

Chairman

Directors

Vice Chairman & Managing Director

Chief Financial Officer (Global)

Vice President (Legal) & Company Secretary

Notes forming part of the financial statements

Significant Accounting policies

1. Corporate Information

Essel Propack Limited (hereinafter referred to as 'EPL' or 'the Company') is a producer of plastic packaging material in the form of multilayer collapsible tubes and laminates used primarily for packaging of toothpaste, personal care, cosmetics, pharmaceuticals, household and industrial products.

2. Significant Accounting Policies

i. Basis of preparation

The financial statements are prepared on accrual basis in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention except certain freehold land and buildings acquired on merger {Refer note 11(2)} and comply in all material aspects with the accounting standards notified under section 211 (3C), Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

ii. Use of estimates

The preparation of financial statements requires the management to make estimates and assumption that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses of the year. Actual result could differ from these estimates. Any revision of such accounting estimate is recognised prospectively in current and future periods.

iii. Tangible and intangible assets

- a) Tangible assets (excluding freehold land which is carried at cost) are stated at original cost of acquisition / installation (net of cenvat credit availed) net off accumulated depreciation and impairment losses except certain freehold land and buildings acquired on merger {Refer notes 11(2) and 30} are stated at revalued amount less accumulated depreciation. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of income) and borrowing costs incurred during pre-operational period.
- b) Capital work-in-progress comprises cost of fixed assets and related expenses that are not yet ready for their intended use at the reporting date.
- c) Intangible assets acquired are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and impairment loss, if any.

iv. Borrowing costs

- a) Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. All other borrowing costs are charged to revenue.
- b) Ancillary costs incurred in connection with arrangement of borrowings are amortised over the tenure of such borrowings.

v. Impairment of tangible and intangible assets

At each Balance Sheet date, the Company reviews the carrying amount of tangible and intangible assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

vi. Depreciation/Amortisation on tangible and intangible assets

- a) Depreciation on tangible assets (including on assets acquired under finance lease) is provided on straight line method at the rates specified in Schedule XIV of the companies Act, 1956.

Notes forming part of the financial statements

- b) Premium on Leasehold Land and Leasehold Improvements are amortised over the normal / extendable period of lease.
- c) In case of revalued tangible assets, the incremental depreciation attributable to the revaluation is recouped out of revaluation reserve.
- d) Intangible assets are amortized on a straight-line basis over the economic useful life estimated by the management.

vii. Government grants / subsidies

Grants / subsidies from government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. Grants / subsidy received is credited to capital reserve and treated as a part of the shareholder's fund.

viii. Investments

Investments intended to be held for more than one year, from the date of acquisition, are classified as long-term and are carried at cost. Provision for diminution in value of long-term investments is made to recognise a decline other than temporary. Current investments are carried at cost or fair value, whichever is lower.

ix. Foreign currency transaction

- a) Foreign exchange transactions are recorded at the exchange rate prevailing on the date of such transactions. Foreign currency monetary assets and liabilities are translated at the year-end exchange rates. Non-monetary items are carried at cost.
- b) Gains or losses arising on account of difference in foreign exchange rates on settlement / translation of monetary assets and liabilities on the closing date are recognised in the Statement of Profit and Loss except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer Note 32).
- c) In respect of forward exchange contracts assigned to foreign currency monetary assets and liabilities, the difference due to change in exchange rate between the inception of forward contract and date of Balance Sheet and the proportionate premium / discount for the period upto the date of Balance Sheet is recognised in the Statement of Profit and Loss and profit or loss on settlement / cancellation of forward contract is recognised as an income or expense for the year in which they arise except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer Note 32).

x. Revenue recognition

- a) Revenue from sale of goods is recognised on transfer of significant risk and rewards of ownership on to the customers, which is generally on dispatch of goods. Gross sales include excise duty and is net of discount, value added tax / sales tax. Export sales are accounted for on the basis of date of bill of lading.
- b) Export incentives/benefits including custom duty benefits (advance licenses) are accounted on accrual basis.
- c) Income from royalty and service charges is recognised as per the agreed terms / completion of the service.
- d) Dividend income is recognised when the right to receive the dividend is established.
- e) Interest income is recognised on a time proportion basis taking into consideration the amount outstanding and the applicable interest rate.

xi. Inventories

- a) Inventories are valued at lower of cost or estimated net realisable value.
- b) Inventory of raw materials, packing material and store and spares are valued on moving average price method.

Notes forming part of the financial statements

- c) Cost of finished goods and goods-in-process includes cost of direct materials, labour and other manufacturing overheads.
- d) Excise liability is included in the valuation of closing inventory of finished goods.

xii. Employee benefits

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and loss of the year in which the related service is rendered.
- b) Post-employment and other long-term benefits are recognised as an expense in the Statement of profit and loss at the present value of the amounts payable determined using actuarial valuation techniques in the year in which the employee renders services. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- c) Payments to defined contribution retirement benefit schemes are charged as expenses as they fall due.

xiii. Accounting for taxes on income

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.
- c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

xiv. Leases

a) Finance Lease

Assets acquired under finance lease are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to the lease are recognised with the asset under the lease.

b) Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on accrual basis in accordance with the respective lease agreements.

xv. Earnings per Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

xvi. Provisions, Contingent Liabilities and Contingent Assets

- a) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events. A provision is made when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date.
- b) Contingent assets are not recognized or disclosed in the financial statements.

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
3. Share capital		
Authorised		
200,000,000 equity shares of ₹ 2 each	400,000,000	400,000,000
Issued, subscribed and paid up		
156,601,130 (156,601,130) equity shares of ₹ 2 each	313,202,260	313,202,260
Less: Calls in arrears (Refer note (c) below)	71,650	71,650
Share capital suspense (Refer note 30)	1,000,310	-
Total	314,130,920	313,130,610

a) Reconciliation of number of shares outstanding

	2012		2011	
	Number of equity shares	Amount in ₹	Number of equity shares	Amount in ₹
At the beginning of the year	156,601,130	313,202,260	156,601,130	313,202,260
Issued during the year	-	-	-	-
Outstanding at the end of the year	156,601,130	313,202,260	156,601,130	313,202,260

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Calls unpaid

	2012		2011	
	Number of equity shares	Amount in ₹	Number of equity shares	Amount in ₹
Aggregate amount of calls unpaid - others	71,650	71,650	71,650	71,650

d) Details of each shareholder holding more than 5% equity shares

Name of Shareholder	2012		2011	
	Number of equity shares	Percentage (%) of holding	Number of equity shares	Percentage (%) of holding
Ganjam Trading Company Private Limited	56,349,550	35.98%	34,621,245	22.11%
Rupee Finance and Management Private Limited	28,429,710	18.15%	28,429,710	18.15%
Lazarus Investments Limited	-	-	17,070,000	10.90%

e) No bonus shares have been issued or shares issued for consideration other than cash and no shares bought back during five years preceding 31 March 2012.

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
4. Reserves and surplus		
Securities premium		
As per last balance sheet	3,842,983,298	3,842,983,298
Capital reserve		
As per last balance sheet	200,610,538	200,610,538
Add: Capital Subsidy received during the year	3,000,000	-
Add: Pursuant to the Scheme of Merger (Refer note 30)	194,677,344	-
	398,287,882	200,610,538
Revaluation reserve		
As per last balance sheet	-	-
Add: Pursuant to the Scheme of Merger (Refer note 30)	14,753,958	-
Less: Transfer to the Statement of Profit and Loss	(348,814)	-
	14,405,144	-
General reserve		
As per last balance sheet	1,025,952,079	981,869,079
Add: Transfer from the Statement of Profit and Loss	49,075,000	44,083,000
Add: Pursuant to the Scheme of Merger (Refer note 30)	74,690,690	-
	1,149,717,769	1,025,952,079
Surplus in the Statement of Profit and Loss		
As per last balance sheet	1,059,258,103	771,717,074
Add: Profit for the year	490,745,886	440,827,478
Less: Pursuant to the Scheme of Merger (Refer note 30)	(451,805,496)	-
Less: Appropriations		
Proposed equity dividend	(102,115,836)	(93,960,678)
Tax on proposed equity dividend	(16,565,741)	(15,242,771)
General reserve	(49,075,000)	(44,083,000)
	930,441,916	1,059,258,103
Total	6,335,836,009	6,128,804,018

Notes forming part of the financial statements

(Amount in ₹)

	Non-current		Current	
	2012	2011	2012	2011
5. Long-term borrowings				
Secured				
Term loan from banks {Refer (a) and (b) below}	1,024,144,917	1,114,075,000	489,900,000	551,559,972
Buyers credit from banks {Refer (c) and (d) below}	96,691,669	35,656,459	-	-
	1,120,836,586	1,149,731,459	489,900,000	551,559,972
Unsecured				
Term loan from banks {Refer (e) below}	280,625,000	806,458,333	525,799,984	359,166,667
Buyers credit from banks {Refer (e) below}	329,079,317	84,968,926	-	-
Inter-corporate deposits	-	-	100,000,000	-
Deferred sales tax loan {Refer (f) below}	320,441,993	378,727,879	58,285,886	42,153,786
	930,146,310	1,270,155,138	684,085,870	401,320,453
Current maturities disclosed under "Other current liabilities" (Refer note 7)	-	-	(1,173,985,870)	(952,880,425)
Total	2,050,982,896	2,419,886,597	-	-

Nature of security and terms of repayments for long-term borrowings

a) Term loan from banks of ₹ 1,429,669,917 (₹ 1,543,759,972) are secured by pari passu first charge on fixed assets situated at Vasind, Wada, Murbad, Goa, Nalagarh units. These loans are further secured by way of security provided and guarantee issued by a promoter group Company.	Term loan from banks carrying interest rate ranging from 13% to 16.50% p.a. and are repayable in monthly / quarterly installments by 2015-16. Charge is yet to be created for term loan from banks of ₹ 399,969,917 (₹ Nil).
b) Term loan from bank of ₹ 84,375,000 (₹ 121,875,000) is secured by subservient charge on movable assets situated at Vasind, Wada, Murbad, Goa, Nalagarh units. The loan is further secured by way of security provided and corporate guarantee issued by a promoter group Company.	
c) Buyers credit from bank of ₹ 58,512,128 (₹ Nil) is secured by pari passu first charge on fixed assets situated at Vasind, Wada, Murbad, Goa, Nalagarh units and second charge on current assets of the company.	Buyers credit from banks carrying interest rate ranging from 2.38% to 4.15% p.a. and are repayable in maximum period of three year from the date of transaction. Charge is yet to be created for buyers credit of ₹ 58,512,128 (₹ Nil).
d) Buyers credit from banks of ₹ 38,179,541 (₹ 35,656,459) are secured by hypothecation of current assets and second charge on fixed assets situated at Vasind, Murbad, Wada, Goa and Nalagarh units.	
e) Out of Unsecured term loan and buyers credit from banks ₹ 1,135,504,301, ₹ 707,322,442 (₹ 665,625,000) are against exclusive charge on land owned and guarantee issued by a promoter group company.	Term loan from banks carrying interest rate ranging from 12.45% to 16.50% p.a. and are repayable in monthly / quarterly installments by 2014-15. Buyers credit carrying interest rate ranging from 2.24% to 4.04 % p.a. and are repayable in maximum period three years from the date of transaction.
f) Deferred sales tax interest free loans are repayable after a period of 10 to 14 years upto 2024-25.	

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
6. Deferred tax liabilities (net)		
Deferred tax liabilities		
Fiscal allowance on fixed assets	199,347,237	180,651,906
Unamortised ancillary borrowing costs	11,556,512	9,753,136
Others	-	2,362,788
	210,903,749	192,767,830
Deferred tax assets		
Employee benefits / expenses allowable on payment basis	28,206,871	24,660,729
Provision for doubtful debts	9,489,960	8,376,179
Others	7,600,179	-
	45,297,010	33,036,908
Total	165,606,739	159,730,922

	Long-term		Short-term	
	2012	2011	2012	2011
7. Other liabilities				
Current maturities of long-term borrowings (Refer note 5)	-	-	1,173,985,870	952,880,425
Interest accrued but not due on borrowings	-	-	27,682,085	32,483,866
Unclaimed dividend (Refer note 42)	-	-	4,923,517	5,394,379
Statutory dues	-	-	14,597,477	10,801,862
Creditors for				
- Expenses	-	-	176,089,994	156,283,316
- Capital goods (including acceptance of ₹ Nil (₹ 11,598,998))	-	-	98,489,369	19,573,017
Trade advances and deposits received	1,375,000	-	13,833,715	5,266,424
Total	1,375,000	-	1,509,602,027	1,182,683,289
8. Provisions				
Employee benefits	51,811,143	47,769,842	16,859,574	15,130,997
Custom duty (Refer note 31)	152,200,723	-	-	-
Others				
Proposed equity dividend	-	-	102,115,836	93,960,678
Tax on proposed equity dividend	-	-	16,565,741	15,242,771
Total	204,011,866	47,769,842	135,541,151	124,334,446

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
9. Short-term borrowings		
Secured {Refer (a) (b) and (c) below}		
Working capital loan from banks	603,569,304	321,532,891
Buyers credit from banks	130,253,140	49,755,421
Unsecured		
Short-term loan from banks {Refer (d) below}	645,267,790	470,000,000
Working capital loan from banks	32,137,271	30,274,956
Buyers credit from banks	88,255,097	-
Inter-corporate deposits	638,500,000	-
Total	2,137,982,602	871,563,268

Short-term borrowings of

- ₹ 260,541,770 (₹ 244,240,574) are secured by hypothecation of current assets and second charge on fixed assets situated at Vasind, Murbad, Wada, Goa and Nalagarh units. These loans are also collaterally secured by land owned and guarantee issued by a promoter group company.
- ₹ 391,540,623 (₹ 99,322,384) are secured by hypothecation of current assets and second charge on fixed assets situated at Vasind, Murbad, Wada, Goa and Nalagarh units. Second charge on fixed assets is yet to be created for short term borrowings of ₹ 327,253,141 (₹ 94,514,431).
- ₹ 81,740,051 (₹ 27,725,354) are secured by first pari-pasu charge on current assets of the Company.
- Unsecured short term loan from banks of ₹ 250,000,000 (₹ 250,000,000) are against exclusive charge on land owned and guarantee issued by a promoter group company.

	2012	2011
10. Trade payables		
Acceptances	196,993,153	215,710,592
Others (Refer note 34)	130,905,809	134,931,493
Total	327,898,962	350,642,085

Notes forming part of the financial statements

Note 11 Fixed assets

(Amount in ₹)

Description of Assets	Gross Block				Depreciation / Amortisation				Net Block			
	As at 1 April 2011	Acquired on Merger (Note 30)	Additions	Deductions	As at 31 March 2012	Upto 31 March 2011	Acquired on Merger (Note 30)	For the year	Deduction	Upto 31 March 2012	As at 31 March 2012	As at 31 March 2011
A) Tangible assets												
Freehold Land	11,605,951	22,523,641	-	-	34,129,592	-	-	-	-	-	34,129,592	11,605,951
Leasehold Land	2,076,595	-	-	-	2,076,595	497,438	-	9,556	-	506,993	1,569,602	1,579,157
Leasehold Improvements	17,218,838	-	5,157,524	-	22,376,362	8,754,943	-	2,064,623	-	10,819,566	11,556,796	8,463,895
Buildings	245,326,133	85,355,105	120,433,586	239,213	450,875,611	83,675,657	37,811,062	12,131,147	117,633	133,500,233	317,375,378	161,650,476
Plant and Machinery	4,750,597,572	475,778,071	527,690,142	4,195,702	5,749,870,083	3,300,202,213	439,732,932	245,502,133	3,978,328	3,981,458,950	1,768,411,133	1,450,395,359
Equipments	186,005,365	4,861,677	39,421,653	783,694	229,505,001	82,256,545	3,822,102	14,551,733	599,837	100,030,543	129,474,458	103,748,820
Furniture and Fixtures	47,529,061	12,538,207	11,141,331	2,214,597	68,994,002	19,936,617	11,273,197	3,803,123	1,384,147	33,628,790	35,365,212	27,592,444
Vehicles	5,358,271	600,803	-	395,038	5,564,036	3,805,240	585,587	358,588	375,286	4,374,129	1,189,907	1,553,031
	5,265,717,786	601,657,504	703,844,236	7,828,244	6,563,391,282	3,499,128,653	483,224,880	278,420,903	6,455,231	4,264,319,204	2,299,072,078	1,766,589,133
Previous year	4,757,406,195	-	524,317,388	16,005,797	5,265,717,786	3,275,428,620	-	234,018,406	10,318,373	3,499,128,653	1,766,589,133	-
B) Intangible assets												
Software	82,978,625	-	11,958,765	-	94,937,390	32,948,337	-	8,044,410	-	40,992,747	53,944,643	50,030,288
Previous year	92,848,100	-	198,238	10,067,713	82,978,625	31,385,422	-	9,033,208	7,470,293	32,948,337	50,030,288	-
C) Capital work-in-progress												
Intangible assets under development											160,215,233	176,527,994
											9,518,010	5,881,424

Notes

- Buildings includes Roads, Residential Flats, Tubewell / Borewells, Watertanks and shares in a Co-operative Society.
- Freehold Land and Buildings (except borewells) acquired pursuant to the Scheme of Merger were revalued on 30 June 1996 by ₹ 3,27,86,717 on the basis of the valuation report of the Chartered Engineers dated 13 August 1996.
- Borrowing costs of ₹ 24,678,430 (₹ 12,838,088) and exchange difference of ₹ 18,646,059(₹ Nil) have been capitalised to the cost of fixed assets.
- Depreciation for the year of ₹ 348,814 is recouped out of revaluation reserve.

