

19 June 2017

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Scrip: Equity 500135. NCDs 951429 & 951430	Trading Symbol: ESSELPACK

Ref.: Essel Propack Limited

Sub.: Annual Report for the FY 2016-17

Dear Sirs,

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable statutory provisions, please find attached herewith the Annual Report of the Company for the financial year 2016-17.

Annual Reports including financial statements, Auditor's reports, Board's report and annexures has been sent to members of the Company and also available on the Company's website www.esselpropack.com.

Kindly take the above on record and acknowledge the receipt.

Thanking you

Yours faithfully
For Essel Propack Limited



Suresh Savaliya
Head - Legal & Company Secretary



Encl.: as above

Filed on online

Essel Propack Limited

Annual Report 2016-17



Hair Colorant Tubes

MystikTM
...a technology disruptor

Mystik™ is a breakthrough innovation that culminated out of Essel's R&D efforts for years. With creative play of different new-generation polymer layers combined with special alloys, Mystik provides complete protection to all known hair colorant formulations and other aggressive product formulations like Rx Pharma products and high atmosphere sensitive products like ketchups for foods.

Mystik™ tubes have been created with unique inner barrier multilayer membrane covering tube shoulder, neck and orifice, and an innovative closure with integrated wedge which helps consumer pierce the tube orifice membrane before use. Mystik tubes can be decorated with innovative graphics incorporating touch and feel sensory.

Mystik™ tubes have gone through Essel's stringent accelerated product stability tests and are now under customer validation and commercialization.

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Technology as a disruptor

Technology today is the disruptive force much sought after by world-class businesses to sustain and strengthen their market leadership, win customers and open up new opportunities.

New technology is about challenging norms and conventions, paving way for newer habits and preferences and delighting customers and consumers.



As an FMCG business and a leader in laminated tubes, Essel Propack is proud of its track record of Technology-led disruption ever since it swept the Indian tube landscape replacing the aluminium tubes and growing into a global business. **Mystik** is our latest and one of the most satisfying accomplishment in this exciting journey that launched stellar innovations such as Egnite®, Etain®, Green Maple Leaf™ etc. For Essel, Innovation is holistic. Much as we drive technology to create disruptive packaging solutions for applications in categories ranging Beauty, Pharma, Foods, Oral and Home, we are heavily into creating disruptive changes also in the way we operate and service our customers and delight our consumers.

From its structure to its inner barrier to its unique innovative closure, **Mystik**™ is poised to revolutionize packaging in diverse FMCG categories such as Hair Colorants, Foods and Pharma with solution that is more smart, stable and safe.

Message from Chairman & Managing Director



That brings me to the huge potential of technology which we can harness for creating innovative products for our customers, to change the whole way we manufacture and service our customers and the way they experience us as Supply partners. They should see us as the Supplier of Choice.

Dear Shareholders

It is my pleasure to appraise you of your Company's performance during FY17 and the broad contours of the future we are creating.

Mission 20-20-20 continues to be the driving force, across the business and functions. I am aware that the Sales for the year ₹ 2388 crores and the Net profit ₹ 190 crores, healthy as they are, may not be exactly reflecting our growth ambition. The reasons already have been articulated elsewhere in this Annual Report. These are mostly minor road bumps and do not detract the business from achieving the Mission. New business development is progressing well in EAP. India long-term story is intact; the softness in sales off

take could continue until GST implementation, but thereafter, the economy and business will only emerge stronger. New business development process in Europe and Americas has been revamped with focus on building enough fall-back projects in order to secure the Company's volume plans. Acquisition of the German Joint venture, has created opportunity for synergies in European operations, and a team is working to secure these at the soonest. Consolidation of manufacturing in India and stabilization of the new facility in Colombia have been completed by March, and the benefits should begin to flow in the new financial year, instead of the one off costs entailed in the year under report. All this gives me confidence that we are well on track to realize our Mission.

Our future as I see will be even more exciting. You will recall that in my address last year, I talked about Delighting Customers and Unveiling horizons. It has been a revelation to me what all we can do to take the business to new heights. Mystik is a classic example, where we brought together a number of technologies to create a truly disruptive packaging solution using laminated tubes. This opens up an entirely new category of Hair Colorants which today are fast growing lifestyle products consumed across the world. Between the organized and other brands, and including the developers that go along with the colorants, it offers a 4 billion tube new market opportunity. Similar aggressive products in the Pharma and Food categories now can be targeted for replacing their traditional packaging formats with Mystik tubes, again a new opportunity.

That brings me to the huge potential of technology which we can harness for creating innovative products for our customers, to change the whole way we manufacture and service our customers and the way they experience us as Supply partners. They should see us as the Supplier of Choice. It is said that “it is wiser to help the Customer buy from us instead of we trying to sell to them.” Therein lies the key to sustained, profitable and competitive growth. At Essel, we are quietly driving this dream.

We do not see Technology as limited to the traditional ways of making a laminate or tube, but as a body of scientific knowledge in any area, which we can adopt, adapt or replicate to solve our problems and make a big impact. That is what has helped us to create besides Mystik, some powerful packaging solutions branded as Aeir, Prizm, Clarion, Green Maple Leaf which are in various stages of trials with our customers. We are leveraging high speed digital image processing technology to track our products through the entire manufacturing process – the result, we are implementing a capability to spot defects on line at speed of light, and consequently are able to promise the customer that our products can be moved to their production line direct from trucks without need for inspection or quarantine. We expect the pilot of this to start very soon. We are already piloting a technology which digitally handles customer artwork, so as to assure a high integrity image on the tube in our production lines, thereby crashing the lead-time for the customer to market a new launch/relaunch and to assure a First time Right production. We see these as not mere incremental but as step

changes, disruptive developments which will go to strengthen our credentials as industry leader among customers.

There are a number of similar initiatives unleashed in the manufacturing process across our global operation, aimed to bring in standardization and automation. Data analytics at machine level to improve process stability, study for deploying robotics etc are some of these which should change our manufacturing landscape in the near future. Customers much understand that an innovation-driven, technically and financially strong supplier brings more value to their brands long term, and it is value and not the cost or price that makes for long term business success.

To this end, we have identified and staffed key Technology functions, established their linkages with business, and implemented ways of team working that will tap and leverage the knowledge and perspectives, whether external or internal to Essel, and help forge superior solutions to delight our customers. There is a lot of excitement today in our teams. Ultimately, it is the people who make the difference. And we continue to invest in their development, present them opportunities to create a great future for the business and to themselves. Continuously improving employee engagement scores, with some of our units already at the country/industry best in these scores, bears an ample testimony to this. Surely, we are out there to deploy Technology that will make a difference with the disruptive solutions it will provide.

I take this opportunity to thank our valued Customers, our bankers, and all our stakeholders for their consistent support, the Board of Directors for their guidance and encouragement at all times, Esselites across the globe for their effusive energy, commitment and great efforts, all of which have contributed to your Company's growth.

Ashok Goel
Chairman & Managing Director

Leveraging Technology

Innovative Products

Innovation and R&D has always been the engine of growth and expansion at Essel Propack. With FMCG industry rapidly extending its horizon to embrace new categories, we are working closely with major FMCG brands to deploy packaging solutions that are convenient, smart and sustainable.



At Essel Propack, we are always pushing the limits to meet the growing expectations of consumers. With innovation and R&D, we are creating product driven disruption: from material science to tube structure to printing to closure and dispenser. All this, keeping sustainability in mind.

We have developed completely recyclable structures. Our Green Maple Leaf™ technology is gaining traction. We have also innovated super-light structures which reduce the use of plastics without compromising on strength or quality of the tubes. For our customers, this aligns with their resource reduction and sustainability initiatives.



Clarion
HIGH CLARITY UV TUBES

Innovative structure that allows the consumer to see contents inside with glass like clarity.



Prizm
HOLOGRAPHIC TUBES

Provide anti-counterfeit features on the tube, in addition to being aesthetically appealing. Suitable for pharma products and cosmetics.



GREEN MAPLE LEAF

Fully recyclable, made from organic polymers.