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
12. Non-current Investments		
(valued at cost unless stated otherwise)		
Trade investments		
(A) Equity shares in wholly owned Subsidiary Companies - Unquoted		
320,000 (320,000) of NPR 100 each of Essel Packaging (Nepal) Private Limited, Nepal	20,000,000	20,000,000
Less: Provision for diminution in value (Refer note 29)	(18,996,622)	(16,996,622)
	1,003,378	3,003,378
830,000 (830,000) of US\$ 10 each of Lamitube Technologies Limited, Mauritius	3,625,783,282	3,625,783,282
1,261 (1,261) of no par value of Arista Tubes Inc., USA	744,341,250	744,341,250
1,600 (1,600) of US\$ 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus	71,991,500	71,991,500
416,150 (416,150) of ₹ 100 each of Packaging India Private Limited *	636,240,638	636,240,638
	5,079,360,048	5,081,360,048
(B) Preference Shares in wholly owned Subsidiary Companies - Unquoted		
10,400 (10,400) Non-cumulative, Optionally Convertible Redeemable Preference Shares of US\$ 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus with fixed rate of dividend of US\$ 110 per share	453,486,250	453,486,250
1,025,000 7% (1,025,000 5%) Cumulative Redeemable Preference Shares of ₹ 100 each of Packaging India Private Limited	102,500,000	102,500,000
	555,986,250	555,986,250
(C) Equity shares in Associate Companies - Quoted (Refer note 30)		
Nil (4,109,100) of ₹ 10 each of Ras Propack Lamipack Limited	-	41,091,000
Nil (7,50,000) of ₹ 10 each of Ras Extrusions Limited	-	7,500,000
	-	48,591,000
Total	5,635,346,298	5,685,937,298
Aggregate book value of unquoted investments	5,635,346,298	5,637,346,298
Aggregate book value of quoted investments	-	48,591,000
Aggregate market value of quoted investments	-	94,497,900
Aggregate provision for diminution in value of investments	18,996,622	16,996,622

(All the above securities are fully paid up)

* The Company has given non-disposal undertaking against credit facilities granted by banks.

Notes forming part of the financial statements

(Amount in ₹)

	Long-term		Short-term	
	2012	2011	2012	2011
13. Loans and advances (unsecured considered good, unless otherwise stated)				
Capital advances	63,043,356	29,083,166	-	-
Deposits				
Related parties	17,510,000	24,084,000	56,574,000	50,000,000
Others	39,172,634	34,836,978	2,215,457	6,400,047
	56,682,634	58,920,978	58,789,457	56,400,047
Loans and advances to related parties				
Subsidiaries	190,000,000	848,062,898	1,399,531,129	42,547,548
Others *	-	-	913,245,947	866,550,414
	190,000,000	848,062,898	2,312,777,076	909,097,962
Other loans and advances				
Advances (recoverable in cash or kind)	-	-	10,690,375	12,040,752
Prepaid expenses	1,077,008	591,478	28,152,584	19,946,640
Loans and advances to employees	1,210,924	1,374,856	959,020	2,172,304
MAT credit entitlement	-	-	90,853,140	-
Balances with government authorities				
- Direct tax (net of provisions)	39,697,547	73,698,930	-	-
- Indirect tax	16,538,845	16,538,845	296,161,908	266,604,507
	58,524,324	92,204,109	426,817,027	300,764,203
Total	368,250,314	1,028,271,151	2,798,383,560	1,266,262,212

* Include ₹ 122,145 (₹ 62,145) due from a private company in which one of the directors is interested as a member / director.

	Non-Current		Current	
	2012	2011	2012	2011
14. Other assets				
Deposits with banks having original maturity period of more than twelve months*	-	206,600	-	-
Interest receivable from				
- Subsidiaries	-	-	83,263,450	93,988,318
- Other related parties	-	-	121,799,584	-
- Others	-	-	423,323	417,146
Export benefits receivable	-	-	45,373,720	37,643,751
Insurance claim receivable	-	-	-	1,152,909
Mark to market gain on derivative contracts	-	-	156,810	39,197,105
Unamortised ancillary borrowing costs	25,757,945	18,136,376	14,662,382	11,924,145
Total	25,757,945	18,342,976	265,679,269	184,323,374

* Deposited with / lien in favour of various Government authorities.

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
15. Inventories		
Raw material (Including goods-in-transit of ₹ Nil (₹ 34,381,002))	159,290,563	265,298,661
Goods-in-process	215,752,335	215,606,382
Finished goods (Including goods-in-transit of ₹ 10,498,126,(₹ 9,217,009)	17,639,251	20,756,180
Stores and spares	147,925,662	115,494,397
Packing materials	6,118,133	7,965,918
Total	546,725,944	625,121,538
Details of raw materials		
Granules	101,088,809	187,936,845
Foils	9,547,620	17,012,514
Caps	21,220,580	27,859,929
Others	27,433,554	32,489,373
Total	159,290,563	265,298,661
Details of goods-in-process		
Laminates	153,170,567	146,259,958
Film	23,381,127	33,900,198
Tubes	20,030,588	17,844,494
Others	19,170,053	17,601,732
Total	215,752,335	215,606,382
Details of finished goods		
Tubes	8,858,503	7,145,071
Laminates	8,780,748	13,611,109
Total	17,639,251	20,756,180
16. Trade receivables (Unsecured)		
Over six months*		
Considered good	191,790,398	128,754,823
Considered doubtful	29,249,375	25,816,547
Less: Provision for doubtful debts	(29,249,375)	(25,816,547)
	191,790,398	128,754,823
Others**	819,922,564	632,639,856
Total	1,011,712,962	761,394,679

* ₹ 164,196,857 (₹ 120,993,271) and ** ₹ 120,017,739 (₹ 97,469,813) due from Subsidiary Companies.

₹ 218,754 (₹ 218,754) due from a private company in which one of the directors is interested as a member / director.

Notes forming part of the financial statements

(Amount in ₹)

	Non-Current		Current	
	2012	2011	2012	2011
17. Cash and bank balances				
Cash and cash equivalents				
Balance with banks in Current accounts	-	-	19,382,305	16,920,637
Cheques/drafts on hand	-	-	2,697,876	-
Cash on hand	-	-	406,711	265,553
Other bank balances				
Unclaimed dividend accounts	-	-	4,923,517	5,394,379
Deposits with bank having original maturity period of more than twelve months	-	206,600	206,600	-
Disclosed under "Other non-current assets" (Refer note 14)	-	(206,600)	-	-
Total	-	-	27,617,009	22,580,569

	2012	2011
18. Revenue from operations		
Sales	5,134,347,701	4,233,341,034
Other operating revenues		
Royalty / Service charges (Refer note 43)	116,671,235	102,042,020
Sale of scrap	35,446,806	33,985,429
Export and other incentives	26,605,768	29,069,986
Revenue from operations (gross)	5,313,071,510	4,398,438,469
Less: Excise duty	(346,904,950)	(215,064,646)
Revenue from operations (net)	4,966,166,560	4,183,373,823
Details of sales (net of excise duty)		
Tubes	4,568,706,029	3,750,599,376
Laminates	189,880,260	244,472,002
Others (includes sale of scrap)	64,303,268	57,190,439
	4,822,889,557	4,052,261,817
19. Other income		
Dividend from subsidiary	91,512,000	167,718,875
Interest from		
- Subsidiaries	144,072,204	171,992,377
- Others *	148,513,063	200,936,906
Exchange difference (net)	40,723,722	-
Miscellaneous income	27,788,622	29,274,078
Total	452,609,611	569,922,236

* Includes interest on loans, bank deposits, income tax refunds, etc:

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
20. Cost of materials consumed		
Inventory at the beginning of the year	265,298,661	117,770,761
Add: Purchases (net)	2,229,590,741	2,034,112,844
	2,494,889,402	2,151,883,605
Less: Inventory at the end of the year	159,290,563	265,298,661
Total	2,335,598,839	1,886,584,944
Details of materials consumed		
Granules	1,542,258,166	1,278,483,871
Foils	266,568,618	226,854,421
Caps	348,362,488	190,712,388
Others	178,409,567	190,534,264
	2,335,598,839	1,886,584,944
21. Changes in inventories of finished goods and goods-in-process		
Inventory at the end of the year		
Finished goods	17,639,251	20,756,180
Goods-in-process	215,752,335	215,606,382
	233,391,586	236,362,562
Inventory at the beginning of the year		
Finished goods	20,756,180	8,846,522
Goods-in-process	215,606,382	198,419,277
	236,362,562	207,265,799
Total	2,970,976	(29,096,763)
22. Employee benefits expense		
Salaries, wages and bonus	407,092,923	363,305,239
Contribution to provident and other funds	23,574,292	20,463,985
Gratuity expenses	4,053,970	3,457,135
Staff welfare expenses	50,010,975	44,431,187
Total	484,732,160	431,657,546
23. Other expenses		
Stores and spares	180,938,491	139,077,909
Packing materials	173,701,089	154,393,303
Power and fuel	267,401,062	198,357,038
Job work charges	137,753,142	143,608,123
Lease rental - Plant and equipments	69,671,546	24,696,786
Other manufacturing expenses	6,903,991	1,484,235
Factory rent	10,073,298	8,225,043

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
Repairs and Maintenance		
- Buildings	13,590,800	5,142,235
- Plant and machinery	25,445,472	21,311,597
- Others	6,721,563	4,390,759
Rent	22,569,385	20,482,538
Rates and taxes	8,605,680	8,171,829
Insurance	4,050,096	4,543,807
Directors' sitting fees	810,000	720,000
Travelling and conveyance expenses	18,762,631	12,260,561
Professional and consultancy fees	31,677,075	22,462,275
Communication charges	10,775,678	7,653,114
Miscellaneous expenses	108,496,770	86,298,126
Loss on sale / discard of fixed assets (net)	1,361,411	545,354
Donation	304,651	1,145,000
Payment to auditors (Refer details below)	6,142,983	4,524,640
Exchange difference (net)	-	20,156,024
Freight and forwarding expenses	93,486,163	103,180,487
Bad debts	1,815,282	12,859,685
Provision for diminution in value of investment	2,000,000	-
Provision for doubtful debts	3,432,828	(11,154,034)
Total	1,206,491,087	994,536,434
Payment to auditors for:		
Audit fees (Includes ₹ 450,000 (₹ Nil) to branch auditors)	2,474,000	1,840,000
Tax audit (Includes ₹ 49,980 (₹ Nil) to branch auditors)	328,280	253,000
Tax representations and others	1,496,762	740,002
Certifications (including fees for limited review)	1,715,875	1,620,003
Reimbursement of expenses	128,066	71,635
Total	6,142,983	4,524,640
24. Finance costs		
Interest expenses		
- Borrowings	541,637,118	569,129,339
- Others	13,850,771	-
Other financial charges	28,696,215	24,813,836
(includes amortisation of ancillary borrowing costs of ₹ 13,816,733 (₹ 11,945,022))		
Exchange difference on borrowings (net)	3,175,370	-
Total	587,359,474	593,943,175

Notes forming part of the financial statements

25. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)
₹ 265,249,641 (₹ 120,229,324)

26. Contingent Liabilities not provided for

(Amount in ₹)

	2012	2011
a) Unexpired Letters of Credit (net of liability provided)	260,288,175	63,951,109
b) Guarantees and counter guarantees given by the Company [includes ₹ 5,133,821,625 (₹ 4,897,618,605) for loans taken by Subsidiaries]. Loans outstanding against these guarantees are ₹ 2,788,793,162 (₹ 3,575,862,493)	5,148,597,625	4,909,534,605
c) Disputed Indirect Taxes *	276,118,838	274,559,769
d) Disputed Direct Taxes	28,805,069	18,467,097
e) Claims not acknowledged as debts	3,331,550	3,556,550
f) Deferred Sales Tax Liability assigned	84,496,517	112,609,023
g) Duty benefit availed under EPCG scheme, pending export obligations	117,430,117	88,214,189

* Does not include disputed excise duty of ₹ 198,191,799 (₹ 198,191,799) for alleged undervaluation in inter unit transfer of Web, for captive consumption as it does not have significant impact on profits of the Company since excise duty paid by one unit is admissible as Cenvat credit at other unit. Further, the appeal filed by Excise Department against the decision (in Company's favour) of High Court is pending before Supreme Court.

27. Managerial remuneration

a) Details of Remuneration paid / payable to the Managing Director are as stated below:

(Amount in ₹)

	2012	2011
1. Salaries, Allowances and Perquisites*	28,400,000	26,050,000
2. Contribution to Provident and other funds	2,790,000	2,574,000
3. Performance Bonus	-	**21,360,000
Total	31,190,000	49,984,000

* Excludes Leave encashment and Gratuity which is based on actuarial valuation provided on an overall Company basis.

** The performance bonus payable to managing director for the year ended 31 March 2011 as approved by the Central Government vide letter dated 16 May 2012 is less than performance bonus approved by the Board of Directors by ₹ 5,208,255. The Company has made a representation to the Central Government for approval the said amount which remains unpaid.

b) During the year, the Company has paid commission of ₹ 3,600,000 (₹ 4,125,000) to Non-Executive Independent Directors based on the Profits for the year ended 31 March 2011.

Notes forming part of the financial statements

28. Leases

The Company has leased certain premises, residential facilities, plant and machinery (including equipments) and vehicles under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the leases varies from eleven to sixty months. The rental obligations are as follows:

(Amount in ₹)

	2012	2011
Lease rental charges for the year	114,200,725	64,075,250
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year	104,384,250	83,415,175
Later than one year but not later than five years	210,258,304	243,657,385
Total	314,642,554	327,072,560

29. The Company's wholly owned subsidiary (WOS), Essel Packaging (Nepal) Private Limited, had discontinued its operations and disposed off assets and paid off liabilities. The Company has already received ₹ 60,000,000 upon reduction of the Subsidiary's capital, and provided ₹ 18,996,622 towards diminution in value of Investment (including current year ₹ 20,00,000) and the Management is of the opinion that the realizable value of investment will not be less than its carrying value.

30. Scheme of Merger of Ras Propack Lamipack Limited ("RPLL") and Ras Extrusions Limited ("REL") with the Company.

- a) A scheme of Merger ("The Scheme") of Ras Propack Lamipack Limited ("RPLL") and Ras Extrusions Limited ("REL") with the company as part of Modified Scheme was sanctioned by Board for Industrial and Financial Reconstruction ("BIFR") on 10 May 2012 vide summary record of proceedings issued on 28 August 2012. The Scheme became effective on 30 August 2012 and consequently, the entire undertaking of the transferor companies including all assets, liabilities and reserves, vested in the Company on appointed date 1 April 2011. Accordingly, accounts for the year ended 31 March 2012 have been drawn up giving effect to the Scheme and include the transactions of transferor companies of the year 2011-2012.
- b) The Merger is accounted for as per "Pooling of Interest" method prescribed under Accounting Standard 14 "Accounting of Amalgamations".
- c) Pursuant to the Scheme:
 - i. Assets and liabilities of RPLL and REL as at 1 April 2011 have been taken over at their book values (including certain assets revalued) subject to debit adjustment of ₹ 198,176 made for difference in the accounting policy of employee benefits of transferor companies.
 - ii. The book value of Company's investments in the equity shares of the RPLL and REL and Inter-company loans, advances, deposits and balances have been cancelled.
 - iii. 380,248 and 119,907 fully paid up equity shares of ₹ 2 each are to be allotted to shareholders of RPLL and REL respectively on record date. Pending such allotment, the amount has been credited to share capital suspense (Refer note 3).
 - iv. The difference between net assets taken over, equity shares to be issued, extinguishment of the Company's investment in transferor companies and other reserves taken over, has been credited to General reserve as detailed below:

Notes forming part of the financial statements

(Amount in ₹)

Assets and Liabilities	RPLL	REL	Total
Fixed Assets	74,296,926	34,135,698	108,432,624
Current assets, loans and advances	32,475,132	2,061,553	34,536,685
Cash and bank balances	20,620	115,629	136,249
Current liabilities and provisions	(165,767,388)	(33,730,364)	(199,497,752)
Unsecured loans	(46,700,000)	(15,000,000)	(61,700,000)
Net Assets	(105,674,710)	(12,417,484)	(118,092,194)
Less: Inter-company investments cancelled	41,091,000	7,500,000	48,591,000
Less: Equity shares to be allotted	760,496	239,814	1,000,310
Reserves and surplus taken over			
Capital reserve	176,563,501	18,113,843	194,677,344
Revaluation reserve		14,753,958	14,753,958
Debit balance in profit and loss account	(386,070,211)	(65,735,285)	(451,805,496)
Surplus transferred to General reserve			74,690,690

d) During the period between the appointed date and the effective date, as RPLL and REL have carried on the existing business in “trust” on behalf of the Company, all vouchers, documents etc., for the period are in the name of RPLL and REL.

e) Pending completion of the relevant formalities of transfer, certain assets and liabilities acquired pursuant to the Scheme are accounted by the Company and remains in the names of transferor Companies.

31. Provision for custom duty ₹ 152,200,723 is on account of non-fulfilment of export obligations under the “Zero Duty EPGC Scheme” by Ras Propack Lamipack Limited (“RPLL”) (the merged entity). The same has been retained in the books of the Company.

32. Foreign exchange difference

The Companies (Accounting Standards) Amendment Rules, 2011 has amended provisions of AS-11 related to “The Effect of Changes in Foreign Exchanges Rates” vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by The Ministry of Corporate Affairs (MCA). In terms of these amendments,

a) Exchange difference loss (net) of ₹ 18,646,059 (₹ Nil) is capitalised to the cost of fixed assets.

b) Movement in “Foreign Currency Monetary Item Translation Difference account” (FCMITD) is as under:-

(Amount in ₹)

	2012	2011
Opening balance Debit / (Credit)	7,282,441	80,041,332
Exchange difference loss / (gain) during the year	(43,445,023)	(53,217,235)
Amortisation of exchange difference for the year	16,907,489	19,541,656
Closing balance Debit / (Credit)	(19,255,093)	7,282,441

33. Derivative instruments and unhedged foreign currency exposure

a) Derivative contracts (forward contracts for hedging purposes) entered into by the Company and outstanding as at 31 March :

i. For payments to be received against exports and other receivables

Derivative Contracts	2012		2011	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD/INR	USD 29,960,000	1,524,215,000	USD 20,318,555	906,105,964

Notes forming part of the financial statements

- ii. For payments to be made against imports and other payables

Derivative Contracts	2012		2011	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD/INR	USD 15,874,389	807,609,548	USD 5,279,578	235,442,794
JPY/INR	-	-	JPY 469,440,000	161,815,451

- iii. Cross currency hedges

	2012 Amount in Foreign Currency	2011 Amount in Foreign Currency
In respect of payables (including capital commitments)		
EUR/USD	EUR 1,992,560	Nil
CHF/USD	CHF 5,112,600	Nil

- iv. Outstanding foreign currency exposures not hedged by derivative instruments

(Amount in ₹)

	2012	2011
Foreign currency payables	372,773,104	91,898,171
Foreign currency receivables	382,855,733	163,830,523

34. Micro, Small and Medium Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 “The Act” are given as follows:

(Amount in ₹)

	2012	2011
(a) Principal amount due to suppliers under the Act	7,025,885	6,523,627
(b) Interest accrued and due to suppliers under the Act, on the above amount	-	113
(c) Payment made to suppliers (Other than interest) beyond the appointed day, during the year	28,112,852	53,514,977
(d) Interest paid to suppliers under the Act, (Other than Section 16)	-	-
(e) Interest paid to suppliers under the Act, (Section 16)	-	-
(f) Interest due and payable to suppliers under the Act, for payments already made	48,900	120,985
(g) Interest accrued and remaining unpaid at the end of the year under the Act	1,016,192	967,292

Note: The information has been given in respect of such vendors to the extent they could be identified as “Micro, Small and Medium” enterprises on the basis of information available with the Company.

35. Gratuity and other post employment benefit plans

As per Accounting Standard – 15 “Employee Benefits”, the disclosures of employee benefits as defined in the Accounting Standard are given below:

- a) The Company makes annual contributions to the employees’ gratuity fund scheme, a funded defined benefit plan which is managed by LIC of India. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes forming part of the financial statements

- b) Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognised in the same manner as gratuity.

I. Expenses recognised during the year

(Amount in ₹)

	2012		2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service cost	5,351,172	4,484,515	5,118,753	2,544,350
Interest cost	5,990,358	1,838,609	5,510,593	2,014,181
Expected return on plan assets	(2,301,732)	-	(2,120,760)	-
Actuarial (gain) / loss	(4,985,828)	1,435,961	(5,051,451)	(5,212,633)
Net cost	4,053,970	7,759,085	3,457,135	(654,102)

II. Net liability recognised in the balance sheet

Fair value of plan assets	33,272,540	-	28,771,655	-
Present value of obligation	75,767,535	26,175,722	70,227,563	21,444,931
Liability recognized in balance sheet	42,494,995	26,175,722	41,455,908	21,444,931

III. Reconciliation of opening and closing balances of Defined Benefit obligation

Defined Benefit obligation as at the beginning	70,227,563	21,444,931	68,882,414	25,177,265
Liability acquired vide Scheme of Merger	2,382,833	841,233	-	-
Current service cost	5,351,172	4,484,515	5,118,753	2,544,350
Interest cost	5,990,357	1,838,609	5,510,593	2,014,181
Actuarial (gain) / loss on obligation	(4,698,111)	1,435,961	(4,879,356)	(5,212,633)
Benefit paid	(3,486,279)	(3,869,527)	(4,404,841)	(3,078,232)
Defined Benefit obligation at the closing	75,767,535	26,175,722	70,227,563	21,444,931

IV. Reconciliation of opening and closing balance of fair value of plan assets

(Amount in ₹)

	Gratuity	
	2012	2011
Fair value of plan assets at beginning of the year	28,771,655	26,509,495
Expected return on plan assets	2,301,732	2,120,760
Actuarial gain / (loss)	(287,717)	172,095
Employer contribution	5,353,927	4,374,146
Benefit paid	(3,442,491)	(4,404,841)
Fair value of plan assets at year end	33,272,540	28,771,655
Actual return on plan assets	2,589,449	2,292,855

Notes forming part of the financial statements

V. Investment details

(Amount in ₹)

	Gratuity	
	2012	2011
Insurer Managed Funds	33,272,540	28,771,655

VI. Actuarial assumptions

	2012		2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate(per annum)	8.50%	8.50%	8.25%	8.25%
Expected rate of return on plan assets (per annum)	8.60%	-	8.00%	-
Rate of escalation in salary (per annum)	5.50%	5.50%	5.50%	5.50%
Attrition rate	2%	2%	2%	2%

Notes:

1. Amount recognised as an expense and included in the note 22 “Employee benefits expenses” are gratuity ₹ 4,053,970 (₹ 3,457,135) and leave encashment ₹ 7,759,085 (credit of ₹ 654,102)
2. The estimate of future salary increases considered in the actuarial valuation, taking into account rate of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.
3. “Contribution to provident and other funds” is recognised as an expense in note 22 of the statement of Profit and Loss.

36. Related Party Disclosure

- i) List of Parties where control exists

a) Subsidiary Companies

Name of the Subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)	Country of Incorporation
Direct Subsidiaries		
Arista Tubes Inc. *	100% (100%)	USA
Lamitube Technologies Limited	100% (100%)	Mauritius
Lamitube Technologies (Cyprus) Limited	100% (100%)	Cyprus
Packaging India Private Limited	100% (100%)	India
Essel Packaging (Nepal) Private Limited ^	100% (100%)	Nepal

Notes forming part of the financial statements

Name of the Subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)	Country of Incorporation
Step down Subsidiaries		
The Egyptian Indian Company for Modern Packaging S.A.E.	75% (75%)	Egypt
Essel Propack MISR for Advanced Packaging S.A.E.	75% (75%)	Egypt
Essel Packaging (Guangzhou) Limited	100% (100%)	China
Essel Propack Philippines, Inc	100% (100%)	Philippines
MTL de Panama S.A.	100% (100%)	Panama
Packtech Limited	100% (100%)	Mauritius
Arista Tubes Limited	100% (100%)	United Kingdom
Essel Propack UK Limited	100% (100%)	United Kingdom
Essel Propack de Venezuela, C.A.^	100% (100%)	Venezuela
Essel de Mexico, S.A. de C.V.	100% (100%)	Mexico
Tubo pack de Colombia S.A.	100% (100%)	Colombia
Essel Propack LLC	100% (100%)	Russia
Essel Propack Polska Sp. Z.O.O.	100% (100%)	Poland
Essel Propack America, LLC	100% (100%)	USA

^ These subsidiaries have discontinued their operations.

* 7.35% (7.35%) holding is held through Lamitube Technologies (Cyprus) Limited.

(b) Joint Venture /Associate Companies

Name of the Company	Nature	Extent of Holding
P.T. Lamipak Primula, Indonesia	Associate	30.00% (30.00%)
Ras Propack Lamipack Limited @	Associate	Nil (39.57%)
Ras Extrusions Limited @	Associate	Nil (36.67%)
Essel Deutschland GmbH & Co.,KG Dresden	Joint Venture	24.90% (24.90%)
Essel Deutschland Management GmbH, Germany	Joint Venture	24.90% (24.90%)

@ Refer note 30

- ii) Other related parties with whom transactions have taken place during the year and balances outstanding at the year end.

(a) Other Related Parties

Ayeppee Lamitubes Limited, Churu Trading Company Private Limited, Continental Drug Company Private Limited, Essel Corporate Resources Private Limited, Ganjam Trading Company Private Limited, Pan India Paryatan Private Limited, Premier Finance and Trading Company Limited, Prajatma Trading Company Private Limited, Zee Entertainment Enterprises Limited, Briggs Trading Company Private Limited, Rama Associates Limited, Aqualand (India) Limited.

Notes forming part of the financial statements

(b) Directors of the Company

Non-Executive Directors

Mr. Subhash Chandra
Mr. Boman Moradian
Mr. K. V. Krishnamurthy
Mr. Tapan Mitra

Executive Director

Mr. Mukund M. Chitale
Mr. Ashok Kumar Goel
(Vice-Chairman and Managing Director)

Transactions with Related Parties:

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
I Transactions				
a) Sales to and Recoveries from				
Subsidiaries	239,065,253		218,201,992	
Essel Propack Polska Sp. Z.O.O.		40,446,890		40,604,505
Arista Tubes Inc.		32,996,715		1,607,195
Essel Propack America, LLC		63,389,763		72,752,338
Essel Propack MISR for Advanced Packaging S.A.E.		39,517,381		22,611,201
Joint Venture / Associates	1,352,930		5,496,930	
Essel Deutschland GmbH & Co., KG Dresden		1,099,078		3,694,298
P.T. Lamipak Primula		253,852		-
Ras Propack Lamipack Limited		-		1,802,532
Other Related Parties	1,536,343		39,361	
Rama Associates Limited		1,360,865		-
Pan India Paryatan Private Limited		175,478		39,361
b) Royalty / Service charges Income				
Subsidiaries	100,340,256		84,067,423	
Essel Packaging (Guangzhou) Limited.		63,579,403		61,965,620
Essel Propack America, LLC		14,650,019		6,008,300
Essel Propack MISR for Advanced Packaging S.A.E.		15,616,635		9,873,848
Joint Venture / Associates	14,668,039		16,750,276	
Essel Deutschland GmbH & Co., KG Dresden		14,668,039		16,750,276
c) Dividend Income				
Subsidiaries	91,512,000		167,718,875	
Lamitube Technologies Limited		91,512,000		167,718,875

Notes forming part of the financial statements

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
d) Guarantee Commission				
Subsidiaries	23,863,624		20,704,069	
Lamitube Technologies Limited		14,732,678		15,936,003
Lamitube Technologies (Cyprus) Limited		8,927,026		3,919,414
e) Purchase of Goods and Services				
Subsidiaries	12,009,335		34,405,165	
Essel Propack MISR for Advanced Packaging S.A.E.		6,494,257		-
Packaging India Private Limited		520,962		4,435,139
Essel Propack Polska Sp. Z.O.O.		4,538,135		29,961,969
Joint Venture / Associates	-		50,519,015	
Ras Propack Lamipack Limited		-		48,120,939
Other Related Parties	21,497,901		21,060,533	
Ganjam Trading Company Private Limited		19,706,405		19,134,073
f) Purchase of Fixed Assets				
Subsidiaries	79,866,108		-	
Essel Packaging (Guangzhou) Limited		79,866,108		-
g) Loans / Advances / Deposits given				
Subsidiaries	816,309,802		1,070,872,000	
Lamitube Technologies Limited		501,161,250		657,570,000
Lamitube Technologies (Cyprus) Limited		251,441,375		413,302,000
Joint Venture / Associates	-		34,258,424	
Ras Extrusions Limited		-		15,000,000
Ras Propack Lamipack Limited		-		19,258,424
Other Related Parties	110,952,469		979,471,839	
Churu Trading Company Private Limited		104,431,000		49,491,818
Premier Finance and Trading Company Limited		-		810,533,274
h) Repayment of Loans / Advances / Deposits given				
Subsidiaries	257,738,442		1,527,230,854	
Lamitube Technologies Limited		-		749,600,000
Essel Propack America, LLC		-		334,945,675
Lamitube Technologies (Cyprus) Limited		257,738,442		442,685,179
Other Related Parties	3,410,828		1,035,332,562	
Premier Finance and Trading Company Limited		-		869,159,416
Ayeppee Lamitubes Limited		3,219,427		1,080,000

Notes forming part of the financial statements

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
i) Loans / Advances / Deposits taken				
Other Related Parties	100,000,000		80,025,000	
Pan India Paryatan Private Limited		100,000,000		80,025,000
j) Repayment of Loans / Advances / Deposits taken				
Other Related Parties	100,000,000		80,000,000	
Pan India Paryatan Private Limited		100,000,000		80,000,000
k) Interest Income on Loans /Advances / Deposits /given				
Subsidiaries	144,072,204		171,992,377	
Lamitube Technologies Limited		23,740,980		13,605,000
Packaging India Private Limited		16,508,428		16,418,067
Lamitube Technologies (Cyprus) Limited		103,822,796		135,055,497
Other Related Parties	135,332,871		189,967,792	
Churu Trading Company Private Limited		65,646,753		54,990,909
Premier Finance and Trading Company Limited		-		67,259,193
Prajatma Trading Company Private Limited		57,037,896		56,882,054
l) Interest Expense on Loans /Advances / Deposits taken				
Other Related Parties	2,760,958		267,123	
Pan India Paryatan Private Limited		2,760,958		267,123
m) Rent Income	60,000		32,500	
Pan India Paryatan Private Limited		60,000		32,500
n) Investments Sold / Transferred / Redeemed during the year				
Subsidiaries	-		799,891,250	
Essel Propack America, LLC		-		744,341,250
o) Investment acquired during the year				
Subsidiaries	-		744,341,250	
Arista Tubes Inc.		-		744,341,250
Joint Venture / Associates	-		7,500,000	
Ras Extrusions Limited		-		7,500,000
(II) Balance Outstanding as at 31 March				
a) Trade receivables				
Subsidiaries	284,214,596		218,463,084	
Essel Propack America, LLC		15,337,499		28,419,000
Essel Packaging (Guangzhou) Limited		52,620,387		34,570,346
Essel Propack Polska Sp. Z.O.O.		55,228,223		19,866,708
Essel Propack LLC		97,042,762		84,896,833

Notes forming part of the financial statements

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
Joint Ventures / Associates	25,523,876		18,952,318	
Essel Deutschland Gmbh & Co., KG Dresden		25,523,876		9,076,194
Ras Propack Lamipack Limited		-		9,876,124
Other Related Parties	531,145		62,145	
Rama Associates Limited		312,391		-
Pan India Paryatan Private Limited		218,754		62,145
b) Loans / Advances / Deposits given				
Subsidiaries	1,589,531,129		890,623,105	
Essel Propack America, LLC		-		6,408,436
Lamitube Technologies (Cyprus) Limited		820,899,485		725,684,661
Lamitube Technologies Limited		527,132,287		11,453,090
Packaging India Private Limited		190,000,000		126,733,848
Joint Venture / Associates	2,514,631		63,420,740	
Essel Deutschland Gmbh & Co; KG Dresden		2,204,052		1,448,500
P.T.Lamipack Primula		310,577		272,240
Ras Propack Lamipack Limited		-		46,700,000
Ras Extrusions Limited		-		15,000,000
Other Related Parties	984,815,316		877,213,674	
Churu Trading Company Private Limited		471,037,057		366,606,057
Ayeppee Lamitubes Limited		110,358,415		107,056,373
Prajatma Trading Company Private Limited		379,213,699		379,213,699
c) Loans / Advances / Deposits taken				
Other Related Parties	25,000		25,000	
Pan India Paryatan Private Limited		25,000		25,000
d) Interest Receivable				
Subsidiaries	83,263,450		93,988,318	
Lamitube Technologies (Cyprus) Limited		59,496,207		44,419,785
Lamitube Technologies Limited		23,767,243		386,652
Packaging India Private Limited		-		49,181,881
Other Related Parties	121,799,584		-	
Prajatma Trading Company Private Limited		51,334,106		-
Churu Trading Company Private Limited		59,082,078		-
e) Creditors				
Subsidiaries	86,358,100		11,043,522	
Essel Packaging (Guangzhou) Limited		82,392,245		-
MTL De Panama S.A.		-		2,747,394
Essel Propack Polska Sp.Z.O.O.		-		7,289,784

Notes forming part of the financial statements

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
Joint Venture / Associates	-		1,324,492	
Ras Extrusions Limited		-		1,324,492
Other Related Parties	7,930,765		7,922,241	
Essel Corporate Resources Private Limited		3,861,231		3,861,231
Continental Drugs Company Private Limited		4,057,248		4,057,248
f) Investments in shares				
Subsidiaries	5,637,346,298		5,637,346,298	
Lamitube Technologies Limited		3,625,783,282		3,625,783,282
Arista Tubes Inc.		744,341,250		744,341,250
Packaging India Private Limited		738,740,638		738,740,638
Joint Venture / Associates	-		48,591,000	
Ras Propack Lamipack Limited		-		41,091,000
Ras Extrusions Limited		-		7,500,000
g) Guarantees given				
Subsidiaries	5,133,821,625		4,897,618,605	
Lamitube Technologies Limited		1,475,375,000		1,661,163,750
Essel Propack America, LLC		696,987,500		610,951,500
Essel Propack Polska Sp. Z.O.O.		611,976,250		556,165,000
Arista Tubes Inc.		1,017,500,000		891,900,000
Lamitube Technologies (Cyprus) Limited		635,937,500		557,437,500

“Major Parties” denotes entries who account 10% or more of the aggregate for that category of transaction. For details of Remuneration to Directors (Refer note 27) and guarantee / security given by promoter group company viz. Aqualand (India) Limited (Refer note 5 and 9).