Aeir
LIGHT WEIGHT TUBES

A lightweight laminate created by using special technology, helping resource reduction.



Velvetie
SOFT AND VELVET FEEL TUBES

Special sensory effect of baby skin, suitable for premium Beauty & Cosmetics products.

Leveraging Technology

Opening New Categories

The past decade has seen the FMCG consumer evolve significantly. Even five years ago, there was nothing called Lifestyle products in the FMCG space, but today, Lifestyle products is one of the fastest growing categories within FMCG, for example, hair colorants and hair styling.

New categories are also emerging in the Do-It-Yourself (DIY) space involving products such as adhesives, crayons, paints and lubricants.

Consumers' preference for packaged food is increasingly being driven by convenience and ease of use. This is creating a demand for packaging that can replace traditional rigid and glass containers.

At Essel, we are leveraging innovative technology to develop packaging solutions for these new emerging categories and products which are aggressive and highly sensitive to atmosphere.



Leveraging Technology

Delighting Customers

Our customers comprise some of the largest FMCG companies in the world. We work as long-term partners, collaborating with them in the true spirit of partnership. We leverage technology going beyond products to servicing and enhancing their experience.

Essel Propack is about to pilot a very innovative process capability that will automatically filter defective products before despatch to customers. This will obviate any need for inspection and quarantine at customer end, and allow the product to be used directly in their production lines.

We have also jointly innovated with equipment supplier a very high speed tubing line capable of forming upto 600 tubes per minute, driving up productivity and reducing power & space requirement, and with an ability to mesh with customers' production lines.

We are in the process of developing digital technology to seamlessly integrate the customers' artwork with our production lines. This will reduce the lead time for new product launch. In future, the same technology can be extended in providing full visibility, quality validation by customers and first time right capability.



Today, as we look ahead, we see great potential. Driven by innovation and technology, we continue to grow offering smart packaging solutions to replace traditional packaging forms like bottles, metal and plastic tubes both in existing categories and in newly emerging categories and applications from food to pharmaceuticals to lifestyle.

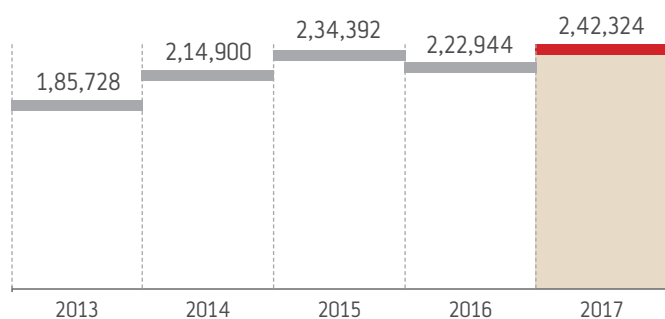
Awards & Accolades



Financial Highlights

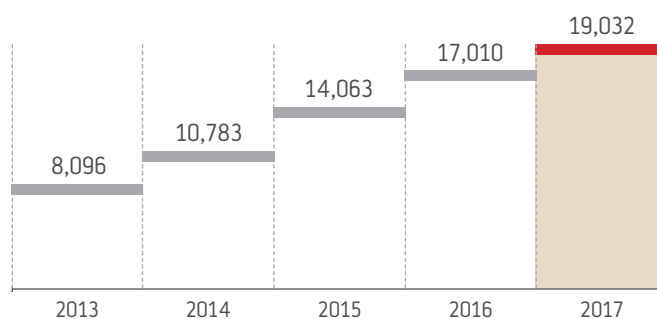
Sales and Other Income

₹ in Lakhs



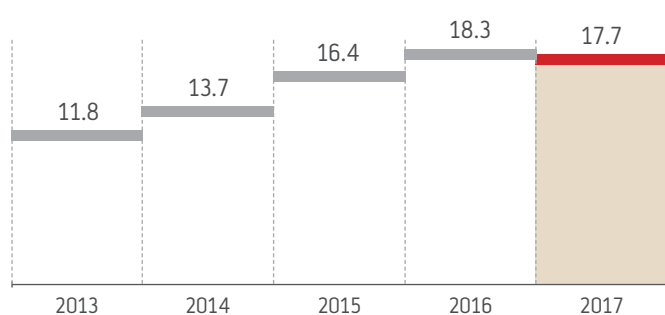
Profit After Tax

₹ in Lakhs



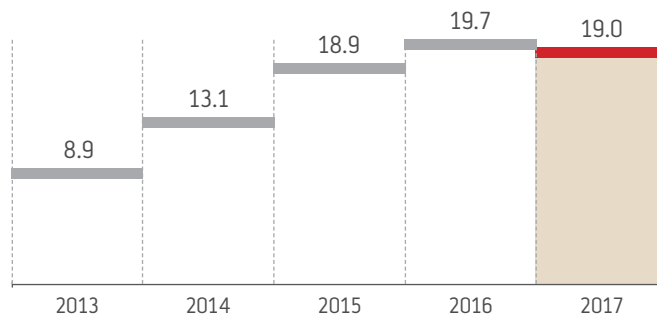
Return on Capital Employed

%



Return on Equity

%



Directors with Leadership Team



Standing Left to Right:

Rajiv Verma - Technical Head - Corporate
Vinay Mokashi - Financial Controller - Corporate
Kelvin Wang - Regional Vice President - EAP
Alan Conner - Regional Vice President - Europe
Dileep Joshi - Director - Human Capital
Prakash Dharmani - Chief Information Officer
Parag Chaturvedi - Head - Global Quality & Process Improvement
Ted Sojourner - Regional Vice President - AMERICAS
Roy Joseph - Regional Vice President - AMESA
M. K. Banerjee - Director - Creativity & Innovation
Suresh Savaliya - Head Legal & Company Secretary

Sitting Left to Right:

M. R. Ramasamy - Chief Operating Officer
Atul Goel - Director
Ashok Goel - Chairman & Managing Director
Radhika Pereira - Independent Director
Mukund Chitale - Independent Director
Boman Moradian - Independent Director
A. V. Ganapathy - Chief Financial Officer

Corporate Information

BOARD OF DIRECTORS

Subhash Chandra*	Chairman
Boman Moradian	Independent Director
Mukund Chitale	Independent Director
Radhika Pereira	Independent Director
Atul Goel	Director
Ashok Goel	Chairman & Managing Director
A.V. Ganapathy	Chief Financial Officer
Suresh Savaliya	Head – Legal & Company Secretary

AUDITORS

MGB & Co., LLP
 Chartered Accountants

BANKERS

Axis Bank Limited
 ICICI Bank Limited
 Kotak Mahindra Bank Limited
 Yes Bank Limited
 DBS Bank Limited
 State Bank of India
 RBL Bank Limited
 Citi Bank N.A.
 The Hong Kong and Shanghai Banking Corporation Limited

DEBENTURE TRUSTEE

Axis Trustee Services Limited

SHARE TRANSFER AGENT

Bigshare Services Private Limited E2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai- 400072, Maharashtra, Tel No. 022 4043 0200, 28470652, Fax: 022 28475207, investor@bigshareonline.com

REGISTERED OFFICE

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 Maharashtra 421604, India.

CORPORATE OFFICE

Top Floor, Times Tower, Kamala City,
 Senapati Bapat Marg, Lower Parel,
 Mumbai 400013, India.
 Tel: 02224819000 Fax: 02224963137
 complianceofficer@ep.esselgroup.com
 www.esselpropack.com
 CIN: L74950MH1982PLC028947

UNITS - INDIA

Vasind, Wada, Goa, Dhanoli (Vapi), and Nalagarh (Himachal Pradesh)

*Resigned w.e.f. 5 August 2016

Board's Report

To Members Essel Propack Limited

Your Directors are pleased to present their Report on your Company's business operations along with the Audited financial statements for the financial year ended on 31 March 2017.

Your Company has posted yet another year of good performance, both in India and in Global operations. The highlights of the financial results are set out below. It may be noted that pursuant to the notification dated February 16, 2015 of the Ministry of Corporate Affairs (MCA), your Company has adopted the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) in preparing and presenting the Financial statements beginning the financial year under report; the figures for the previous financial year ended on 31 March 2016 and the balances as on 1 April 2015 have been restated accordingly in order to make these comparable.