37. Disclosure as required by Clause 32 of the listing agreement:

i) Loans to Subsidiary / Associate Companies:

(Amount in ₹)

	Balances as at		Maximum amount outstanding during the year	
	2012	2011	2012	2011
Loans to Subsidiaries / Associates				
Essel Propack America, LLC	-	-	-	334,945,675
Lamitube Technologies Limited	510,021,875	-	510,021,875	404,055,000
Packaging India Private Limited	190,000,000	126,292,823	190,000,000	126,292,823
Lamitube Technologies (Cyprus) Limited	814,000,000	721,770,705	1,046,564,817	1,192,694,979
Ras Propack Lamipack Limited	-	46,700,000	-	46,700,000
Ras Extrusions Limited	-	15,000,000	-	15,000,000

Notes forming part of the financial statements

Note:

Loans to others are repayable on demand and hence not considered in the above disclosure requirements. However, interest is charged on terms not prejudicial to the interests of the company.

ii) Investments by Loanee in the Shares of the Company as at

Loanee	Number of fully paid-up equity shares	
	2012	2011
Churu Trading Company Private Limited	316,595	316,595

38. Value of imported and indigenous raw materials, stores and spares and packing materials consumed and percentage of each to the total consumption

	2012		2011	
	Percentage (%)	Amount (₹)	Percentage (%)	Amount (₹)
1) Raw Materials				
a) Imported	61	1,432,761,965	61	1,154,990,408
b) Indigenous	39	902,836,874	39	731,594,536
2) Stores and Spares				
a) Imported	68	123,410,545	67	92,566,281
b) Indigenous	32	57,527,946	33	46,511,628
3) Packing Material				
Indigenous	100	173,701,089	100	154,393,303

39. Dividend remittance in foreign currency

	No. of Shareholders	No. of Equity Shares held	Amount (₹)
Current Year March 2010-11 Final	1	13,570,000	8,142,000
Previous Year March 2009-10 Final	39	34,286,320	13,714,528

40. Earnings per share

(Amount in ₹)

	2012	2011
Profit after Tax	490,745,886	440,827,478
Weighted average number of Basic and Diluted Equity Shares (Nos.)*	1,57,101,285	156,601,130
Nominal value of equity shares	2.00	2.00
Basic and Diluted Earnings Per Share	3.12	2.80

*Includes 500,155 equity shares of ₹ 2 each fully paid up to be allotted pursuant to the Scheme of Merger as referred in note 30.

41. Other information

(Amount in ₹)

	2012	2011
C.I.F. value of imports		
Raw materials	1,185,252,886	1,104,142,547
Stores and spares	82,294,573	54,779,601
Capital goods	418,517,324	359,798,450

Notes forming part of the financial statements

(Amount in ₹)

	2012	2011
Expenditure in foreign currency (on accrual basis)		
Financial charges (Gross)	28,513,321	32,265,968
Travelling expenses	2,091,972	1,506,635
Others (Gross)	10,396,184	8,953,892
FOB value of exports		
Product exports excluding deemed exports of ₹332,000,415 (₹ 319,102,215)	336,671,353	348,272,464
Income in foreign currency (on accrual basis)		
Royalty / service charges	115,008,296	100,817,699
Interest	127,563,776	155,574,310
Dividend	91,512,000	167,718,875
Miscellaneous income	24,093,085	24,054,294

42. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2012

43. Service charges include prior period income of ₹ 15,324,924 (₹ Nil).

44. Provision for current tax is made as per the provisions of section 115JB (Minimum Alternate Tax) of the Income-Tax Act, 1961 (Act) after considering setoff of brought forward losses and unabsorbed depreciation of the transferor companies as allowed under section 72A of the Act.

45. Segment reporting

The financial statements of the Company contain both the consolidated financial statements as well as the separate financial statements of the parent company. Hence, the company has presented the segment information on the basis of the consolidated financial statements as permitted by Accounting Standard-17.

46. Prior period comparatives

- Schedule VI to the Companies Act, 1956 is revised effective from 1 April 2011. This has significantly impacted the disclosures and presentation in the financial statements.
- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classifications / disclosures. Current year's figures are not comparable with that of previous year's figure due to merger as referred in note 30.

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 31 August 2012

For and on behalf of the Board

Subhash Chandra Chairman

Tapan Mitra
K.V. Krishnamurthy
Boman Moradian
Mukund M. Chitale } Directors

Ashok Kumar Goel Vice Chairman & Managing Director

A.V. Ganapathy Chief Financial Officer (Global)

Aashay S. Khandwala Vice President (Legal) & Company Secretary

Cash flow statement for the year ended 31 March 2012

	(Amount in ₹)	
	2012	2011
A. Cash flow from operating activities		
Profit before tax	515,507,136	632,619,109
Adjustments for:		
Depreciation and amortisation expense	286,116,499	243,051,614
Interest expenses	555,487,889	569,129,339
Interest income	(292,585,267)	(372,929,283)
Loss on sale / discard of fixed assets (net)	1,361,411	545,354
Provision for diminution in value of investment	2,000,000	-
Dividend income	(91,512,000)	(167,718,875)
Provision for doubtful debts	3,432,828	(11,154,034)
Amortisation of ancillary borrowing costs	13,816,733	11,945,022
Exchange adjustments (net)	176,199,490	(5,617,516)
Operating profit before working capital changes	1,169,824,719	899,870,730
Adjustments for:		
(Increase) / decrease in trade and other receivables	(309,655,774)	(55,109,150)
(Increase) / decrease in inventories	78,395,594	(186,804,853)
Increase / (decrease) in trade and other payables	1,542,529	73,975,468
Cash generated from operations	940,107,068	731,932,195
Direct taxes paid (net of refunds)	(75,128,095)	(131,958,877)
Net cash from operating activities (A)	864,978,973	599,973,318
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress)	(657,972,201)	(524,413,014)
Sale of fixed assets	4,002	5,535,243
Investment in associate	-	(7,500,000)
Sale of investments in subsidiaries	-	55,550,000
(Increase)/ decrease in short-term loans to other parties (net)	1,377,216	1,123,005
Short-term loans given to related parties	(110,952,469)	(1,208,017,569)
Repayment of short-term loans given to related parties	3,410,828	1,235,126,909
(Increase) / decrease in loans and advances to subsidiaries	(807,989,096)	394,758,525
Interest received	178,506,376	399,249,899
Capital subsidy received	3,000,000	-
Dividend received	91,512,000	167,718,875
Net cash from / (used in) investing activities (B)	(1,299,103,344)	519,131,873

Cash flow statement for the year ended 31 March 2012

(Amount in ₹)

	2012	2011
C. Cash flow from financing activities		
Proceeds from long-term borrowings	792,709,570	500,000,000
Repayment of long-term borrowings	(940,507,827)	(1,161,351,653)
Proceeds from short-term borrowings	1,636,000,000	1,190,860,119
Repayment of short-term borrowings	(756,139,686)	(1,330,000,000)
Increase/(decrease) in other borrowings (net)	387,714,976	276,697,466
Interest paid	(546,438,898)	(574,564,233)
Dividend paid (including tax)	(109,674,311)	(75,520,035)
Ancillary borrowing costs incurred	(24,375,000)	(4,925,740)
Net cash from / (used in) financing activities (C)	439,288,824	(1,178,804,076)
Net changes in cash and cash equivalents (A+B+C)	5,164,453	(59,698,885)
Cash and cash equivalents at the beginning of the year	17,186,190	76,885,075
Cash and cash equivalents acquired on Merger	136,249	-
Cash and cash equivalents at the end of the year	22,486,892	17,186,190
Earmarked balances with banks	5,130,117	5,394,379
Cash and bank balances at the end of the year	27,617,009	22,580,569

Notes:

- 1 Previous year figures are regrouped/reconsidered wherever necessary.
- 2 Cash and cash equivalents include ₹ Nil (₹ 1,184) on account of realignment of foreign currency account.
- 3 Scheme of Merger as referred in note 30 has not been considered above, being a non cash transaction.

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 31 August 2012

For and on behalf of the Board

Subhash Chandra

Chairman

Tapan Mitra
K.V. Krishnamurthy
Boman Moradian
Mukund M. Chitale

Directors

Ashok Kumar Goel

Vice Chairman & Managing Director

A.V. Ganapathy

Chief Financial Officer (Global)

Aashay S. Khandwala

Vice President (Legal) & Company Secretary

Auditors' Report on Consolidated Financial Statements

To
The Board of Directors
Essel Propack Limited

1. We have audited the attached Consolidated Balance Sheet of **Essel Propack Limited** ("the Company") and its subsidiaries, associate and joint venture companies (the Company, its subsidiaries, associate and joint ventures companies constitute "the Group") as at 31 March 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) The financial statements of certain subsidiaries and joint ventures, with total assets of ₹ 11,813,219,210 as at 31 March 2012 and total revenues of ₹ 11,130,806,421 for the year ended on that date have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us, and our opinion, in so far it relates to the amounts included in respect of those subsidiaries and joint ventures, is based solely on the report of the other auditors except Note 2(iii) regarding removal of effect of inflation accounting.
- (b) The financial statements of an associate have been audited by other auditor whose report has been furnished to us. The profit of such associate considered for consolidation is ₹ 24,417,161.
4. Without qualifying our report attention is invited to Note 30, regarding Merger of Ras Propack Lamipack Limited and Ras Extrusions Limited with the Company, given effect in these financial statements.
5. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard 21, 'Consolidated Financial Statements', Accounting Standard 23, 'Accounting for Investments in Associates in the Consolidated Financial Statements' and Accounting Standard 27, 'Financial Reporting of Interests in Joint Ventures', as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of the reports of other auditors on separate financial statements of subsidiaries, associate and joint ventures, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In case of Consolidated Balance Sheet, of the State of Affairs of the Group as at 31 March, 2012;
 - (b) In case of Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
 - (c) In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 31 August 2012

Consolidated Balance sheet as at 31 March 2012

(Amount in ₹)

	Notes	2012	2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	314,130,920	313,130,610
Reserves and surplus	4	8,503,281,463	7,865,655,593
		8,817,412,383	8,178,786,203
Minority interests		75,397,019	65,305,101
Foreign currency monetary items translation difference account (net)	26	19,255,093	-
Non-current liabilities			
Long-term borrowings	5	4,229,499,821	4,717,739,462
Other long-term liabilities	6	1,375,000	-
Long-term provisions	7	210,673,899	50,855,375
		4,441,548,720	4,768,594,837
Current liabilities			
Short-term borrowings	8	3,007,604,027	1,830,622,395
Trade payables	9	1,189,500,966	1,346,279,016
Other current liabilities	6	3,022,335,888	2,474,067,058
Short-term provisions	7	450,068,159	248,158,764
		7,669,509,040	5,899,127,233
Total		21,023,122,255	18,911,813,374
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	10	7,461,923,748	6,186,877,066
- Intangible assets	10	3,767,574,554	3,745,304,955
- Capital work in progress	10	384,815,396	277,595,201
- Intangible assets under development	10	9,518,010	5,881,424
		11,623,831,708	10,215,658,646
Non-current investments	11	446,388,253	498,796,494
Deferred tax assets (net)	12	85,410,911	82,748,717
Long-term loans and advances	13	530,493,474	324,611,487
Other non-current assets	14	69,619,697	71,647,781
		12,755,744,043	11,193,463,125
Foreign currency monetary items translation difference account (net)	26	-	7,282,441
Current assets			
Inventories	15	1,980,468,753	2,110,554,973
Trade receivables	16	2,500,680,820	2,181,886,635
Cash and bank balances	17	906,648,873	640,731,090
Short-term loans and advances	13	2,659,827,345	2,651,841,606
Other current assets	14	219,752,421	126,053,504
		8,267,378,212	7,711,067,808
Total		21,023,122,255	18,911,813,374
Notes forming part of the Consolidated Financial Statements	1 - 37		

As per our attached report of even date

For and on behalf of the Board

For **MGB & Co.**

Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari

Partner
Membership Number 107832

Subhash Chandra

Chairman

Tapan Mitra
K.V. Krishnamurthy
Boman Moradian
Mukund M. Chitale

Directors

Ashok Kumar Goel

Vice Chairman & Managing Director

A.V. Ganapathy

Chief Financial Officer (Global)

Aashay S. Khandwala

Vice President (Legal) & Company Secretary

Place: Mumbai
Date: 31 August 2012

Statement of Consolidated Profit and Loss for the year ended 31 March 2012

(Amount in ₹)

	Notes	2012	2011
Revenue			
Revenue from operations (gross)	18	16,294,180,091	14,404,051,490
Less: Excise duty		(457,069,781)	(320,693,642)
Revenue from operations (net)		15,837,110,310	14,083,357,848
Other income	19	196,943,656	263,874,493
Total		16,034,053,966	14,347,232,341
Expenses			
Cost of materials consumed	20	7,580,617,551	6,825,551,382
Changes in inventories of finished goods and goods-in-process	21	38,555,350	(123,405,265)
Employee benefits expense	22	2,405,219,003	2,144,272,258
Other expenses	23	3,145,490,472	2,751,265,036
Total		13,169,882,376	11,597,683,411
Profit before depreciation, amortisation, finance costs and tax		2,864,171,590	2,749,548,930
Less:			
Depreciation and amortisation expense	10	1,170,028,471	1,069,608,692
Finance costs	24	841,391,037	850,695,345
Profit before exceptional items and tax		852,752,082	829,244,893
Less: Exceptional items	25	13,181,033	45,276,522
Profit before tax		839,571,049	783,968,371
Less: Tax expense			
Current Tax - Current year		310,529,925	459,686,539
- Earlier years		7,939,608	10,795,017
MAT credit entitlement		(92,476,340)	(12,600,000)
Deferred tax		(2,662,194)	(119,520,878)
Profit after tax from continuing operations		616,240,050	445,607,693
Add: Share of profit from associates		24,417,161	25,371,240
Less: Minority interests		25,102,342	29,515,464
Profit for the year from continuing operations		615,554,869	441,463,469
Add / Less: Profit / (Loss) from discontinuing operations (net of tax)	32	(101,975,311)	31,234,144
Profit for the year		513,579,558	472,697,613
Earnings per equity share of ₹ 2 each			
Basic and Diluted			
i) Continuing operations		3.92	2.83
ii) Total operations		3.27	3.02
Notes forming part of the Consolidated Financial Statements	1 - 37		

As per our attached report of even date

For and on behalf of the Board

For **MGB & Co.**

Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari

Partner
Membership Number 107832

Subhash Chandra

Chairman

Tapan Mitra
K.V. Krishnamurthy
Boman Moradian
Mukund M. Chitale

Directors

Ashok Kumar Goel

Vice Chairman & Managing Director

A.V. Ganapathy

Chief Financial Officer (Global)

Aashay S. Khandwala

Vice President (Legal) & Company Secretary

Place: Mumbai

Date: 31 August 2012

Notes forming part of the Consolidated Financial Statements

1 Background

Essel Propack Limited (hereinafter referred to as ‘the parent company’, ‘the Company’ or ‘EPL’) together with its subsidiaries, associates and joint ventures (collectively referred to as ‘Group’) is a producer of plastic packaging material in the form of multilayer collapsible tubes and laminates used primarily for the packaging of toothpaste, personal care, cosmetics, foods, pharmaceuticals, household and industrial products.

2 Basis of Consolidation

- i) The Consolidated Financial Statements (CFS) of the Group are prepared under the historical cost convention except certain freehold land and buildings acquired on merger [Refer note 10(2)] on going concern basis in accordance with the Generally Accepted Accounting Principles in India and Accounting Standard-21 on “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India (ICAI), to the extent possible in the same manner as that adopted by the parent company for its separate financial statements by regrouping, recasting or rearranging figures, wherever considered necessary.
- ii) CFS are prepared to the extent possible using uniform accounting policies for transactions and other events in similar circumstances, except in case of a subsidiary, where inventories are valued on First In First Out (FIFO) basis. The value of such inventory, as at 31 March 2012 is ₹ 185,119,865. No adjustment has been made for such policy difference.
- iii) CFS are prepared on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. However, a provision of ₹ 40,000,000 for contingency has been recognised directly in the CFS and the effect of inflation accounting in certain subsidiaries is reversed. All significant inter-group transactions, unrealized inter-company profits and balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders’ proportionate share of the net assets and net income.
- iv) The CFS includes the financial statements of the parent company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of the Subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)	Country of Incorporation
Direct Subsidiaries		
Arista Tubes Inc. *	100% (100%)	USA
Lamitube Technologies Limited	100% (100%)	Mauritius
Lamitube Technologies (Cyprus) Limited	100% (100%)	Cyprus
Packaging India Private Limited	100% (100%)	India
Essel Packaging (Nepal) Private Limited ^	100% (100%)	Nepal
Step down Subsidiaries		
The Egyptian Indian Company for Modern Packaging S.A.E. ^	75% (75%)	Egypt
Essel Propack MISR for Advanced Packaging S.A.E.	75% (75%)	Egypt
Essel Packaging (Guangzhou) Limited	100% (100%)	China
Essel Propack Philippines, Inc	100% (100%)	Philippines
MTL de Panama S.A.	100% (100%)	Panama
Packtech Limited	100% (100%)	Mauritius
Arista Tubes Limited	100% (100%)	United Kingdom
Essel Propack UK Limited	100% (100%)	United Kingdom
Essel Propack de Venezuela, C.A.^	100% (100%)	Venezuela

Notes forming part of the Consolidated Financial Statements

Name of the Subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)	Country of Incorporation
Essel de Mexico, S.A. de C.V.	100% (100%)	Mexico
Tubo pack de Colombia S.A.	100% (100%)	Colombia
Essel Propack LLC	100% (100%)	Russia
Essel Propack Polska Sp. Z.O.O.	100% (100%)	Poland
Essel Propack America, LLC	100% (100%)	USA

^ These subsidiaries have discontinued their operations.

* 7.35% (7.35%) held through Lamitube Technologies (Cyprus) Limited.

v) Associates

The Group has adopted and accounted for Investment in Associates in these CFS using the “Equity Method” as per AS-23 issued by ICAI.

Name of the Associate	Extent of holding	Country of Incorporation
P.T. Lamipak Primula ^	30% (30%)	Indonesia
RAS Propack Lamipack Limited *	- (39.57%)	India
Ras Extrusions Limited *	- (36.67%)	India

* ceased to be an associate as merged with the company w.e.f. 1 April 2011. (Refer note 30)

^ No adjustment is made for difference in accounting policy for inventories valued on First In First Out (FIFO) basis.

vi) Joint Ventures

The Group has adopted and accounted for interest in the Joint Ventures in these CFS, using the “Proportionate Consolidation Method” as per AS-27 issued by ICAI.

Name of the Joint Venture	Extent of holding	Country of Incorporation
Essel Deutschland Management GmbH	24.90% (24.90%)	Germany
Essel Deutschland GmbH & Co. KG, Dresden	24.90% (24.90%)	Germany

2.1 Significant Accounting Policies

a. Use of Estimates

The preparation of CFS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses of the year. Actual result could differ from these estimates. Any revision of such accounting estimate is recognised prospectively in current and future periods.

b. Tangible and Intangible fixed assets

i) Goodwill on Consolidation

Goodwill represents the difference between the group’s shares in the net worth of the subsidiary / associate, and the cost of acquisition at the time of making the investment in the subsidiary / associate. Capital reserve represents negative goodwill arising on consolidation.

ii) Tangible and intangible fixed assets

a) Tangible assets (excluding freehold land which is carried at cost) are stated at original cost of acquisition / installations (net of cenvat credit availed) net off accumulated depreciation and impairment losses except certain freehold land and building acquired on merger [Refer notes 10(2) and 30] are stated at revalued amount less accumulated depreciation. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of income) and borrowing costs incurred during pre-operational period.

Notes forming part of the Consolidated Financial Statements

- b) Capital work-in-progress comprises cost of fixed assets and related expenses that are not yet ready for their intended use at the reporting date.
- c) Intangible assets acquired are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and impairment loss, if any.

c. Depreciation / amortization on tangible and intangible assets

- i) Depreciation on tangible fixed assets (including on assets acquired on finance lease) is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 or at the rates adopted in the accounts of respective subsidiaries as permissible under applicable local laws on straight line basis from the time they are available for use, so as to write off their costs over estimated useful lives of the assets.
- ii) Premium on leasehold land and leasehold improvements are amortized over the normal / extendable period of lease.
- iii) In case of revalued tangible assets, the incremental depreciation attributable to the revaluation is recouped out of revaluation reserve.
- iv) Intangible assets are amortized on a straight-line basis over the economic useful life estimated by the management.
- v) No part of goodwill arising on consolidation is amortized.

d. Impairment of tangible and intangible assets

At each Balance Sheet date, the Group reviews the carrying amount of tangible and intangible assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

e. Borrowing Costs

- i) Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. All other borrowing costs are charged to revenue.
- ii) Ancillary costs incurred in connection with arrangement of borrowings are amortised over the tenure of such borrowings.

f. Investments

Investments intended to be held for more than one year, from the date of acquisition, are classified as long-term and are carried at cost. Provision for diminution in value of long-term investments is made to recognise a decline other than temporary. Current investments are carried at cost or fair value, whichever is lower.

g. Employee Benefits

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and loss of the year in which the related service is rendered.
- b) Post-employment and other long-term benefits are recognised as an expense in the Statement of Profit and Loss at the present value of the amounts payable determined using actuarial valuation techniques in the year in which the employee renders services. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- c) Payments to defined contribution retirement benefit schemes are charged as expenses as they fall due.

Notes forming part of the Consolidated Financial Statements

h. Revenue Recognition

- i) Revenue from sale of goods is recognised on transfer of significant risk and rewards of ownership on to the customers, which is generally on dispatch of goods. Gross sales include excise duty and are net of discount, value added tax / sales tax. Export sales are accounted for on the basis of date of bill of lading.
- ii) Export incentives / benefits including custom duty benefits (advance licenses) are accounted on accrual basis.
- iii) Income from royalty and service charges is recognised as per the agreed terms / completion of the service.
- iv) Dividend income is recognized when the right to receive dividend is established.
- v) Interest income is recognised on a time proportion basis taking into consideration the amount outstanding and the applicable interest rate.

i. Government Grants / Subsidies

Grants / subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. Grant / subsidy received is credited to capital reserve and treated as a part of the shareholder's fund. Revenue grants are recognised in Statement of Profit and Loss upon complying with conditions attached to such grants.

j. Inventories

- i) Inventories are valued at lower of cost or estimated net realisable value.
- ii) Inventory of raw materials, packing material and stores and spares are valued on Moving Average Price Method except for a subsidiary where it is on First In First Out (FIFO) basis [Refer note 2(ii)].
- iii) Cost of finished goods and goods-in-process includes cost of direct materials, labour and other manufacturing overheads.
- iv) Excise liability is included in the valuation of closing inventory of finished goods.

k. Foreign Currency

i) Accounting of Transactions

- a) Foreign exchange transactions are recorded at the exchange rate prevailing on the date of such transactions. Foreign currency monetary assets and liabilities are translated at the year-end exchange rates. Non-monetary items are carried at cost.
- b) Gains or losses arising on account of difference in foreign exchange rates on settlement / translation of monetary assets and liabilities on the closing date are recognised in the Statement of Profit and Loss except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 26).
- c) In respect of forward exchange contracts assigned to foreign currency monetary assets and liabilities, the difference due to change in exchange rate between the inception of forward contract and date of Balance Sheet and the proportionate premium / discount for the period upto the date of Balance Sheet is recognised in the Statement of Profit and Loss and profit or loss on settlement / cancellation of forward contract is recognised as an income or expense for the year in which they arise except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 26).

ii) Translation and exchange rates

Financial statements of overseas non-integral operations are translated as under:

- a) Assets and Liabilities at the rate prevailing at the end of the year. Depreciation is accounted at the same rate at which assets are converted.

Notes forming part of the Consolidated Financial Statements

- b) Revenue and expenses at yearly average rates prevailing during the year. Off Balance Sheet items are translated into Indian Rupees at year-end rates.
- c) Exchange differences arising on translation are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

I. Accounting for taxes on income

- i) Current income tax is calculated on the income of individual companies in accordance with local tax regulations.
- ii) Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.
- iii) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

m. Leases

i) Finance Lease

Assets acquired under finance lease are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to the lease are recognised with the asset under the lease.

ii) Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on accrual basis in accordance with the respective lease agreements.

n. Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

o. Provisions, Contingent Liabilities and Contingent Assets

- i) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events. A provision is made when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date.
- ii) Contingent assets are not recognized or disclosed in the financial statements.

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	2012	2011
3 Share capital		
Authorised		
200,000,000 equity shares of ₹ 2 each	400,000,000	400,000,000
Issued, subscribed and paid up		
156,601,130 (156,601,130) equity shares of ₹ 2 each	313,202,260	313,202,260
Less: Calls in arrears (Refer note (c) below)	71,650	71,650
Share capital suspense (Refer note 30)	1,000,310	-
Total	314,130,920	313,130,610

(a) Reconciliation of number of shares outstanding

	2012		2011	
	Number of equity shares	Amount in ₹	Number of equity shares	Amount in ₹
At the beginning of the year	156,601,130	313,202,260	156,601,130	313,202,260
Issued during the year	-	-	-	-
Outstanding at the end of the year	156,601,130	313,202,260	156,601,130	313,202,260

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Calls unpaid

	2012		2011	
	Number of equity shares	Amount in ₹	Number of equity shares	Amount in ₹
Aggregate amount of calls unpaid - others	71,650	71,650	71,650	71,650

(d) Details of each shareholder holding more than 5% of equity shares

Name of Shareholder	2012		2011	
	Number of equity shares	Percentage (%) of holding	Number of equity shares	Percentage (%) of holding
Ganjam Trading Company Private Limited	56,349,550	35.98%	34,621,245	22.11%
Rupee Finance and Management Private Limited	28,429,710	18.15%	28,429,710	18.15%
Lazarus Investments Limited	-	-	17,070,000	10.90%

(e) No bonus shares have been issued or shares issued for consideration other than cash and no shares bought back during the period of five years immediately preceding 31 March 2012.

Notes forming part of the Consolidated Financial Statements

	(Amount in ₹)	
	2012	2011
4 Reserves and surplus *		
Securities premium		
As per last balance sheet	3,842,983,298	3,842,983,298
Capital reserve		
As per last balance sheet	200,623,208	200,623,208
Add: Subsidy received during the year	6,000,000	-
Add: Pursuant to the Scheme of Merger (Refer note 30)	194,677,344	-
	401,300,552	200,623,208
Revaluation reserve		
As per last balance sheet	-	-
Add: Pursuant to the Scheme of Merger (Refer note 30)	14,753,958	-
Less: Transfer to the Statement of Profit and Loss	348,814	-
	14,405,144	-
Legal reserve		
As per last balance sheet	397,453,203	394,411,038
Add: Appropriated during the year	72,210,658	3,042,165
	469,663,861	397,453,203
Deferred Government Grant		
As per last balance sheet	58,500,006	42,101,783
Add: Grant received during the year	23,507,884	21,085,955
Less: Transfer to the Statement of Profit and Loss	3,944,207	4,687,732
	78,063,683	58,500,006
General reserve		
As per last balance sheet	1,057,786,778	1,013,703,778
Add: Transfer from the Statement of Profit and Loss	49,075,000	44,083,000
Add: Pursuant to the Scheme of Merger (Refer note 30)	74,690,690	-
	1,181,552,468	1,057,786,778
Foreign currency translation reserve	591,183,946	167,746,432

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	2012	2011
Surplus in the Statement of Profit and Loss		
As per last balance sheet	2,140,562,668	1,850,066,251
Less: Adjustment on merger for equity accounting of earlier periods [Refer note 30(f)]	(8,516,039)	-
Less: Pursuant to the Scheme of Merger (Refer note 30)	(451,805,496)	-
Add: Profit for the year	513,579,558	472,697,613
Less: Appropriations		
Proposed equity dividend	102,115,836	93,960,678
Tax on proposed equity dividend	46,290,686	41,115,353
Legal reserve	72,210,658	3,042,165
General reserve	49,075,000	44,083,000
	<u>1,924,128,511</u>	<u>2,140,562,668</u>
Total	<u>8,503,281,463</u>	<u>7,865,655,593</u>

* includes Share in Joint Ventures ₹ 131,442,553 (₹ 105,028,823)

	Non-current		Current	
	2012	2011	2012	2011
5 Long-term borrowings				
Secured				
Term loan from banks (Refer note a(i), (ii) and (b) below)	2,709,593,761	3,220,614,435	1,360,071,518	1,099,803,524
Buyers credit from banks (Refer note a(iii) and (iv) below)	96,691,669	35,656,459	-	-
Finance lease obligations	370,087,168	-	7,068,420	1,815,240
	<u>3,176,372,598</u>	<u>3,256,270,894</u>	<u>1,367,139,938</u>	<u>1,101,618,764</u>
Unsecured				
Term loan from banks	344,218,750	918,083,333	589,393,734	414,979,167
Buyers credit from banks	329,079,317	84,968,926	-	-
Inter-corporate deposits	-	-	100,000,000	-
Deferred sales tax loan (Refer note a(vi) below)	320,441,993	378,727,879	58,285,886	42,153,786
	<u>993,740,060</u>	<u>1,381,780,138</u>	<u>747,679,620</u>	<u>457,132,953</u>
	<u>4,170,112,658</u>	<u>4,638,051,032</u>	<u>2,114,819,558</u>	<u>1,558,751,717</u>
Current maturities amount disclosed under the head "Other current liabilities" (Refer note 6)	-	-	(2,114,819,558)	(1,558,751,717)
	<u>4,170,112,658</u>	<u>4,638,051,032</u>	<u>-</u>	<u>-</u>
Share in Joint Ventures (Refer note (c) below)	59,387,163	79,688,430	30,949,185	24,649,884
Current maturities amount disclosed under the head "Other current liabilities" (Refer note 6)	-	-	(30,949,185)	(24,649,884)
Total	<u>4,229,499,821</u>	<u>4,717,739,462</u>	<u>-</u>	<u>-</u>

Notes forming part of the Consolidated Financial Statements

Nature of security and terms of repayments

a) In Parent Company	
i) Term loan from banks of ₹ 1,429,669,917 (₹ 1,543,759,972) are secured by pari passu first charge on fixed assets situated at Vasind, Wada, Murbad, Goa, Nalagarh units. These loans are further secured by way of security provided and guarantee issued by a promoter group company.	Term loan from banks carrying interest rate ranging from 13% to 16.50% p.a. and are repayable in monthly / quarterly installments by 2015-16. Charge is yet to be created for term loan from banks of ₹ 399,969,917 (₹ Nil).
ii) Term loan from banks of ₹ 84,375,000 (₹ 121,875,000) is secured by subservient charge on movable assets situated at Vasind, Wada, Murbad, Goa, Nalagarh units. The loan is further secured by way of security provided and corporate guarantee issued by a promoter group company.	
iii) Buyers credit from banks of ₹ 58,512,128 (₹ Nil) is secured by pari passu first charge on fixed assets situated at Vasind, Wada, Murbad, Goa, Nalagarh units and second charge on current assets of the company.	Buyers credit from bank carrying interest rate ranging from 2.38% to 4.15% p.a. and are repayable in maximum period of three years from the date of the transaction. Charge is yet to be created for buyers credit ₹ 58,512,128 (₹ Nil).
iv) Buyers credit from banks of ₹ 38,179,541 (₹ 35,656,459) are secured by hypothecation of current assets of the Company and second charge on fixed assets situated at Vasind, Murbad, Wada, Goa and Nalagarh units.	
v) Out of Unsecured term loan and buyers credit from banks of ₹ 1,135,504,301, ₹ 707,322,442 (₹ 665,625,000) are against exclusive charge on land owned and guarantee issued by a promoter group company.	Term loan banks carrying interest rate ranging from 12.45% to 16.50% p.a. and are repayable in monthly / quarterly installments by 2014-15. Buyers credit carrying interest rate ranging from 2.24% to 4.04 % p.a. and repayable in maximum period 3 years from the date of transaction.
vi) Deferred sales tax interest free loans are repayable after a period of 10 to 14 years upto 2024-25.	
b) In Subsidiaries	
Loans of ₹ 2,555,620,349 (₹ 2,654,782,988) are secured by way of charge over fixed assets, inventory and book debts of the respective subsidiary company, dividend escrow account, pledge of shares of one of the overseas subsidiary and corporate guarantee of the parent Company.	Repayable in specified installment (Monthly, Half yearly and Yearly). Interest rate ranging from 3% to 12.5% p.a.
c) In Joint Venture	
Loans of ₹ 90,336,348 (₹ 104,338,314) are secured by way of charge on fixed assets, inventory and book debts of the company.	Repayable in specified installment (Monthly, Quarterly and Half Yearly). Interest rate ranging from 5% to 6% p.a.

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	Long-term		Short-term	
	2012	2011	2012	2011
6 Other liabilities				
Current maturities of long-term borrowings (Refer note 5)	-	-	2,114,819,558	1,558,751,717
Interest accrued but not due on borrowings	-	-	57,591,670	65,334,528
Unclaimed dividends	-	-	4,923,517	5,394,379
Statutory dues	-	-	114,381,352	92,077,699
Creditors for				
- Expenses	-	-	608,795,961	657,760,754
- Capital goods (including acceptance of ₹ Nil (₹ 11,598,998))	-	-	19,689,830	19,573,017
Trade advances and deposits received	1,375,000	-	34,737,038	18,593,434
	1,375,000	-	2,954,938,926	2,417,485,528
Share in Joint Ventures	-	-	67,396,962	56,581,530
Total	1,375,000	-	3,022,335,888	2,474,067,058

	Long-term		Short-term	
	2012	2011	2012	2011
7 Provisions				
Employee benefits	16,516,555	48,414,840	81,836,187	40,286,033
Customs duty (Refer note 31)	152,200,723	-	-	-
Contingencies	40,000,000	-	-	-
Provision for tax (net of advances)	-	-	249,550,395	98,669,282
Proposed equity dividend	-	-	102,115,836	93,960,678
Tax on proposed equity dividend	-	-	16,565,741	15,242,771
	208,717,278	48,414,840	450,068,159	248,158,764
Share in Joint Ventures	1,956,621	2,440,535	-	-
Total	210,673,899	50,855,375	450,068,159	248,158,764

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	2012	2011
8 Short-term borrowings		
Secured		
Short-term loan from banks	100,000,000	130,000,000
Working capital loan from banks	985,281,510	700,724,724
Buyers credit from banks	167,587,409	115,137,756
Unsecured		
Short-term loan from banks	912,802,465	854,484,959
Working capital loan from banks	38,821,984	30,274,956
Buyers credit from banks	128,365,323	-
Inter-corporate deposits	638,500,000	-
	2,971,358,691	1,830,622,395
Share in Joint Ventures	36,245,336	-
Total	3,007,604,027	1,830,622,395

Nature of security and terms of repayments

a) In Parent Company

- ₹ 260,541,770 (₹ 244,240,574) are secured by hypothecation of current assets of the Company and second charge on fixed assets situated at Vasind, Murbad, Wada, Goa and Nalagarh units. These loans are also collaterally secured by land owned and guarantee issued by a promoter group company.
- ₹ 391,540,622 (₹ 99,322,384) are secured by hypothecation of current assets and second charge on fixed assets situated at Vasind, Murbad, Wada, Goa and Nalagarh units. Second charge on fixed assets is yet to be created for short term borrowings of ₹ 327,253,141 (₹ 94,514,431).
- ₹ 81,740,051 (₹ 27,725,354) are secured by first pari-pasu charge on current assets of the Company.
- Unsecured short-term loan from banks of ₹ 250,000,000 (₹ 250,000,000) are against exclusive charge on land owned and guarantee issued by a promoter group company.

b) In Subsidiaries

₹ 519,046,476 (₹ 574,574,168) secured by way of charge over current assets of the respective subsidiary company, letter of comfort and collaterally secured by land owned and guarantee issued by a promoter group company.

c) In Joint Venture

₹ 27,615,494 (₹ Nil) secured by way of charge over current assets of the Joint Venture.