CONSOLIDATED GLOBAL RESULTS

The summary results are set out below.

(₹ in lakhs)		
Particular	Year ended 31.03.2017	Year ended 31.03.2016
Total Income	242324	222944
Profit Before Depreciation, Finance and Tax (PBDIT) inclusive of other income	45660	42760
Finance cost	(5753)	(6091)
Depreciation	(14148)	(12316)
Profit before share of profit/ (loss) from Associate/Joint venture and exceptional items	25759	24353
Share of profit /(loss) from Associate/ Joint venture	105	484
Profit before exceptional items and tax	25864	24837
Exceptional items net (loss)/gain	1565	232
Tax expense	(7869)	(7757)
Profit for the year attributable to equity holders of the parent	19032	17010

The Consolidated Total Income has grown year over year by 8.7%. The previous year's results include the revenue and profits for part year of the divested flexible packaging

subsidiary Packaging India Pvt. Ltd. Adjusted for this, the total Income for continuing business has grown by 11.4% helped by the acquisition of 100% stake in the German tubing joint venture effect from 30 September 2016. The revenue growth was impacted by weaker sales in India post demonetization in November 2016, continued off take issues at large oral care customers in China and sales lost in Colombia due to extended ramp up of the new capacity. Operating cost during the year was impacted by one-off spend relating to rationalization of manufacturing sites in India and stabilization of the new manufacturing facility in Colombia. These together with higher depreciation charge on account of new capacity addition and the German acquisition, have caused 1.2 pp reduction in the Operating margin to 11.8%. Consequently, the Profit for the year and exceptional item has grown 4.1%. Profit for the year attributable to equity holders has increased by the 11.9%.

INDIA STANDALONE RESULTS

The summary results are set out below.

(₹ in lakhs)		
Particular	Year ended 31.03.2017	Year ended 31.03.2016
Total Income	90068	83917
Profit Before Depreciation, Interest and Tax (PBDIT) inclusive of other income	17711	17546
Finance cost	(2263)	(2587)
Depreciation	(6021)	(5063)
Profit before Tax and exceptional items	9427	9896
Exceptional items net (loss)/ gain	-	4529
Tax Expense	(2916)	(3175)
Profit for the year	6511	11250
Appropriations		
Transfer to Debenture Redemption Reserve	750	750

Your Company's India Standalone Total Income grew by 7.3% during the year, impacted by weaker sales following the demonetization in November 2016. Operating cost was impacted by significant one off spend incurred in consolidating

the 3 manufacturing sites in the Western India into a new state of art custom-built factory in Dhanoli near Vapi. This together with lower than planned revenue growth and higher depreciation charge, caused the operating margin to reduce by 1.6 pp to 11.2%. Consequently, the Profit before tax and exceptional items is lower by 4.7% compared to the previous year. The previous year had the benefit of exceptional gain ₹ 4529 lakhs on account of divestment of the subsidiary, Packaging India Pvt. Ltd. The Net profit after tax before exceptional items is ₹ 6511 lakhs for the year compared to ₹ 6721 lakhs in the previous year.

REVIEW OF MARKET, BUSINESS AND OPERATIONS

Your Company is a leading manufacturer globally of Laminated Plastic Tubes and Laminates. Its products are extensively used in the packaging of products across categories such as Beauty & Cosmetics, Pharma & Health, Foods, Home and Oral care. The FMCG and Pharma industry which consume the Company's products continue to offer sustained growth opportunity for your Company. In the mature markets of Europe, USA and Japan, the FMCG sector is rife with several new life-style products in the Personal care and Wellness categories. Beauty care products such as Anti-Ageing creams, Beauty Balms, and Complexion Correction creams, Hair colorants, cosmetic and therapeutic toothpastes are seeking premium tubes as a key marketing mix. In the emerging markets such as India, China, Far East and Latin America, the FMCG usage is expanding helped by increasing disposable income, growing youth population, expansion of modern retail/e-tail and growing aspiration to look and feel good. The Pharma demand too is buoyed by increasing life expectancy, growth of generics and "health for all" policies pursued globally by governments and the NGOs. Your Company as a global supplier of innovative packaging solutions for products in the paste/cream/gel forms, continues to ride this tremendous opportunity in the FMCG/Pharma space by leveraging its scale, multi-national manufacturing and marketing set up and proven innovation/technology capability. In addition to benefitting from growth in the FMCG/Pharma brands traditionally packed in tubes, your Company is also actively involved in seeking to replace packaging forms such as extruded plastic/aluminum tubes, bottles and tipples with its new generation laminated tubes offering a superior value proposition for a number of FMCG brands.

India Standalone

India accounted for 37% of your Company's Consolidated Sales. As a pioneer and long established supplier of laminated tube solutions, your Company continues to enjoy a massive franchise in India among the FMCG/ Pharma players. The Customer portfolio encompassing reputed FMCG and Pharma brands - Indian and MNC, mass and niche, established and new, continues to expand. As expected, the year started strong with sales tracking 15.3% y-o-y growth by the second quarter. Exports to markets in South Asia, Middle East and Africa continue to be pursued as a strategy to gain presence in the smaller markets which are not viable for a full-fledged manufacturing set up.

As part of its strategy to stay competitive and grow, during the year your Company undertook consolidation of its manufacturing sites in the Western India. This led to a phased shut down of three small plants and the commissioning of a state of art factory at Dhanoli near Vapi. In ensuring an orderly transition without compromising on customer service, the Company had to incur significant one-off costs which impacted the profit for the year. Going forward, this restructure of the manufacturing sites is expected to yield operational and cost synergies, and facilitate seamless capacity expansion catering especially to the high value Non-oral care categories.

Just as the Company was gearing to step up its sales further by ramping up new contracts, it had to contend with customer off-take issues following the Demonetisation announced in November 2016. In the four months following, the customer off-take dropped Further; the imminent implementation of GST from July 2017 caused the customers to keep their inventory pipeline lean and new product activities on low key. So, while these reforms long term will boost demand and growth, the Company had to absorb the impact in the short term. The subdued revenue growth coupled with capacity and operating costs already on ground including the one off costs relating to consolidation of units, impacted the profitability during the year.

Your Board is of view that India growth story remains intact, and your Company is well positioned to grow and gain market share in the months and years to come.

Subsidiaries, Joint Ventures and Associates

Being a global player in the laminated tubes, your Company has manufacturing and marketing presence in eleven other

countries through its direct and step down subsidiaries, joint venture and associate.

All these subsidiaries / joint ventures / associate continue to work closely with the customers and grow their business with product offerings relevant to their respective markets. All the operating subsidiaries posted profit during the year, except the subsidiary in Colombia. The new manufacturing facility established during the year by the Colombian subsidiary has taken longer to stabilize. Consequently, sales did not realise as planned, whereas the operating costs were significantly higher on account of significant one-off expenditure incurred in stabilising the operations and the plant productivity. This resulted in the subsidiary posting loss for the year. The operations are fast stabilizing now and the market potential, both local and exports, continues to be strong for the subsidiary to turn profitable again in the next financial year. The Associate company in Indonesia posted a small loss on account of cost increases.

During the year, Lamitube Technologies Ltd (LTL), a wholly owned subsidiary of the Company, acquired the balance 75.1% stake in its German Joint venture thus making the German entity a wholly owned subsidiary of your company effective 30 September 2016. This acquisition will help to unlock synergies such as enhanced cross selling opportunity in the European markets, sourcing flexibility and better capacity utilization at the Company's Europe plants. It will further enhance your Company's position in the non-oral care category.