	2012	2011
9 Trade payables		
Acceptances	346,878,257	387,388,093
Others	828,312,727	946,459,241
	1,175,190,984	1,333,847,334
Share in Joint Ventures	14,309,982	12,431,682
Total	1,189,500,966	1,346,279,016

Notes forming part of the Consolidated Financial Statements

10. Fixed assets

Description of assets	Gross Block						Depreciation / Amortisation						Net Block	
	As at 1 April 2011	Acquire on Merger (Note 30)	Additions	Deductions	Translation adjustment	As at 31 March 2012	Upto 31 March 2011	Acquire on Merger (Note 30)	For the year	Deductions	Translation adjustment	Upto 31 March 2012	As at 31 March 2012	As at 31 March 2011
a) Tangible assets														
Freehold land	53,946,465	22,523,641	-	-	1,831,703	78,301,809	-	-	-	-	-	-	78,301,809	53,946,465
Leasehold land	60,623,291	-	-	-	5,151,769	65,775,060	10,602,815	-	1,710,520	-	1,107,646	13,420,981	52,354,069	50,020,476
Leasehold improvements	39,181,620	-	23,481,537	-	4,171,584	66,834,741	11,807,218	-	8,558,553	-	579,745	20,945,516	45,889,225	27,374,402
Buildings														
Owned	1,256,165,299	85,955,105	249,688,282	239,213	75,659,106	1,666,608,559	290,207,722	37,811,082	56,768,766	117,633	23,352,556	408,022,473	1,258,586,086	965,957,577
Taken on lease	-	-	381,562,500	-	-	381,562,500	-	-	7,351,106	-	-	7,351,106	374,211,394	-
Plant and machinery	13,664,834,906	475,778,072	1,037,258,272	8,526,179	1,174,001,233	16,343,346,304	8,941,356,772	439,732,932	1,008,063,504	7,686,334	755,044,572	11,136,511,446	5,206,834,658	4,723,478,134
Equipments	324,858,505	4,861,677	48,210,442	6,579,246	16,488,789	387,941,167	187,949,893	3,822,102	28,724,952	5,952,964	13,237,691	227,781,714	160,059,453	136,908,572
Furniture and fixtures	171,405,200	12,538,207	14,470,793	2,218,085	15,525,420	211,721,535	95,667,463	11,273,197	17,530,090	1,384,241	10,177,613	133,264,122	78,457,413	75,737,737
Vehicles	12,692,701	600,803	-	2,092,187	270,943	11,472,260	8,540,455	585,586	786,046	1,080,340	249,074	9,080,821	2,391,439	4,152,246
	15,583,707,987	601,657,505	1,754,651,806	19,654,910	1,293,101,537	19,213,463,925	9,546,132,378	493,224,879	1,129,493,537	16,221,512	803,748,897	11,956,378,179	7,257,085,746	6,037,575,609
Share in Joint Ventures	322,076,323	-	74,891,105	119,867	27,163,367	424,010,928	172,774,866	-	31,946,356	119,832	14,571,536	219,172,926	204,838,002	149,301,457
Total	15,905,794,310	601,657,505	1,829,542,911	19,774,777	1,320,264,904	19,637,474,853	9,718,907,244	493,224,879	1,161,439,893	16,341,344	818,320,433	12,175,551,105	7,461,923,748	6,186,877,066
Previous year	14,692,234,413	-	1,235,240,285	505,618,484	523,928,096	15,905,784,310	8,674,364,544	-	1,085,299,454	298,714,732	307,957,978	9,718,907,244	6,186,877,066	-
b) Intangible assets														
Goodwill on consolidation	3,606,939,988	-	-	-	-	3,606,939,988	-	-	-	-	-	-	3,606,939,988	3,606,939,988
Software	226,501,125	-	18,060,501	-	19,562,044	264,123,670	90,149,004	-	7,856,343	-	7,343,378	105,348,725	158,774,945	136,352,121
Patents	21,105	-	-	-	2,322	23,427	10,362	-	2,657	-	1,140	14,159	9,288	10,743
	3,833,462,198	-	18,060,501	-	19,564,366	3,871,087,065	90,159,366	-	7,859,000	-	7,344,518	105,362,894	3,765,724,181	3,743,302,832
Share in Joint Ventures	6,673,866	-	757,786	-	562,862	7,994,514	4,671,743	-	1,078,392	-	394,006	6,144,141	1,850,373	2,002,123
Total	3,840,136,064	-	18,818,287	-	20,127,228	3,879,081,579	94,831,109	-	8,937,392	-	7,738,524	111,507,025	3,767,574,554	3,745,304,955
Previous year	3,820,410,079	-	25,334,064	11,210,201	5,602,122	3,840,136,064	67,899,110	-	34,309,238	8,612,729	1,295,490	94,831,109	3,745,304,955	277,595,201
c) Capital work in progress														
d) Intangible assets under development														

Notes:

- Buildings include Roads, Residential Flats, Tubewells/Borewells, Watertanks and shares in a Co-operative Society.
- Freehold Land and Building (except borewells) acquired pursuant to the Scheme of Merger were revalued on 30 June 1986 by ₹ 32,786,717 on the basis of valuation report of Chartered Engineers dated 13 August 1986.
- Borrowing costs of ₹ 24,678,430 (₹ 12,838,088) and exchange difference of ₹ 50,368,084 (₹ 19,593,388) have been capitalised to cost of fixed assets.
- Depreciation for the year of ₹ 348,814 is recouped out of revaluation reserve.

Notes forming part of the Consolidated Financial Statements

		(Amount in ₹)	
		2012	2011
11	Non-current investments		
	(valued at cost unless stated otherwise)		
A)	Trade investments		
i)	In Associate Companies - Quoted(Refer note 30)		
	Nil (4,109,100) Equity Shares of ₹ 10 each of		
	Ras Propack Lamipack Limited (Extent of holding 39.57%)	-	(49,176,565)
	Unamortised goodwill	-	90,267,565
	Share of profit for the year	-	7,558,110
	(Market value ₹ Nil (₹ 78,072,900))	-	-
		-	48,649,110
	Nil (750,000) Equity Shares of ₹ 10 each of		
	Ras Extrusion Limited (Extent of holding 36.67%)	-	(5,482,643)
	Unamortised goodwill	-	12,982,643
	Share of profit for the year	-	957,929
	(Market value ₹ Nil (₹ 16,425,000))	-	-
		-	8,457,929
ii)	In Associate Company - Unquoted		
	2100 (2100) Equity Shares of USD 350 each of		
	PT Lamipak Primula Indonesia (Extent of holding 30%)	50,812,215	50,812,215
	Unamortised goodwill	320,009,310	320,009,310
	Share of accumulated profits	70,107,506	63,956,896
	Share of profit for the year	24,417,161	16,855,202
	Less: Dividend received	(19,718,363)	(10,704,592)
		445,627,829	440,929,031
iii)	In Others - Quoted		
	100 (100) Equity Shares of ₹ 10 each in Akar Laminators Limited	1,125	1,125
	200 (200) Equity Shares of ₹ 10 each in Cosmo Films Limited	1,760	1,760
	100 (100) Equity Shares of ₹ 10 each in Flex Industries Limited	1,515	1,515
	100 (100) Equity Shares of ₹ 10 each in Orient Press Limited	1,360	1,360
	5 (5) Equity Shares of ₹ 10 each in Sharp Industries Limited	7,130	7,130
	50 (50) Equity Shares of ₹ 10 each in Paper Products Limited	6,105	6,105
B)	Other investments		
i)	Quoted		
	400 (400) Equity Shares of ₹ 10 each in Associated Business Credit Limited	4,000	4,000
	70 (70) Equity Shares of ₹ 100 each in State Bank of Travancore	42,000	42,000
		64,995	64,995
	Less: Provision for diminution in value	(19,875)	(19,875)
		45,120	45,120
	(Market value ₹439,246 (₹ 556,980))		
ii)	Unquoted		
	Obligatory investments in Government securities	715,304	715,304
	(All the above securities are fully paid up)		
	Total	446,388,253	498,796,494
	Aggregate book value of quoted investments	45,120	57,152,159
	Aggregate book value of unquoted investments	446,343,133	441,644,335
	Aggregate market value of quoted investments	439,246	95,054,880
	Aggregate provision of diminution in value of investments	19,875	19,875

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	2012	2011
12 Deferred tax assets (net)		
Deferred tax assets		
Disallowances under tax laws	202,597,078	145,321,105
Provision for doubtful debts	10,490,476	11,531,000
Unabsorbed tax losses	327,966,948	359,868,478
Total (A)	541,054,502	516,720,583
Deferred tax liabilities		
Fiscal allowance on fixed assets	419,458,419	419,878,714
Others	36,185,172	14,093,152
Total (B)	455,643,591	433,971,866
Total (A - B)	85,410,911	82,748,717

	Long-term		Short-term	
	2012	2011	2012	2011
13 Loans and advances				
(Unsecured, considered good unless otherwise stated)				
Capital advances	87,488,439	72,330,837	-	-
Deposits				
- Related parties	17,510,000	24,084,000	56,574,000	50,000,000
- Others	49,485,791	38,650,558	9,076,120	12,001,666
	<u>66,995,791</u>	<u>62,734,558</u>	<u>65,650,120</u>	<u>62,001,666</u>
Loans and advances to related parties	-	-	913,123,802	866,488,270
Other loans and advances				
Advances (recoverable in cash or in kind) #	38,832,179	-	1,055,163,146	1,246,203,599
Less: Provision for doubtful advances	(2,000,000)	-	-	-
Prepaid expenses	1,897,353	667,270	63,173,456	61,161,457
Loans and advances to employees	1,210,924	1,374,856	4,072,700	6,775,535
MAT Credit entitlement	26,283,200	24,660,000	90,853,140	-
Balances with government authorities				
- Direct tax (net of provision)	288,775,602	119,030,858	-	-
- Indirect tax	16,538,845	16,538,845	447,189,551	398,688,336
	<u>371,538,103</u>	<u>162,271,829</u>	<u>1,660,451,993</u>	<u>1,712,828,927</u>
Share in Joint Ventures	4,471,141	27,274,263	20,601,430	10,522,743
Total	530,493,474	324,611,487	2,659,827,345	2,651,841,606

include ₹ 122,145 (₹ 62,145) due from a private company in which one of the directors is interested as a member / director.

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	Non-Current		Current	
	2012	2011	2012	2011
14 Other assets				
Deposit with bank having original maturity period of more than twelve months (Refer note 17)	2,169,143	3,121,021	-	-
Interest receivable				
- Related parties	-	-	121,799,584	-
- Others	-	-	1,261,062	979,090
Export benefit receivable	-	-	53,774,938	51,868,694
Insurance claim receivable	-	-	5,417,167	1,682,329
Mark to market gain on derivative contracts (net)	-	-	2,230,323	35,900,145
Unamortised ancillary borrowing costs	65,727,526	67,617,613	35,029,368	35,541,646
Others	1,723,028	909,147	239,979	81,600
Total	69,619,697	71,647,781	219,752,421	126,053,504

	2012	2011
15 Inventories		
Raw Material (including goods transit of ₹ 147,810,835 (₹ 134,813,578))	897,253,499	1,017,199,041
Goods-in-process	487,184,018	486,255,310
Finished goods (Including goods in transit of ₹ 10,498,126 (₹ 9,217,009))	178,652,713	233,006,551
Stores and spares	340,925,920	308,458,990
Packing materials	28,051,769	35,276,156
	1,932,067,919	2,080,196,048
Share in Joint Ventures	48,400,834	30,358,925
Total	1,980,468,753	2,110,554,973
16 Trade receivables (Unsecured)		
Over six months		
Considered good	38,356,127	20,986,263
Considered doubtful	55,930,321	41,889,378
Less: Provision for doubtful debts	(55,930,321)	(41,889,378)
	38,356,127	20,986,263
Others*	2,415,972,671	2,101,857,479
	2,454,328,798	2,122,843,742
Share in Joint Ventures	46,352,022	59,042,893
Total	2,500,680,820	2,181,886,635

* ₹ 218,754 (₹ 218,754) due from a private company in which one of the directors is interested as a member / director.

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	Non-Current		Current	
	2012	2011	2012	2011
17 Cash and bank balances				
Cash and cash equivalents				
Balance with banks in Current accounts	-	-	854,877,877	592,755,354
Cheques/drafts on hand	-	-	3,071,704	4,802,195
Remittance in transit	-	-	2,697,876	-
Cash on hand	-	-	2,242,300	1,708,546
	-	-	862,889,757	599,266,095
Other bank balances				
Unclaimed dividend	-	-	4,923,517	5,394,379
Deposits with bank having original maturity period of more than twelve months	1,964,079	3,121,021	24,480,990	28,272,228
Margin money**	205,064	-	-	-
	2,169,143	3,121,021	29,404,507	33,666,607
Disclosed under "Other non-current assets" (Refer note 14)	(2,169,143)	(3,121,021)	-	-
	-	-	892,294,264	632,932,702
Share in Joint Ventures	-	-	14,354,609	7,798,388
Total	-	-	906,648,873	640,731,090

** Margin money represents deposits pledged with government authorities and bankers for letters of credit issued.

	2012	2011
18 Revenue from operations		
Sales	15,774,658,748	13,925,929,593
Other operating revenues		
Royalty / Service charges	18,916,104	15,607,671
Sale of scrap	84,787,761	83,016,456
Export and other incentives	36,654,290	38,851,332
	15,915,016,903	14,063,405,052
Share in Joint Ventures	379,163,188	340,646,438
Revenue from operations (gross)	16,294,180,091	14,404,051,490
Less: Excise duty	(457,069,781)	(320,693,642)
Total Revenue from operations (net)	15,837,110,310	14,083,357,848

Notes forming part of the Consolidated Financial Statements

	(Amount in ₹)	
	2012	2011
19 Other income		
Dividend income	11,200	6,100
Interest income *	153,503,096	210,018,670
Exchange difference (net)	6,623,227	19,763,772
Profit on sale of fixed assets (net)	-	9,897,534
Miscellaneous income	28,302,726	17,508,333
	188,440,249	257,194,409
Share in Joint Ventures	8,503,407	6,680,084
Total	196,943,656	263,874,493
* Includes interest on loans, bank deposits, income tax refunds etc.		
20 Cost of materials consumed		
Raw materials consumed		
Inventory at the beginning of the year	1,017,199,041	576,097,281
Add: Purchases (net)	7,223,731,599	7,078,048,655
	8,240,930,640	7,654,145,936
Less: Inventory at the end of the year	897,253,499	1,017,199,041
	7,343,677,141	6,636,946,895
Share in Joint Ventures	236,940,410	188,604,487
Total	7,580,617,551	6,825,551,382
21 Changes in inventories of finished goods and goods-in-process		
Inventory at the end of the year		
Finished goods	178,652,713	233,006,551
Goods-in-process	487,184,018	486,255,310
	665,836,731	719,261,861
Inventory at the beginning of the year		
Finished goods	233,006,551	168,438,386
Goods-in-process	486,255,310	427,839,673
	719,261,861	596,278,059
	53,425,130	(122,983,802)
Share in Joint Ventures	(14,869,780)	(421,463)
Total	38,555,350	(123,405,265)
22 Employee benefits expense		
Salaries, wages and bonus	1,932,182,413	1,712,660,635
Contribution to provident and other funds	183,807,594	186,148,992
Gratuity	5,421,512	4,580,424
Staff welfare expenses	219,313,311	183,783,923
	2,340,724,830	2,087,173,974
Share in Joint Ventures	64,494,173	57,098,284
Total	2,405,219,003	2,144,272,258

Notes forming part of the Consolidated Financial Statements

	(Amount in ₹)	
	2012	2011
23 Other expenses		
Stores and spares	383,139,001	276,115,913
Packing materials	488,380,512	447,096,590
Power and fuel	510,673,062	426,641,494
Job work charges	186,165,142	200,654,051
Repairs and maintenance		
- Buildings	27,032,135	27,398,976
- Plant and machinery	100,458,228	87,095,542
- Others	54,784,394	60,973,757
Lease rent		
- Buildings	77,392,187	88,840,874
- Plant and machinery	241,480,008	187,241,947
Other manufacturing expenses	69,200,295	78,865,064
Rent	52,449,807	47,623,272
Rates and taxes	73,880,646	51,171,159
Insurance	22,097,142	27,331,766
Directors' sitting fees	940,000	825,000
Travelling and conveyance expenses	94,439,027	86,103,453
Advertisement expenses	3,289,789	3,380,222
Professional and consultancy fees	74,977,433	82,494,988
Communication charges	39,475,271	36,181,162
Miscellaneous expenses	163,957,989	134,531,886
Donation	635,808	1,218,350
Payments to auditors for	-	-
Audit fees (includes ₹ 450,000 (₹ Nil) of branch auditors)	2,474,000	1,840,000
Tax audit fees (includes ₹ 49,980 (₹ Nil) of branch auditors)	328,280	253,000
Tax representation and others	1,496,762	740,002
Certifications (including fees for limited review)	1,715,875	1,620,003
Reimbursement of expenses	128,066	71,635
Freight and forwarding expenses	337,421,073	328,845,573
Discount and rebate	1,493,283	2,471,629
Bad debts	2,817,802	21,551,748
Provision for doubtful debts, advances and contingencies	53,804,243	(16,003,634)
Commission	14,456,341	8,271,483
Loss on sale of fixed assets (net)	2,794,437	-
	3,083,778,038	2,701,446,905
Share in Joint Ventures	61,712,434	49,818,131
Total	3,145,490,472	2,751,265,036