Considering the huge size of the non oral care category market in these geographies and the disruptive nature of the packaging solutions that your Company has introduced, the Board expects these subsidiaries to post sustained profitable growth. The development at these entities and the markets they operate in are further discussed in the Management Discussion and Analysis (MDA) forming part of this report. The salient features of the financial statements of these subsidiaries, associate and joint venture in the prescribed form is attached as a part of audited financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), Consolidated financial statements of the Company and its subsidiaries, associate / joint venture, have been prepared for the year under report as per IndAS

applicable to the Company beginning the financial year ending March 2017. The audited Consolidated financial statements along with the auditors' report thereon form part of this Annual report. The consolidated financial statements presented by the Company include the financial results of all its subsidiaries, joint venture and Associate. The Audited financial statements of these entities have been reviewed by the Audit Committee and the Board.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management discussion and analysis (MDA) report for the year under review, of the operations of your Company and all of its subsidiaries, associate / joint venture is given in a separate section of this Annual Report and forms part of this Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintain highest standards of corporate governance aligned with the best practices. Pursuant to applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance forms part of this Report. The Company is in compliance with the various requirements and disclosures that have to be made in this regard. A certificate from the Auditors confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report.

DIVIDEND

Your Directors are satisfied that with various initiatives undertaken over the last few years, your Company continues to be on the path of profitable growth. The Company's cash flows and financial position continue to be strong.

Considering the cash requirement for business growth and debt servicing, the Board advocate a policy of steady dividend payout in a band of 20-25% of the consolidated net profit subject to statutory provisions, applicable dividend tax and unforeseen exigencies. The Board believes this will serve the interests of the shareholders especially those dependent on regular income. Accordingly, your Directors recommend a dividend of ₹ 2.40 per equity share of face value of ₹ 2 each, for the financial year ending on 31 March 2017 (previous financial year: ₹ 2.20 per share of face value of ₹ 2 each).

Dividend Distribution Policy of the Company is given as a part of this Report marked as Annexure 1 and also posted in investors section on the Company's website or link, <http://www.esselpropack.com/corporate-governance/>

TRANSFER TO RESERVES

Pursuant to the guidelines requiring creation of Debenture Redemption Reserve (DRR) to the extent of 25% of the value of listed debt securities issued, your Company has during the year under review transferred a sum of ₹ 750 lakhs to DRR in relation to the listed debt securities issued and outstanding of ₹ 9000 lakhs. There is no specific statutory requirement to transfer any sum to General reserve in relation to the payment of dividend.

FINANCE AND ACCOUNTS

Your Company continued to reduce financial leverage and the finance cost by enhancing capital productivity and improving cash generation. Working capital continued to be a focus area. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

Your directors are pleased to inform that Credit Analysis & Research Limited (CARE) has revised upwards from CARE AA- (Double A minus) to CARE AA (Double A) the credit rating assigned to the Company's NCDs as well as the rating assigned to the Company's various long term bank facilities, and have further re-affirmed the CARE A1+ rating assigned to the short term bank facilities. The Company is also rated by India Ratings and Research (FITCH Group) who have re-affirmed the Company's long term issuer rating at IND AA and the Commercial Paper rating at IND A1+.

Forex exposures continued to be closely reviewed and appropriately hedged in order to minimize risk to the results during a year when the currency volatility was very high.

The merger of Whitehills Advisory Services Pvt. Ltd, and the acquisition of the balance stake in your Company's German Joint ventures have been given effect in your Company's Standalone and Consolidated Financial statements as per applicable Accounting Standards and Court approval, and as explained in the relevant notes to those financial statements. There is no material impact to accounts because of Whitehills merger. The German entity's financials are now included 100% line by line in the consolidated financial statements, post the acquisition date of 30 September 2016. Prior to that and in the

previous year your company's 24.9% share in its profit after tax and equity only was included in the consolidated financial statements.

Both the Standalone and the Consolidated Financial statements set out the information and details prescribed by Ind AS in connection with the transition from the earlier GAAP to Ind AS for financial accounting and reporting.

STATUTORY AUDITORS

M/s. MGB & Co. LLP, Chartered Accountants were appointed as Statutory Auditors at the Annual General Meeting (AGM) of the Company held on 9 July 2014 for a term of three years, subject to ratification by the members annually. Accordingly, they will cease to hold office at the conclusion of the forthcoming AGM, and in view of section 139(2) of the Companies Act, 2013 will not be eligible for further re-appointment.

It is therefore proposed to appoint M/s. Ford Rhodes Parks & Co. LLP, Chartered Accountants as Statutory Auditor of the Company for a term as mentioned in AGM Notice. The Company has received letter from them to the effect that their appointment if made will be within the prescribed limits and confirming that they are not disqualified for such appointment pursuant to the Companies Act, 2013 and applicable statutory provisions.

Accordingly, the Audit Committee and Board of the Company have considered and recommends to the members for their appointment as a Statutory auditor of the Company at the ensuing Annual General Meeting.

SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013, M/s. D M Zaveri & Co., Practicing Company Secretary (CP No. 4363), have been appointed to undertake the secretarial audit of the Company for the year ended on 31 March 2017. The secretarial audit report forms part of this Report and is annexed as Annexure 2. The said report does not contain any qualification, adverse remarks or disclaimer.

COST AUDITORS

Pursuant to section 148 and applicable provisions of the Companies Act 2013 and the Companies (Cost Records and Audit) Rules 2014, the Company is required to appoint cost auditor for audit of cost records maintained by the Company in respect of the financial year ending 31 March

2018. Your Directors have on the recommendation of the Audit committee, appointed M/s. R Nanabhoy & Co., Cost Accountants, as the Cost Auditor to audit the cost records for the financial year ending 31 March 2018. Remuneration payable to the Cost Auditor is subject to approval by the members of the Company. Accordingly, a resolution seeking members' approval for the remuneration payable to M/s R Nanabhoy & Co, Cost Accountants, is included in the Notice convening the Annual General Meeting, along with relevant details, including the proposed remuneration.

DIRECTORS

Dr. Subhash Chandra, Director and Chairman resigned from the Board with effect from 5 August 2016 keeping in view his becoming member of Upper house of the Parliament of India (Rajya Sabha) and his wish to serve the nation. The Board expresses its immense appreciation and gratitude for the valuable advice and guidance rendered all these years by Dr. Chandra as Director ever since he founded this Company in the course of his long and distinguished career as an entrepreneur. In view of the resignation of Dr. Chandra, the Board has appointed Mr. Ashok Goel as Chairman and consequently recommends the shareholders to pass resolution re-designating him as Chairman & Managing Director of the Company.

In accordance with the provisions of section 152(6) of the Act and the Articles of Association of the Company, Mr. Atul Goel, Director is liable to retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

All the Independent Directors have given declarations that they meet the criteria of independence laid down under Section 149 of the Companies Act, 2013 and the Listing Regulations.

Further details on the Directors including remuneration, remuneration policy, criteria for qualification, independence, meetings etc. are given in the Corporate Governance Report, which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31 March 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in note 3A to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2017 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDIT COMMITTEE

Audit Committee of the Board has been constituted as per the Listing Regulations and section 177 of the Companies Act, 2013. Constitution, meetings, attendance and other details of the Audit Committee are given in Corporate Governance Report which is part of this Report.

PERFORMANCE EVALUATION

The Board has carried out the annual evaluation of its own performance, and of each of the directors individually, including the independent directors, as well of the working of its committees. The manner in which the evaluation has been carried out has been explained in detail in the Corporate Governance Report, which forms part of this Annual Report.

FAMILIARIZATION PROGRAMMES

The Company's policy on programmes and measures to familiarize Independent Directors about the Company, its business, updates and development includes various

measures viz. issue of appointment letters containing terms, duties etc., management information reports, presentation and other programmes as may be appropriate from time to time. The Policy and programme aims to provide insights into the Company to enable independent directors to understand the business, functionalities, business model and others matters. The said Policy and details in this respect is displayed on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY

As a part of its Corporate Social Responsibility (CSR) initiative, the Company has undertaken CSR projects and programs. Thrust areas for CSR include care and empowerment of the underprivileged, education, health and environment and sanitation. These activities are in accordance with CSR activities as defined under the Act. The Company has a CSR Committee of Directors. Details about the Committee, CSR activities and the amounts spent during the year, as required under section 135 of the Act and the related Rules, reasons and other details are given in the CSR Report as Annexure 3 forming part of this Report.