Notes forming part of the Consolidated Financial Statements

	(Amount in ₹)	
	2012	2011
24 Finance costs		
Interest expenses		
- Borrowings	749,223,222	764,093,225
- Others	13,850,771	-
Other financial charges (including amortisation of ancillary borrowing costs ₹ 19,058,549 (₹ 47,222,609))	70,454,387	83,145,364
Exchange difference on borrowings (net)	3,175,384	-
	836,703,764	847,238,589
Share in Joint Ventures	4,687,273	3,456,756
Total	841,391,037	850,695,345
25 Exceptional items		
Relocation / consolidation expenses of manufacturing facilities	13,181,033	45,276,522
Total	13,181,033	45,276,522

26 Foreign exchange difference

The Companies (Accounting Standards) Amendment Rules, 2011 has amended provisions of AS-11 related to "The Effect of Changes in Foreign Exchanges Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by The Ministry of Corporate Affairs (MCA). In terms of these amendments:

- Exchange difference loss (net) of ₹ 50,368,084 (₹ 19,593,388) is capitalised to cost of fixed assets.
- Movement in "Foreign Currency Monetary Item Translation Difference account" (FCMITD) is as under:

	(Amount in ₹)	
	2012	2011
Opening balance Debit / (Credit)	7,282,441	80,041,332
Exchange difference loss / (gain) during the year	(43,445,023)	(53,217,235)
Amortisation of exchange difference for the year	16,907,489	19,541,656
Closing balance Debit / (Credit)	(19,255,093)	7,282,441

27 Derivative instruments and unhedged foreign currency exposure

Derivative contracts (forward contracts for hedging purposes) entered into by the Group and outstanding as at 31 March :

- For payments to be received against exports and other receivables

Derivative Contracts	2012		2011	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD / CNY	USD 4,000,000	203,500,000	USD 3,000,000	133,950,000
USD / INR	USD 29,960,000	1,524,215,000	USD 20,318,555	906,105,964

Notes forming part of the Consolidated Financial Statements

b) For payments to be made against imports and other payables

Derivative Contracts	2012		2011	
	Amount in Foreign Currency	Equivalent Indian ₹	Amount in Foreign Currency	Equivalent Indian ₹
USD / INR	USD 17,387,389	884,583,423	USD 8,112,911	361,951,112
EUR / PLN	EUR 1,980,000	137,237,760	EUR 3,980,000	254,594,630
JPY / INR	-	-	JPY 469,440,000	161,815,451

c) Cross currency hedges

	2012 Amount in Foreign Currency	2011 Amount in Foreign Currency
In respect of payables (including capital commitment)		
EUR / USD	EUR 1,992,560	-
CHF / USD	CHF 5,112,600	-

d) Outstanding foreign currency exposures not hedged by derivative instruments

	2012	2011
Foreign currency payables	1,341,868,964	1,006,474,593
Foreign currency receivables	989,929,077	579,253,134

(Amount in ₹)

28 Leases

a) Finance Lease

Long-term leases, which in economic terms constitute investments financed on a long-term basis (finance lease) are recognised as assets and recorded under tangible fixed assets at their cash purchase value. The minimum lease payments required under this finance lease that have initial or remaining non-cancellable lease terms in excess of one year as at 31 March 2012 and its present value are as follows:

	2012	2011
Minimum lease payment as at		
Not later than one year	29,500,937	1,889,761
Later than one year but not later than five years	118,003,749	9,778
Later than 5 years	570,351,874	-
	717,856,560	1,899,539
Less: Amount representing interest	340,700,972	84,299
Present value of Minimum Lease Payment	377,155,588	1,815,240
Not later than one year	7,068,420	1,805,462
Later than one year but not later than five years	32,910,731	9,778
Later than five years	337,176,437	-

(Amount in ₹)

Notes forming part of the Consolidated Financial Statements

b) Operating Lease

The Group has leased certain premises, residential facilities, plant and machinery (including equipments) and vehicles under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the leases varies from eleven to sixty months. The rental obligations are as follows:

	(Amount in ₹)	
	2012	2011
Lease rental charged to Statement of Profit and Loss (Including ₹472,719 (₹ Nil) of Joint Ventures)	257,814,717	209,587,824
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year (Including ₹ 841,969 (₹ Nil) of Joint Ventures)	256,127,016	205,711,971
Later than one year but not later than five years (Including ₹1,957,645 (₹ Nil) of Joint Ventures)	311,181,120	273,031,679
Total	567,308,136	478,743,650

29 a) Contingent Liabilities

	(Amount in ₹)	
	2012	2011
(i) Unexpired Letters of Credit (net of liability provided)	263,810,521	66,841,544
(ii) Guarantees and counter guarantees (net of liability booked)	16,955,564	14,171,631
(iii) Disputed indirect taxes*	289,159,537	302,261,078
(iv) Disputed direct taxes	29,986,886	18,779,026
(v) Claims not acknowledged as debts	3,331,550	3,556,550
(vi) Deferred sales tax liability assigned	84,496,517	112,609,023
(vii) Duty benefit availed under EPCG scheme, pending export obligations	389,790,120	496,194,189
(viii) Bills discounted from banks	100,374,026	68,736,115

* Does not include disputed excise duty of ₹ 198,191,799 (₹ 198,191,799) for alleged undervaluation in inter unit transfer of Web, for captive consumption as it does not have significant impact on profits of the Company, since excise duty paid by one unit is admissible as Cenvat credit at other unit. Further, the appeal filed by Excise Department against the decision (in Company's favour) of High Court is pending before Supreme Court.

b) Commitments

(i) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹ 290,014,403 (₹ 217,808,997).

(ii) Other Commitments

Estimated amount of contracts remaining to be executed on other than capital account, not provided for (net of advances) ₹ 23,798,865 (₹ 3,286,737).

Notes forming part of the Consolidated Financial Statements

30 Scheme of Merger of Ras Propack Lamipack Limited (“RPLL”) and Ras Extrusions Limited (“REL”) with the Company.

- a) A scheme of Merger (“The Scheme”) of Ras Propack Lamipack Limited (“RPLL”) and Ras Extrusions Limited (“REL”) with the company as part of Modified Scheme was sanctioned by Board for Industrial and Financial Reconstruction (“BIFR”) on 10 May 2012 vide summary record of proceedings issued on 28 August 2012. The Scheme became effective on 30 August 2012 and consequently, the entire undertaking of the transferor companies including all assets, liabilities and reserves, vested in the Company on appointed date 1 April 2011. Accordingly, accounts for the year ended 31 March 2012 have been drawn up giving effect to the Scheme and include the transactions of transferor companies of the year 2011-2012.
- b) The Merger is accounted for as per “Pooling of Interest” method prescribed under Accounting Standard 14 “Accounting of Amalgamations”.
- c) Pursuant to the Scheme:
- i) Assets and liabilities of RPLL and REL as at 1 April 2011 have been taken over at their book values subject to debit adjustment of ₹ 198,176 for difference in the accounting policy of employee benefits of transferor companies.
 - ii) The book value of Company’s investments in the equity shares of the RPLL and REL and Inter-company loans, advances, deposits and balances have been cancelled.
 - iii) 380,248 and 119,907 fully paid up equity shares of ₹ 2 each are to be allotted to shareholders of RPLL and REL respectively on record date. Pending such allotment, the amount has been credited to share capital suspense (Refer note 3).
 - iv) The difference between net assets taken over, equity shares to be issued, extinguishment of the Company’s investment in transferor companies and other reserves taken over, has been credited to General reserve as detail below:

(Amount in ₹)

Assets and Liabilities	RPLL	REL	Total
Fixed Assets	74,296,926	34,135,698	108,432,624
Current assets, loans and advances	32,475,132	2,061,553	34,536,685
Cash and bank balances	20,620	115,629	136,249
Current liabilities and provisions	(165,767,388)	(33,730,364)	(199,497,752)
Unsecured loans	(46,700,000)	(15,000,000)	(61,700,000)
Net Assets	(105,674,710)	(12,417,484)	(118,092,194)
Less: Inter-company investment cancelled	41,091,000	7,500,000	48,591,000
Less: Equity shares to be allotted	760,496	239,814	1,000,310
Reserves and surplus taken over			
Capital reserve	176,563,501	18,113,843	194,677,344
Revaluation reserve	-	14,753,958	14,753,958
Debit balance in profit and loss account	(386,070,211)	(65,735,285)	(451,805,496)
Surplus transferred to General reserve			74,690,690

Notes forming part of the Consolidated Financial Statements

- d) During the period between the appointed date and the effective date, as REL and RPLL have carried on the existing business in “trust” on behalf of the Company, all vouchers, documents etc., for the period are in the name of RPLL and REL.
- e) Pending completion of the relevant formalities of transfer, certain assets and liabilities acquired pursuant to the Scheme are accounted by the Company and remain in the names of transferor Companies.
- f) The Group’s investments in associate companies RPLL and REL were accounted as per AS-23, prior to merger with the Company. Profit of earlier periods ₹ 8,516,039 accounted as per equity method has been adjusted accordingly.

31 Provision for custom duty of ₹ 152,200,723 on account of non-fulfilment of export obligations under the “Zero Duty EPGC Scheme” by Ras Propack Lamipack Limited (“RPLL”) (the merged entity). The same has been retained in the books of the Company.

32 Discontinuing Operations

During the year ended 31 March 2012, the Group had to pay certain claims with regard to its step down subsidiary dealing in Medical Device Business, divested during the year 2009. The said claims of ₹ 101,975,311 is shown as Loss from discontinuing operations.

33 The Group has filed a lawsuit against an officer of the subsidiary for alleged misappropriation of funds during the year 2006, 2007 and 2008. The value of the claim in equivalent Indian rupees is ₹ 36,832,179.

34 Comparatives

- a) Schedule VI to the Companies Act, 1956 is revised effective from 1 April 2011. This has significantly impacted the disclosures and presentation in the financial statements.
- b) Previous year’s figures have been regrouped / reclassified wherever necessary to correspond with current year’s classifications / disclosures. Current year’s figures are not comparable with that of previous year’s due to merger as referred in note 30.

35 Earnings per share

	2012	2011
Profit for the year from continuing operations (₹)	615,554,869	441,463,469
Profit for the year for total operations (₹)	513,579,558	472,697,613
Weighted average number of Basic and Diluted Equity Shares (Nos.) *	157,101,285	156,601,130
Nominal value of equity shares (₹)	2	2
Earnings per share		
Basic and Diluted		
(i) Continuing operations	3.92	2.83
(ii) Total operations	3.27	3.02

* Includes 500,155 equity shares of ₹ 2 each fully paid up to be allotted pursuant to the Scheme of Merger as referred in note 30.

Notes forming part of the Consolidated Financial Statements

36 Related Party Disclosure

- a. List of Parties where control exists:

The list of Subsidiary Companies is disclosed in Note 2(iv) above.

- b. Other Related parties with whom transactions have taken place during the year and balances outstanding at the year-end.

i) Joint Ventures / Associates

Essel Deutschland GmbH & Co. KG (Dresden), Essel Deutschland Management GmbH, P.T. Lamipak Primula, Ras Propack Lamipack Limited * and Ras Extrusions Limited *.

* merged with the parent company w.e.f 1 April 2011

ii) Other Related Parties

Ayeppee Lamitubes Limited, Churu Trading Company Private Limited, Continental Drugs Company Private Limited, Essel Corporate Resources Private Limited, Ganjam Trading Company Private Limited, Pan India Paryatan Private Limited, Premier Finance and Trading Company Limited, Prajatma Trading Company Private Limited, Zee Entertainment Enterprises Limited, Briggs Trading Company Private Limited, Rama Associates Limited, Aqualand (India) Limited.

c. Directors of the Company

Non-Executive Directors	Mr. Subhash Chandra Mr. Boman Moradian Mr. Mukund M Chitale Mr. K.V. Krishnamurthy Mr. Tapan Mitra
Executive Director	Mr. Ashok Kumar Goel (Vice Chairman & Managing Director)

d. Transactions with related parties

(A) Transactions during the year

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
a. Sales to and Recoveries from				
Joint Venture / Associates	1,079,260		4,576,950	
Essel Deutschland GmbH & Co., KG Germany		825,408		2,774,418
P.T. Lamipak Primula		253,852		-
Ras Propak Lamipak Limited		-		1,802,532
Other Related Parties	1,536,343		39,361	
Pan India Paryatan Private Limited		175,478		39,361
Rama Associates Limited		1,360,865		-

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
b. Royalty / Service charges Income				
Joint Venture	11,015,697		12,579,457	
Essel Deutschland GmbH & Co., KG Germany		11,015,697		12,579,457
c. Purchase of Goods and Services				
Joint Venture / Associates	-		50,519,015	
Ras Propak Lamipack Limited		-		48,120,939
Other Related Parties	21,497,901		21,060,533	
Ganjam Trading Company Private Limited		19,706,405		19,134,073
d. Loans / Advances / Deposits given				
Associates	-		34,258,424	
Ras Extrusions Limited		-		15,000,000
Ras Propack Lamipack Limited		-		19,258,424
Other Related Parties	110,952,469		979,471,839	
Churu Trading Company Private Limited		104,431,000		49,491,818
Premier Finance and Trading Company Limited		-		810,533,274
e. Repayment of Loans / Advances / Deposits given				
Other Related Parties	3,410,828		1,035,332,562	
Premier Finance and Trading Company Limited		-		869,159,416
Ayepee Lamitubes Limited		3,219,427		1,080,000
f. Loans / Advances / Deposits taken				
Other Related Parties	100,000,000		80,025,000	
Pan India Paryatan Private Limited		100,000,000		80,025,000
g. Repayment of Loans / Advances / Deposits taken				
Other Related Parties	100,000,000		80,000,000	
Pan India Paryatan Private Limited		100,000,000		80,000,000
h. Interest Income on Loans /Advances/Deposits given				
Other Related Parties	135,332,871		189,967,792	
Churu Trading Company Private Limited		65,646,753		54,990,909
Premier Finance and Trading Company Limited		-		67,259,193
Prajatma Trading Company Private Limited		57,037,896		56,882,054

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
i. Interest Expense on Loans/Advances/Deposits taken				
Other Related Parties	2,760,958		267,123	
Pan India Paryatan Private Limited		2,760,958		267,123
j. Rent Income				
Other Related Parties	60,000		32,500	
Pan India Paryatan Private Limited		60,000		32,500
k. Investment acquired				
Associates	-		7,500,000	
Ras Extrusions Limited		-		7,500,000
l. Remuneration to Director	31,190,000		49,984,000	
Ashok Goel, Vice Chairman & Managing Director		31,190,000		49,984,000

(B) Balance Outstanding as at 31 March

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
a. Trade Receivables				
Joint Venture / Associates	19,168,431		16,692,346	
Essel Deutschland Gmbh & Co., KG Germany		19,168,431		6,816,222
Ras Propack Lamipack Limited		-		9,876,124
Other Related Parties	653,290		280,899	
Pan India Paryatan Private Limited		340,899		280,899
Rama Associates Limited		312,391		-
b. Loans / Advances / Deposits given				
Joint Venture / Associates	1,965,820		63,060,064	
Essel Deutschland Gmbh & Co., KG Germany		1,655,243		1,087,824
P.T. Lamipack Primula		310,577		272,240
Ras Propack Lamipack Limited		-		46,700,000
Ras Extrusions Limited		-		15,000,000
Other Related Parties	984,693,171		877,151,530	
Churu Trading Company Private Limited		471,037,057		366,606,057
Ayepee Lamitubes Limited		110,358,415		107,056,373
Prajatma Trading Company Private Limited		379,213,699		379,213,699

Notes forming part of the Consolidated Financial Statements

(Amount in ₹)

	2012		2011	
	Total Amount	Amount for Major Parties	Total Amount	Amount for Major Parties
c. Loans / Advances / Deposits taken				
Other Related Parties	25,000		25,000	
Pan India Paryatan Private Limited		25,000		25,000
d. Interest Receivable				
Other Related Parties	121,799,584		-	
Prajatma Trading Company Private Limited		51,334,106		-
Churu Trading Company Private Limited		59,082,078		-
e. Creditors				
Associates	-		1,324,492	
Ras Extrusions Limited		-		1,324,492
Other Related Parties	7,930,765		7,922,241	
Essel Corporate Resources Private Limited		3,861,231		3,861,231
Continental Drugs Company Private Limited		4,057,248		4,057,248
f. Investment in Shares				
Associates	-		48,591,000	
Ras Propack Lamipack Limited		-		41,091,000
Ras Extrusions Limited		-		7,500,000

Transactions with Joint Venture has been reported at proportionate value.

“Major Parties” denotes entries who account 10% or more of the aggregate for that category of transaction. For details of guarantee / security given by promoter group company viz. Aqualand (India) Limited (Refer note 5 and 8).

37 Segment Information

The Group considers geographical segment as the primary segment in the context of AS-17. The geographical segments have been identified and reported taking into account, the differing risk and returns, the organization structure and the internal financial reporting systems. The Group operates only in one Segment viz. ‘Plastic Packaging Material’ and hence business segment disclosures as per AS-17 are not applicable.

Geographical segmentation:

- Africa, Middle East and South Asia (AMESA) include operations in India and Egypt.
- East Asia Pacific (EAP) includes operations in China and Philippines.
- Americas includes operations in United States of America, Mexico and Colombia.
- Europe includes operations in Germany, United Kingdom, Poland and Russia.

Segment reporting for the year ended 31 March 2012

Notes forming part of the Consolidated Financial Statements

Primary segment disclosure - Geographical segment

(Amount in ₹)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
Revenue							
External Sales and Services	7,541,915,182	2,994,572,511	3,579,421,570	1,721,201,047	-	-	15,837,110,310
Inter-segment Sales and Services	252,181,407	695,710,108	125,620,502	54,283,001	2,393,188	(1,130,188,206)	-
Total Revenue	7,794,096,589	3,690,282,619	3,705,042,072	1,775,484,048	2,393,188	(1,130,188,206)	15,837,110,310
Segment Result	964,200,871	712,323,500	148,340,652	(252,852,347)	(32,997,295)	(41,815,918)	1,497,199,463
Add : Other Income							196,943,656
Less: Finance Costs							841,391,037
Profit before tax and exceptional items							852,752,082
Less: Exceptional items							13,181,033
Profit before tax							839,571,049
Less: Tax expense							
Current Tax - Current year							310,529,925
- Earlier years							7,939,608
MAT credit entitlement							(92,476,340)
Deferred Tax							(2,662,194)
Profit after tax from continuing operations							616,240,050
Add : Share of profit from associates							24,417,161
Less: Minority Interests							25,102,342
Profit for the year from continuing operations							615,554,869
Less: Loss from discontinuing operations							101,975,311
Profit for the year							513,579,558

Other Segment Information:

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. Segment Assets	6,875,530,219	3,959,363,825	2,634,250,440	2,059,742,586	6,893,123,041	(943,244,264)	21,478,765,847
2. Segment Liabilities	2,859,680,856	474,018,483	727,984,887	877,799,598	8,434,524,524	(712,654,884)	12,661,353,464
3. Capital Expenditure	780,451,292	561,205,814	604,922,355	165,134,817	-	(162,646,512)	1,949,067,766
4. Depreciation and amortisation expense	413,826,437	282,613,267	266,998,252	211,083,638	-	(4,493,123)	1,170,028,471

Segment reporting for the year ended 31 March 2011

Primary segment disclosure - Geographical segment

(Amount in ₹)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
Revenue							
External Sales and Services	6,718,129,014	2,778,263,841	3,279,128,527	1,307,836,466	-	-	14,083,357,848
Inter-segment Sales and Services	235,195,672	732,953,630	21,394,781	68,346,730	2,240,311	(1,060,131,124)	-
Total Revenue	6,953,324,686	3,511,217,471	3,300,523,308	1,376,183,196	2,240,311	(1,060,131,124)	14,083,357,848
Segment Result	956,898,699	685,986,024	33,770,698	(219,347,798)	(39,366,346)	(1,875,532)	1,416,065,745
Add : Other Income							263,874,493
Less: Finance Costs							850,695,345
Profit before tax and exceptional items							829,244,893
Less: Exceptional items							45,276,522
Profit before tax							783,968,371
Less: Tax expense							
Current Tax - Current year							459,686,539
- Earlier years							10,795,017
MAT credit entitlement							(12,600,000)
Deferred Tax							(119,520,878)
Profit after tax from continuing operations							445,607,693
Add : Share of profit from associates							25,371,240
Less: Minority Interests							29,515,464
Profit for the year from continuing operations							441,463,469
Add : Profit from discontinuing operations							31,234,144
Profit for the year							472,697,613

Other Segment Information:

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. Segment Assets	5,984,177,676	3,257,440,096	2,425,423,875	1,890,599,388	6,631,952,078	(843,807,873)	19,345,785,240
2. Segment Liabilities	2,323,474,579	538,106,535	826,114,961	897,693,619	7,378,270,986	(796,661,643)	11,166,999,037
3. Capital Expenditure	858,195,760	140,704,421	63,317,404	124,096,697	-	19,269,557	1,205,583,839
4. Depreciation and amortisation expense	370,274,492	263,375,949	256,929,780	184,606,354	-	(5,577,883)	1,069,608,692

As per our attached report of even date

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 31 August 2012

For and on behalf of the Board

Subhash Chandra

Chairman

Tapan Mitra
K.V. Krishnamurthy
Boman Moradian
Mukund M. Chitale

} Directors

Ashok Kumar Goel

Vice Chairman & Managing Director

A.V. Ganapathy

Chief Financial Officer (Global)

Aashay S. Khandwala

Vice President (Legal) & Company Secretary

Consolidated Cash flow statement for the year ended 31 March 2012

	(Amount in ₹)	
	2012	2011
A. Cash flow from operating activities		
Profit before tax and exceptional items	852,752,082	829,244,893
Adjustments for:		
Depreciation and amortisation expense	1,170,028,471	1,069,608,692
Amortisation of ancillary borrowing cost	19,058,549	47,222,809
(Profit) / loss on sale of fixed assets (net)	2,794,437	(9,897,534)
Interest expenses	767,556,539	767,353,693
Interest income	(153,681,812)	(210,152,959)
Provision for diminution in value of investment	-	(28,286)
Provision for doubtful debts, advances and contingences	16,040,943	(16,003,634)
Exceptional items	(13,181,033)	(45,276,522)
Profit / (Loss) from discontinuing operations	(101,975,311)	31,234,144
Capital subsidy transferred to statement of profit and loss	(3,944,207)	(4,687,732)
Exchange adjustments (net)	(85,810,047)	46,346,724
Operating profit before working capital changes	2,469,638,611	2,504,964,288
Adjustments for:		
(Increase) / decrease in trade and other receivables	(82,685,978)	(384,611,425)
(Increase) / decrease in inventories	130,086,220	(467,497,711)
(Increase) / decrease in trade and other payables	(228,872,566)	483,456,861
Cash generated from operations	2,288,166,287	2,136,312,013
Direct taxes paid (net of refunds)	(337,333,164)	(405,314,395)
Net cash from operating activities (A)	1,950,833,123	1,730,997,618
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(1,567,388,454)	(1,095,595,491)
Proceeds from sale of fixed assets	638,996	219,398,758
Investment in bank deposits (having original maturity of more than twelve months)	951,878	(3,121,021)
Investment in associate	-	(7,500,000)
Short term loans given to related parties	(110,952,469)	(1,208,017,569)
Repayment of short term loans given to related parties	3,410,828	1,235,126,909
(Increase) / decrease in short term loans to other parties (net)	2,072,876	(7,562,590)
Interest received	31,600,256	211,801,655
Dividend received from associate	19,718,363	10,704,592
Government grant and capital subsidies received	29,507,884	21,085,955
Net cash from / (used in) investing activities (B)	(1,590,439,842)	(623,678,802)

Consolidated Cash flow statement for the year ended 31 March 2012

(Amount in ₹)

	2012	2011
C. Cash flow from financing activities		
Proceeds from long-term borrowings	1,096,415,243	1,726,830,345
Repayment of long-term borrowings	(1,572,729,803)	(2,014,171,513)
Proceeds from short term borrowings	1,823,530,626	1,420,154,035
Repayment of short term borrowings	(1,151,281,533)	(1,949,989,386)
Increase in other borrowings (net)	673,534,951	528,710,726
Principal payment under finance lease	(6,222,152)	(2,048,592)
Interest paid	(775,299,397)	(777,297,039)
Dividend paid (including tax)	(139,399,256)	(101,392,617)
Dividend paid to minority shareholders	(22,242,142)	(31,120,941)
Ancillary borrowing cost incurred	(16,656,184)	(70,426,733)
Net cash from / (used in) financing activities (C)	(90,349,647)	(1,270,751,715)
Net changes in cash and cash equivalents (A+B+C)	270,043,634	(163,432,899)
Cash and cash equivalents at the beginning of the year	607,064,483	770,497,382
Cash and cash equivalents acquired on merger	136,249	-
Net cash and cash equivalents	877,244,366	607,064,483
Add: Earmarked balances with banks	29,404,507	33,666,607
Cash and cash equivalents at the end of the year	906,648,873	640,731,090

Notes:

1. Previous year figures are regrouped / reconsidered wherever necessary.
2. Cash and cash equivalents include ₹ Nil (₹ 1,184) on account of realignment of foreign currency account.
3. Scheme of Merger as referred in Note 30 has not been considered above, being a non-cash transaction.

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari

Partner
Membership Number 107832

Place: Mumbai
Date: 31 August 2012

For and on behalf of the Board

Subhash Chandra

Chairman

Tapan Mitra
K.V. Krishnamurthy
Boman Moradian
Mukund M. Chitale

Directors

Ashok Kumar Goel

Vice Chairman & Managing Director

A.V. Ganapathy

Chief Financial Officer (Global)

Aashay S. Khandwala

Vice President (Legal) & Company Secretary

“ IF I HAVE THE BELIEF THAT I CAN DO IT, I SHALL SURELY ACQUIRE THE CAPACITY TO DO IT EVEN IF I MAY NOT HAVE IT AT THE BEGINNING. ”

- MAHATMA GANDHI





EsSEL Propack Limited

NOTICE

NOTICE is hereby given that the Twenty-ninth Annual General Meeting of the Members of ESSEL PROPACK LIMITED will be held on **Thursday, September 27, 2012, at 11.00 a.m.** at the Company's Registered Office at P.O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra - 421604, India, to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit & Loss for the financial year ended March 31, 2012 and the Balance Sheet as on that date and the Report of the Directors' and Auditor's thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Subhash Chandra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mukund M. Chitale, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. MGB & Co, Chartered Accountants (Registration no. 101169W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from conclusion of this meeting till the conclusion of the Thirtieth Annual General Meeting of the Company, at a remuneration as may be decided by the Board of Directors."

By Order of the Board of Directors

For **ESSEL PROPACK LIMITED**

Aashay S. Khandwala

Vice President (Legal) and
Company Secretary

Place : Mumbai

Date : August 31, 2012

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
- 2) The relevant details of Directors seeking re-appointment under items nos. 3 and 4 above as required by Clause 49 of the Listing agreement entered into with the Stock Exchanges is annexed.
- 3) Members / proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience at the Annual General Meeting. Copy of the Notice as well as the Attendance Slip shall be made available to members at the meeting venue who have opted to receive the Annual Report in electronic form and intend to attend the Annual General Meeting.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 26, 2012 to Thursday, September 27, 2012 (both days inclusive).
- 5) Subject to the provisions of the Companies Act, 1956, the dividend on Equity shares as recommended by the Board of Directors, if any, declared at the meeting, will be payable on or after, Monday October 1, 2012, to those members whose names appear in the Register of Members as on September 26, 2012 and in respect of the shares held in electronic form to those Members whose names appear on the close of the business hours on September 25, 2012 as beneficial owners as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

- 6) In respect of the Members having their shareholding in the electronic form, the Company has been disbursing dividend through direct deposit into the respective bank accounts, the particulars of which have been given by you to your Depository Participant (DP).
- 7) In order to prevent against fraudulent encashment of dividend warrants, Members having physical shares are requested to provide their bank account details alongwith the names and addresses of the concerned banks to enable the Company to incorporate the said details on the dividend warrants / pay orders. Members, who have not yet provided such information, are requested to provide the aforementioned details quoting their folio numbers. The Members will appreciate that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrants.
- 8) The unpaid / unclaimed dividend upto year 2004 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Section 205-A/205-C of the Companies Act, 1956.
- 9) Unpaid / unclaimed Dividend for the year 2005 (Interim Dividend and Special Dividend) is due for transfer on March 08, 2013 and on June 13, 2013 respectively, to the Investor Education & Protection Fund of the Central Government pursuant to the provisions of Section 205-C of the Companies Act, 1956. Members

who have not yet encashed their dividend warrants for the said year or any subsequent year(s), are requested to claim the dividend by writing to the Company's Registrar & Transfer Agents, Sharepro Services (India) Private Limited, 3rd floor, Samhita Ware housing Complex, Plot No. 13 A B, Gala No. 53, Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Mumbai – 400 072.

The details of the unpaid / unclaimed dividend upto the date of last AGM (September 9, 2011) are also uploaded on the Company's website.

- 10) Members desirous of asking any questions at the ensuing Annual General Meeting (AGM) are requested to send their questions so as to reach the Registered Office of the Company addressed to the Company Secretary at least seven days before the AGM so that the same can be replied suitably.
- 11) Members are requested to carry their copy of the Annual Report to the Meeting.

By Order of the Board of Directors
For **ESSEL PROPACK LIMITED**

Place : Mumbai
Date : August 31, 2012

Aashay S. Khandwala
Vice President (Legal) and
Company Secretary

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED/ RE-APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES :-

Name of Director: Retiring by rotation	Mr. Subhash Chandra	Mr. Mukund M. Chitale
Appointed /Re- appointed	Re-appointed	Re-appointed
Age	61 years	62 years
Qualification and Experience	<p>Mr. Subhash Chandra, promoter of Essel Group of Companies is among the leading lights of the Indian industry. A self-made man, Mr. Chandra has consistently demonstrated his ability to identify new businesses and lead them on the path to success. Mr. Chandra who is referred to as the Media Moghul of India, revolutionised the television industry by launching the Country's first satellite Hindi channel Zee TV in 1992 and later the first private news channel, Zee News. The ZEE Network today has over 650 million viewers in 168 countries. His bouquet of businesses includes television networks (ZEE & ZNL), a newspaper chain (DNA), cable systems (Wire and Wireless), Direct-to-Home (Dish TV), Satellite Communications (Agrani and Procall), Theme parks (Essel World and Water Kingdom), Online gaming (Playwin), Education (Zee Learn), Flexible packaging (Essel Propack), Infrastructure development (Essel Infraprojects) and Family Entertainment centres (Fun Cinemas).</p> <p>Mr. Chandra has been recipient of numerous industry awards and civic honors including (a) Entrepreneur of the Year (Ernst & Young) [1998]; (b) Businessman of the Year (Business Standard) [1999]; (c) Enterprising CEO of the Year (International Brand Summit) [1999]; (d) Global Indian Entertainment Personality of the Year by FICCI [2004]; (e) Lifetime Achievement Award at the CASBAA Convention [2009]; (f) Hall of Fame for continuing contribution to industry in Entrepreneurs category at the INBA [2010]; (g) International Emmy Directorate Award [2011].</p>	<p>Mr. Chitale is a Commerce graduate and Member of the Institute of Chartered Accountants of India. He has over 35 years of experience as a practising Chartered Accountant. He was the President of the Institute of Chartered Accountants of India (ICAI) in 1997-1998. He was Member of the International Auditing Practices Committee of the International Federation of Accountants from January 1998 to June 2000, Verma Committee on Restructuring of Weak Public Sector Banks, Dr. Tarapur Committee on Procedures & Performance Audit of Public Services appointed by Reserve Bank of India and Company Law Advisory Committee of Central Government in 1992 and 1993.</p>
List of public limited Companies in which outside Directorship held	<ul style="list-style-type: none"> • ZEE Entertainment Enterprises Limited • Essel Infraprojects Limited • Dish TV India Limited • Zee News Limited • Wire & Wireless India Limited 	<ul style="list-style-type: none"> • Larsen & Toubro Limited • ASREC (India) Limited • Ram Ratna Wires Limited • Shriram Transport Finance Co. Limited. resigned w.e.f July 05, 2012 • ITZ Cash Card Limited • ONGC Petro Additions Limited • ONGC Mangalore Petrochemicals Limited • Foseco India Limited • L & T General Insurance Company Limited • Larsen & Toubro Infotech Limited

<p>Chairman / Member of the Committees of the Board of other Public Companies.</p>	<p>Remuneration Committee</p> <ul style="list-style-type: none"> • ZEE Entertainment Enterprises Limited (Member) • Zee News Limited (Member) 	<p>1. Audit Committee -</p> <ul style="list-style-type: none"> • Larsen & Toubro Limited (Chairman) • ITZ Cash Card Limited (Chairman) • Foseco India Limited (Chairman) • L & T General Insurance Company Limited (Chairman) • Ram Ratna Wires Limited (Member) • ASREC (India) Limited (Member) • Shriram Transport Finance Co. Limited (Member) • ONGC Petro Additions Limited (Member) <p>2. Shareholder Committee Foseco India Limited (Member)</p>
<p>Shareholding in the Company (No. of shares)</p>	<p>89,305 Shares.</p>	<p>NIL</p>



ESSEL PROPACK LIMITED

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

Reg. Folio No. _____ DP ID* _____ Client ID* _____ No. of Shares _____

I/We _____ of _____

being a Member(s) of **ESSEL PROPACK LIMITED** hereby appoint _____

of _____ or failing him/her _____

of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, September 27, 2012, at 11.00 a.m. at the Company's Registered Office at P.O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra - 421 604, India and at any adjournment thereof.

Signed this _____ day of _____, 2012

Affix
₹ 1
Revenue
Stamp

Signature of the Member/s: _____

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the above referred Meeting.

* Applicable for Members holding shares in electronic (dematerialised) form.



ATTENDANCE SLIP

ESSEL PROPACK LIMITED

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

(To be handed over at the entrance of the Meeting hall)

Reg. Folio No. _____ DP ID* _____ Client ID* _____ No. of Shares _____

I hereby record my/our presence at the Annual General Meeting of the Company to be held on Thursday, September 27, 2012, at 11.00 a.m. at the Company's Registered Office at P.O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra - 421 604, India.

Full Name of the Member (in BLOCK LETTERS) _____

Full Name of the Proxy (in BLOCK LETTERS) _____

Member's/Proxy's Signature _____

* Applicable for Members holding shares in electronic (dematerialised) form.