The Company has framed a CSR Policy in compliance with the provisions of the Act and the same is placed on the Company's website www.esselpropack.com. The CSR Policy lays down areas of activities, thrust area, types of projects, programs, modes of undertaking projects/programs, resources etc.

Your directors are pleased to report that the Company's subsidiaries overseas also actively give back to the society in their respective geographies through various initiatives on the health, education and other fronts.

LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under applicable provisions of section 186 of the Act are given in the note 55 to the standalone financial statements.

RELATED PARTY TRANSACTIONS

Contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business. All related party transactions are placed for approval before the Audit Committee and also before the Board wherever necessary in compliance with the provisions

of the Act and Listing Regulations. During the year, the Company has not entered into any contracts/arrangements/transactions with related parties which could be considered material in accordance with the policy of the Company on material related party transactions or under section 188(1) of the Act. Accordingly, there are no particulars to report in Form AOC2.

Details of the related party transactions during the year as required under Listing Regulations and Accounting standards are given in note 54 to the Standalone Financial Statements.

The policy on dealing with the Related Party Transactions including determining material subsidiaries is posted in investors / corporate governance section on the Company's website or link, <http://www.esselpropack.com/wp-content/uploads/2015/03/Related-Party-Transaction-Policy.pdf>

HUMAN CAPITAL

Relations with employees across all the offices and units continued to be cordial. HR policies of the Company are focused on developing the potential of each employee. With this premise, a comprehensive set of HR policies are in place, aimed at attracting, retaining and motivating employees at all levels. Your Company had 1134 employees on payroll as of 31 March 2017.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure 4(a) and forms part of this Report.

The median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure 4(b) and forms part of this Report.

EMPLOYEE STOCK OPTIONS

The Nomination and Remuneration Committee of the Board of Directors (NRC) of the Company, inter alia, administers and monitors the Employee Stock Option Scheme 2014 ("ESOS 2014" or "Scheme") of the Company in accordance with applicable SEBI regulations.

The disclosure relating to the Scheme and other relevant details are posted in investors>corporate governance section on the Company's website or link, <http://www.esselpropack.com/corporate-governance/>

During the year under review, the NRC at its meeting held on 17 June 2016 and 1 September 2016 granted 113096 and 39411 stock options respectively to eligible employee of the Company/its subsidiaries. These options when vested as per the terms and conditions of the Scheme will entitle the option holder to apply for and be allotted equal number of equity shares of face value of ₹ 2 each at an exercise price of ₹ 196.40 and ₹ 224.10 respectively being the respective closing market prices of the equity shares of the Company on the National Stock Exchange of India Limited as on relevant date at the time of Grant. These options will be due to vest in a manner as per Scheme, and may be exercised within maximum of four years from the date of vesting, subject to terms and conditions of the Scheme and the grant letter.

The amortised cost of options based on their fair value at the respective grant dates forms part of the Employee benefit expense in the manner required by the Ind AS.

Out of the 29,53,000 options granted in the past, NRC in its meeting held on 17 June 2016 has vested 9,38,661 Options in terms of the Scheme and the grant letter, the date of vesting being 1 July 2016.

Your Directors believe this Scheme will help create long term value for shareholders and operate as long term incentive to attract and retain senior managerial talent. For the sake of clarity, this Scheme does not extend to any of the Directors and Promoters of the Company.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure 5 and forms part of this Report.

OTHER INFORMATION / DISCLOSURES

There are no significant material orders passed by the regulator, courts or tribunal which would impact the going

concern status of the Company and its future operation.

There have been no material changes and commitments affecting the financial position of the Company, occurred between end of financial year and date of this Report.

In accordance with section 134(3)(a) and section 92(3) of the Act, an extract of the annual return as at 31 March 2017 in Form MGT 9 forms part of this Report as Annexure 6.

As per applicable provisions of the Listing Regulations, business responsibility report is given herewith and form part of this Report as Annexure 7.

Wherever applicable, refer the Company's website www.esselpropack.com or relevant details will be provided to the members on written request to the Company Secretary.

The Company has in place a policy against sexual harassment at work place in line with the requirements of the concerned statute. Internal complaint committees are set up in this respect. There was no complaint received from any employee during the year, nor any complaint remains outstanding for redressal as on 31 March 2017.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a whistle blower policy laying down a vigil mechanism to deal with instances of unethical behavior, fraud or mismanagement. The said policy has been explained in the Corporate governance report and also displayed on the Company's website www.esselpropack.com

INTERNAL FINANCIAL CONTROL

The Company has a proper and adequate Internal Financial Control System, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The Internal Financial control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audit conducted by in house trained personnel and external firms of Chartered Accountants appointed on recommendation of the Audit Committee and the Board. The audit observations and corrective action, if any, taken thereon are periodically reviewed by the Audit committee to ensure effectiveness of

the Internal Financial Control System. The internal financial control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

During the year as part of control assurance process, the financial controls were reviewed by an independent agency in line with the guidelines issue by ICAI on internal financial controls and reported satisfactory in design and operational effectiveness.

RISK MANAGEMENT

The Company has laid down a well-defined risk management mechanism covering the risk mapping and analysis, risk exposure, potential impact and risk mitigation measures. A detailed exercise is carried out every year to identify, evaluate, manage and monitor the principal risks that can impact the Company's ability to achieve its strategic and financial objectives. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework. Details on the risk elements which the Company is exposed to are covered in the Management Discussion and Analysis which forms part of this Annual Report. The Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure. The Risk management committee under the chairmanship of an independent director oversees the risk management process.

AMALGAMATION

The Scheme of Amalgamation between your Company with Whitehills Advisory Services Private Limited (Whitehills) its holding company, and their respective shareholders (the Scheme) approved earlier by the members, was sanctioned by the Hon'ble Bombay High Court vide its order dated 1st September 2016. The amalgamation became effective following the filing by the Company of the certified copy of the said court order with the Registrar of Companies, Maharashtra on 6 October 2016. Pursuant to the approved Scheme and the High Court Order, 8,89,17,843 equity shares of face value of ₹ 2 each of the Company have been allotted as fully paid up to the shareholders of the Whitehills in October 2016. As

provided in the approved Scheme, 8,89,17,843 equity shares at face and paid up value of ₹ 2 each, held by Whitehills in your Company were cancelled and extinguished.

There has been neither any change in the paid-up equity capital nor any change in the promoter and public shareholding of the Company by virtue of the Scheme. Pursuant to the Scheme, the shareholders of Whitehills directly hold shares in the Company. This helped in simplification of the holding structure and reduction of shareholding tiers. There is no any material financial impact on the Company because of the said amalgamation as all related costs were met by the holding company's funds.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public and there are no outstanding deposits as on 31 March 2017.

CAUTIONARY STATEMENT

Statements in this 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 sincere thanks and appreciation to all our customers, suppliers, banks, authorities, members and associates for their co-operation and support at all times, and to all our employees for their unstinted contribution to the growth and profitability of your Company's business, and look forward to continued support.

For and on behalf of the Board

Essel Propack Limited

Ashok Goel

Chairman & Managing Director

23 May 2017, Mumbai

Management Discussion and Analysis

Your Directors are pleased to present the Management Discussion and Analysis for the year ended 31 March 2017.

BUSINESS OVERVIEW

Your Company's business is an integral part of the FMCG and Pharma space, Packaging being one of the four key marketing mix that underpin the success of a brand. The FMCG business across categories of Beauty and Cosmetics, Foods, Home and Oral care constitutes a multi-trillion dollar market globally and continues to grow in many different ways. In the developing economies, the growth is powered by increasing young population, growing disposable income, life-style changes etc. In developed economies where penetration and usage are already high, new products addressing even more evolved lifestyle needs are emerging to expand and/or change the face of the market, as for e.g. applications like Anti-ageing creams, Beauty balms, Complexion creams, Hair grooming range, and of late, Hair colorants and styling products etc. are driving consumption. Besides, there is also a strong trend among brands to improve the efficacy of products by incorporating newer and more potent actives, herbal ingredients etc. which often demand different and more effective barrier properties on the part of packaging. Such Customised barrier properties are offered by your Company to suit different products that get filled in the tubes. The increasing competition in the FMCG space and the rapid growth of organized retail trade means the consumer has to be presented with the 'First Moment of Truth' at the point of sale viz. the shop shelf. Packaging therefore is not anymore a vehicle to merely hold the product - a cost that has to be managed; it is a key brand property that enhances value of the brand.

That is where your Company fits snugly in the scheme of things. A range of FMCG and pharma products in viscous form such as pastes, gels and creams use tube as a packaging format. The world market for tubes is huge, about 36 billion in the countries your Company operates. Of this, oral care tubes account for 14 billion, Beauty & Cosmetics account for 12 billion and Pharma & others account for 10 billion. Beauty & Cosmetics applications are pre-dominantly in extruded Plastic tubes and bottles, and Pharma are pre-dominantly in Aluminum tubes. The non oral care tube market represents much higher value, three times or more as compared to oral

care tube market. Having established global leadership with its laminated tubes for the oral care category, your Company is now pursuing a considerably bigger growth opportunity in the non oral care category by leveraging customer insight, polymer and decoration technology, global presence and state of art equipment capability to offer a superior packaging solution in the form of its new generation laminated tubes in place of the plastic/aluminum tubes and bottles. It is thus not just the sheer size and growth in the FMCG sector that is powering your Company's growth, but also the larger trend of the packaging format migrating from plastic/aluminum tubes and bottles to the new generation laminated tubes, that your Company has heralded. The FMCG sector is looking for tubes which can resonate the product functionality in their own look and feel, allow the consumer the First moment of truth experience of the brand at the supermarket shelf, assure efficacy and freshness of the contents for longer periods, provide customer speed to market and faster scaling up, and help the cause of reducing carbon footprint; in short, a dependable ambassador for their brand, a medium to connect with Consumer right from the retail shelf. And your Company is positioned right there with its products.

In the case of pharmaceuticals, use of aluminum tubes for packaging is going out of favour for reasons of concerns on product safety. High barrier, safe laminated tubes with features such as tamper evidence, anti-counterfeit and innovative dispensing, now offered by your Company, are finding wide acceptance as a superior packaging format.

Categories such as Foods and Home care, for a range of products such as condensed milk, Wasabi sauce, Cheese spread, glue / adhesives etc., are now seeing tube as an attractive packaging format and a value enhancer compared to bottles and other traditional packaging.

OPERATIONAL PERFORMANCE REVIEW

During FY 17, your Company's consolidated revenue was ₹ 2388 crores higher by 8.3% over previous year. The operating profit (excluding Other income) was however marginally lower at ₹ 283 crores. The Operating margin was 11.8%, lower by 1.2pp. Key factors, largely temporary blips, contributing to this are:

- Impact on India Sales following demonetisation in November 2016, offsetting a strong performance in the first half year.
- Off-take drop at key oral care contract customers in China, offsetting continued non oral care sale growth.
- Delay in commercialization by customers of plastic extruded tube award and brand offtake issues post launch in some cases.
- Missed sales in Colombia following issues in ramping up new capacity and impact of closure of extruded plastic tube operations in the US since March 2016.
- Significant one off costs in India towards consolidation of manufacturing sites in the Western India, and for stabilizing the newly opened factory in Colombia.

The operating performance has been analyzed by business segments below.

SEGMENT PERFORMANCE REVIEW

Your Company's 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 Highlights

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

(₹ in lakhs)

Particulars	FY ended 31 March 2017	FY ended 31 March 2016	Growth
Revenue:			
Americas	48277	47190	+2.3%
Europe	43525	34742	+25.3%
AMESA	98080	96232	+1.9%
AMESA excl divested business	98080	90870	+7.9%
EAP	55285	54592	+1.3%

(₹ in lakhs)

Particulars	FY ended 31 March 2017	FY ended 31 March 2016	Growth
Profit Before Interest and Tax (PBIT)			
Americas	5265	5831	-9.7%
Europe	2447	2096	+16.7%
AMESA	12781	12866	-0.7%
AMESA excl divested business	12781	12744	+0.3%
EAP	7808	8554	-8.7%

Developments in each of the regions are set out below:

AMERICAS

Your Company has a strong market presence in both North and South America. Laminated tubes constitute the mainstay in all these markets. It has manufacturing presence in USA, Mexico and Colombia through wholly owned subsidiaries.

Following the closure of the extruded plastic tube operations in the previous year, the laminated tube unit in the USA has taken to actively market your Company's new generation laminated tubes to non oral care customers. The non oral care category with share of revenue 21%, has contributed to the sales growth. But for offtake issues with a key non oral-care brand, the unit's performance would have been much more robust. During the year, the unit introduced a Very High Speed tubing line, code named "Shot line", by way of pioneering new technology in this advanced tube market for enhanced customer servicing.

The Mexico unit's sales grew double digit. Better operational efficiencies improved the operating margin. Consequently the unit turned around, posting a healthy profit. The unit is on track with its strategy of diversifying customer base and targeting business in the non oral care category which now contributes to 29% of its revenue.

The Colombian sales grew over 20% helped by the new factory set up during the year. However, the market opportunity was much more and could not be seized to the fullest extent on account of ramp up issues at the new factory. In fact, significant one-off costs were incurred during the first half of the year in stabilizing the operations, which impacted the profit. The operations have stabilized toward the year end with volume running at over 1.3 times the previous year's rate. The unit should therefore move into profit in the next year and contribute to growth of the Region.

With Colombian operations on track and further growth in the US business helped by non oral care business and the Shot line, the Region is poised for improved performance going forward.

EUROPE

Your Company offers both laminated tubes and extruded plastic tubes in Europe. It has manufacturing presence in Poland, Russia and Germany. The Region overall posted strong double digit growth in the Revenue and Operating profit.

The German operation which hitherto was a Joint Venture was fully acquired by your Company in September 2016. Consequently, the year's reported revenue for the Region includes the Sales and Profit of the German unit for the second half of the year. This was a strategic decision to enlarge your Company's presence in the European tube market and seize customer opportunities on pan European basis, by leveraging supplies seamlessly from the Polish and German factories. As part of the acquisition, the unit also secured its future volume by signing a 10 year contract with a key customer. The unit caters to several niche local brands as well as reputed MNC brands in Germany and has over 73% of its revenue contributed by non-oral category. Opportunity is seen to improve margins of this business by de-bottlenecking its facility and improving operational efficiencies for which a cross functional team is at work post the acquisition.

The Polish unit continues to post profits. The Laminated tubes sales after a sluggish first half, picked up to near the planned levels by year end. Operational efficiencies and cost saving projects helped improve the profitability. During the year, the unit also improved its capability for plastic tubes by deploying the equipment released by the US subsidiary. Delays in the commercialization by new customers for plastic tubes, however constrained the sales growth during the year. The new business development process has since been fine-tuned and larger pipeline is being targeted to cover such eventualities. Europe region is seen as a key driver of your Company's growth considering that Europe is the largest tube market, and all trends there indicate buoyancy in the use of laminated tubes for cosmetic and pharma brands in preference to the traditional plastic and aluminum tubes. Your company is actively pursuing new customer development and is open to speed up the process through inorganic route as the industry here is in a consolidating phase.

The Russian operation is still relatively small. The Unit posted a double digit growth in Sales, doubling its operating profit thereby turning around for the first time. Focus is on optimizing capacity utilization, pro-active pricing, active management of customer portfolio and operational efficiencies, as means to keep the business healthy, awaiting opportunity to scale up.

AMESA (Africa, Middle East and South Asia)

During the previous year, the Company divested Packing India Pvt. Ltd., the Indian subsidiary engaged in flexible laminate based products. Hence, the performance numbers exclusive of divested business have been provided in the table in order to make the comparison between years meaningful.

Helped by recovery in the FMCG industry, your Company's India operation was on a double digit growth till November. The unit's sustained business development efforts over the sluggish last couple of years paid off, with new contract wins in both the oral and non oral care categories. The sales growth however was impacted following demonetization in November 2016.

Your Company successfully commissioned a state of art new unit at Dhanoli near Vapi as focus factory to efficiently cater to non-oral care demand and create flexibility for seamless capacity expansion for future growth. This replaced three smaller antiquated units in the region. The transition was managed successfully without impacting service levels to customers at a time when the order book was overflowing, and hence entailed significant one-off costs on account of overlapping of operations at all sites. But the future years will benefit on account of scale economies, and improved operational efficiencies. The COCO model initiated couple of years ago is performing well and growing strongly.

Your Company's unit in Egypt witnessed good growth in the non oral care category leveraging the new capability set up there. The unit however, had to face the challenge caused by floating of the Egyptian currency and the resultant nearly 80% currency devaluation. Working closely with customers, the unit has taken appropriate measures, to sustain operational growth and profitability. From being a pure oral care operation not long ago, the unit today has a diverse customer portfolio with non oral care category contributing 35% of its sales

AMESA continues to promise sustained growth. Your Company is involved in several exciting new business development projects in the non-oral care categories with many niche

brands. In India, your Company is now the leading solution provider to Pharma category replacing the aluminum tubes with laminated tubes in a big way. Short term blips in India mentioned before notwithstanding, the Region is well placed to benefit from the economic growth and the large diversified customer base in the coming years.

EAP (East Asia Pacific)

Strong customer partnering and high quality servicing have helped the region to gain a high market share and build a large business in the Oral care category over the years. But, key contract customers in this category continued to drop offtake during the year due to their market issues although the Region has not lost wallet share with them. This has muted the growth in this region. However, excellent new business development efforts have helped the Region to gain entry into niche oral care brands requiring high value tubes, besides gaining share in the large non-oral care category. This has partly offset the sales loss in the oral care category. Pro-active cost management has helped the region minimize impact to margin as a result of the near flat top line. The non oral care share of revenue for the year was 27%.

The Philippines unit continued to contribute to your Company's profits, with a large part of sales and profit arising from non-oral care category where the Unit has a long term contract. The unit is actively developing new local customers in the non oral care category.

The Indonesian unit is an Associate of your Company. Its performance was impacted by rising costs.

The EAP Region has a track record of operational excellence and a strong balance sheet. With the non oral care strategy gaining traction, the region should be back to growth path.

CONSOLIDATED FINANCIAL PERFORMANCE OVERVIEW

(₹ in lakhs)

Particulars	FY ended 31 March 2017	FY ended 31 March 2016	Increase/ (Decrease) %
Net Sales/Income from operations	238794	220562	8.3%
Net Sales/ Income from operations excluding divested business	238794	215200	11.0%

Profit from Operations before Other Income, Interest and Exceptional items	28276	28696	-1.5%
Finance Cost	(5753)	(6091)	-5.5%
Profit before tax and exceptional item & share of associates/joint ventures	25759	24351	5.8%
Net Profit for the year to equity holders	19032	17010	11.9%
EPS - Basic	12.12	10.83	11.9%

As mentioned earlier, the reported sales growth is impacted by offtake issues at contract customers in the EAP, Sales loss in Colombia on account of stabilization issues at the new plant and sales loss in India following demonetization in November 2016. This together with significant one off costs in India and Colombia relating to manufacturing sites re-location caused the PBT growth to be lower at 5.8%.

CREATIVITY AND INNOVATION (C&I)

The Research and Development (R&D) function (a.k.a. Creativity and Innovation within the Company) has been one of the key drivers of your Company's growth as a leading global player. Your Company's C&I function has successfully amalgamated the evolving needs in the market place with its deep knowledge of the polymer science and engineering to create tubes with special features, aesthetics and functionality. Your Company works to develop new packaging solutions for reputed brands, and partner the customers in rolling out new products globally. The C&I function continues to work on environment-friendly tubes, and new structures with customized barrier properties. A cross section of the latest innovated products of your Company are presented in the features section of the Annual Report. A structured C&I process ensures that the innovation pipe-line of the Company at all times is full and contributes in significant amount to the sales and profitability of your Company. The Department of Scientific & Industrial Research, Government of India, recognized and certified R&D facility of your Company which authenticates the Company's R&D laboratory and the process.

Your Company continues to protect the enormous intellectual property which the C&I function is creating. In this regard, your Company has filed till date as many as 140 patent applications in the different geographies in respect of the various inventions by its R&D, and has already been granted 28 patents. To strengthen the capability of the R&D, additional resources have been inducted in the advanced scientific research and simulation lab.

Your Company's research and development efforts continue to win accolades in several forums and among customers across the globe.

TECHNOLOGY

Your Company always has seen Technology as a great enabler to deliver disruptive changes be its in the Product, Process, Equipments or Raw materials. Our success with developing Mystik, the tube structure that can comprehensively protect highly abrasive formulations, we believe is a great disruptor as it can open entirely new categories such as Hair Colorants and some of the Packaged foods which were out of reach of plastic or laminated tubes so far. Your company is leveraging digital technology for crashing the leadtime to convert customer's artwork into a commercial version on a 'first time right' basis. Your Company has developed in collaboration with the equipment supplier a very high speed tubing line which at once accommodates a greater range of tube SKUs even while optimizing on space, power and utilities, and significantly enhancing productivity – in other words, achieving the best of both worlds.

FINANCE

Robust operational performance, judicious capex spend, continuous measures to improve capital productivity account for your Company's healthy cash flows. Average interest rate reduced by 100 bps and finance cost continued its reducing trend over years by dropping 5.5% vs previous year for the global operation. Prudent exchange risk management has helped to contain the exchange loss in the consolidated financial statement at ₹ 2.9 crore other than that caused by floating of exchange rate in Egypt which is reflected in the exceptional item. Large part of exchange loss is actually the premium paid on forward exchange contracts used in hedging exposures. The consolidated net debt as at end of FY17 was ₹ 704 crores, representing a healthy debt equity ratio of 0.77 and a DSCR of 2.13. Your Company's term debt is rated AA. The consolidated ROCE and ROE marginally declined due to reasons detailed under business performance, but continue to be healthy at 17.7% and 19% respectively.

HUMAN CAPITAL

Your company strongly believes that 'our people are our greatest assets. They give your company its unique competitive edge. As a global organization, your company comprises of a diverse mix of people from different educational, cultural

and geographic backgrounds who bring their unique inherent strengths to the organization.

Your company recognizes and nurtures their strengths through a structured Talent Management process focused on capability building through customised Classroom Trainings, e-Learning, Executive Coaching and Cross functional/cross geographical action learning projects. The process also ensures continuous talent availability, through Job rotation, Job enlargement, Cadre building programs, leveraging talent in various geographies for global roles.

Your company is committed to continuously engaging its employees as a key driver for shareholder value creation. Customised Unit level and Manager level Employee engagement action plans have enabled your company to takeup positive steps in this journey. These actions helped the company to takeup the global Employee Engagement score to 69%. Your Company was recipient of AON best Employer Award for commitment to Engagement this year. In order to ensure that employees across the globe are aligned with company goals and experience all people processes in a standard manner, your company introduced the 'EPRISM' system last year, a best in class software for Employee Lifecycle management. EPRISM brings all employees globally closer to each other and ensures information availability on their fingertips. EPRISM also provides a forum for internal networking, plus it has advanced analytics ability and connects all "people processes" together to help organisation build internal capability and take holistic people decisions.

This year also saw implementation of special projects like 'MOST' for better planning of manpower costs, efficiency, productivity, safety and work place areas at various units. Driving a culture of recognition remains an important focus area for the organisation. Your company also continues to put special emphasis on Employee Communication through Town halls, Leadership interactions and messages, newsletters and interesting competitions to ensure alignment with Company's Vision and Mission.

INFORMATION TECHNOLOGY (IT)

Your company strongly believes in the power of IT and it continues to invest in new systems and processes which enable us to move on digital transformation journey. The main thrust for IT is how can we automate repetitive work and leave our human resources free to do value added tasks. It has also been our endeavor (part of our DNA) that through

various IT initiatives we improve customer experience, while dealing with your company be it auto invoice processing or on line product approvals etc. Keeping this in mind your company has invested in state of art Graphics & Artwork Management System which has digitized the entire process of capturing customers requirement and getting their approval online, thereby reducing cycle time and errors. Your company has also simplified and automated “Procure to Pay process” which comprises of digitally scanning vendor invoices, verification, approval and payment processes. Going with trend of implementing cloud based solutions and ensuring strong people processes are followed we have implemented another best in class solution called the EPRISM. It helps in capturing complete lifecycle of employee processes from Hire to Retire.

While undertaking IT implementation we take reasonable care about IT security as part of “must do” activity. To this effect we periodically undertake Vulnerable Assessment and Penetration test (VAPT) which also involves ethical hacking of critical infrastructure. A Steering Committee comprising of the Corporate Leadership Team supervises the IT initiatives and IT effectiveness through 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 action is initiated.

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

Your Company deploys IT supported work flows in different areas as a way to enhance controls without compromising on speed and accountability.

The Audit Committee, the Statutory Auditors and the top management are regularly apprised of the internal audit

findings, and regular updates provided at the Audit committee meetings of the Action taken on the internal audit reports. The Audit Committee of the Board consisting of non- executive independent Directors reviews the quarterly, half yearly and the 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 carried out a detailed review of internal financial controls in the India unit and of the key ERP control using independent experts. The findings were satisfactory and suggestions for improvement have been taken up for implementation. Policy guidelines and SOPs continue to be updated where required to keep pace with business needs.

RISK MANAGEMENT

The Board of Directors and the Audit Committee of the Board review the business risks to which your Company is exposed and the various mitigation measures. The senior management team led by Chairman & Managing Director is responsible to manage risks pro-actively, developing and implementing appropriate mitigation measures.

Key risks to which your Company is exposed include:

- a) **Escalation in raw material prices and impact for long term contracts**
 - Your Company has raw material cost escalation pass through clauses in its customer contracts which enable the prices to be revised periodically to reflect the variation in material costs.
 - Where possible, your Company continues to identify and establish alternate supply sources and equivalent materials in order to effectively manage the material costs as well as supply continuity.
- b) **Single Product dependency**
 - Being an essential consumer product and an item of daily use, tooth paste as a category still dominates your Company's product range albeit to a much lesser extent than before. However, it also tends to have a stable demand in an adverse economic environment. Your Company's engagement with all major brands in this category further fortifies its position.

- All the same, your Company now has over 40% of its revenue coming from cosmetics, food and pharma categories which is making for a diversified portfolio in terms of customers and application categories.
- Tube as packaging format is gaining usage for products in paste/gel/cream and even viscous liquid form for reasons of convenience, resource reduction, capability for branding and decoration. Here too, Laminated Tubes are being increasingly sought after by FMCG brands compared to plastic and aluminum tubes.
- Scale, technology, integrated manufacturing process, innovation capability, operational efficiencies are other factors which further strengthen your Company's competitiveness in the tubes space, as well its ability to work as global partners for large multi-national customers including local brands in each geography.

c) Attracting and retaining talent

As with any other business, high demand for talent globally impacts employee turnover. Your Company addresses this to the best possible extent by being an empowering organization with professional management culture and maintaining a lean structure. Contemporary HR practices such as career planning, competitive remuneration, performance management system, performance linked variable pay, stock options, skills and competency training are now well established across the Company and its subsidiaries. Top talent is given the opportunity to move across functions and geographies. Employee engagement survey is carried out annually and the findings are used to further improve employee satisfaction.

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 long term customer contracts in order to offset the impact on material cost due to exchange rate fluctuations. Prices get reviewed and revised in the event of significant currency movements. Your Company also has the policy of systematically hedging its trade and capital exposures using forward contracts. Wherever possible transactional

currencies are aligned to the reporting currency in order to obviate exchange fluctuation impact.

e) 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 the consumers and their demand generally is not much impacted by the downturn.
- Your Company pro-actively monitors the emerging trends in consumption and offers relevant solutions to its customers so as to stay ahead of the curve.
- Your Company also is focused on containing costs and improving efficiencies as a means to stay competitive.
- Proactive supplier and customer engagement is another way your Company seeks to minimize risk to business continuity.

f) Competition

This could put pressure on volume growth and pricing. Your Company focuses on superior quality, shorter lead time and high service level to keep the customer satisfaction high. It also invests in technology driven innovation to sustain its competitive edge. Besides, its ability to be a one-stop shop for all customer needs, ability to support the customer across the globe and focus on efficiency and cost management help to sustain its position as a world-class provider of packaging solution.

g) Wage increases in the developing markets

This could impact costs and margins. Your Company is pro-actively using automation and asset productivity improvement as a means to contain the headcount and manage employee costs.

OUTLOOK

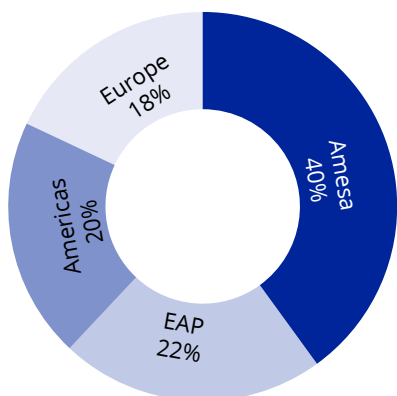
Your Company is on track with strategy implementation. The non-oral care category globally holds much growth potential for your Company over next few years by replacing plastic/aluminum tubes and bottles with new generation laminated tubes. Added to that, technology led disruptive innovations such as Mystik has the potential to open up fast growing hair colorant category and also certain pharma and food products with aggressive formulations for using laminated tube packaging. Extensive customer engagement and focused

business development efforts have made your Company a well-regarded packaging solution provider for non oral care brands globally. The performance in the recent years of your Company's business is an ample evidence of this. There are a number of initiatives under way for deploying technology to elevate customer experience of our products and service. With its large scale, global presence, innovation capability, technology focus and a motivated Human capital, your Company is well set to deliver on the task of delighting all its stakeholders.

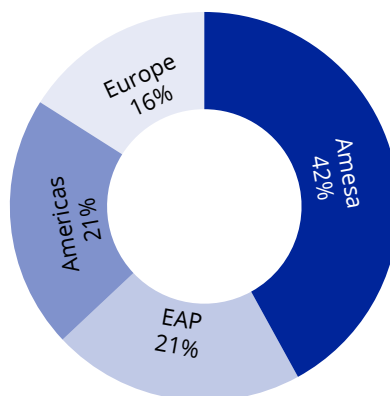
CAUTIONARY STATEMENT

Statements in this Annual 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.

Revenue 2017



Revenue 2016



Corporate Governance Report

ESSEL'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance pertains to system, by which companies are directed and controlled ethically, keeping in mind enhancement of long-term sustainable interests of stakeholders. It refers to blend of law, regulations, ethical and voluntary practices, which enable the Company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting and balancing the interests of other stakeholders and the society at large.

It aims to align interest of the Company with its shareholders and other stakeholders. The incentive for companies, and those who own and manage them, to adopt global governance standards, is that these standards will help them to achieve a long-term partnership with its stakeholders and achieve its corporate objectives efficiently. The principal characteristics of corporate governance are transparency, independence, accountability, responsibility, fairness and social responsibility.

A good governance process provides transparency of corporate policies and the decision making process and also strengthens internal systems and helps in building good relationship with all stakeholders. We at Essel Propack believe in being transparent and commit ourselves to adherence of good corporate governance practices at all times as we believe that good governance generates goodwill among business partners, customers and investors and helps the Company to grow.

Corporate Ethics

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

Code of Conduct for Board Members and Senior Management

The Code of Conduct highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is, inter alia, applicable to all directors and senior management executives. The Code impresses upon directors and senior management to uphold the interest of the Company and its stakeholders and to endeavour to fulfill all the fiduciary obligations. The Code is available on the Company's website.

Company has received a declaration of compliance with the Code of Conduct from Directors and Senior Management Personnel. The declaration by the Managing Director affirming compliance of the Board of Directors and Senior Management Personnel to the Code of Conduct is appended to this Report.

Code of Conduct for Prevention of Insider Trading

The Company has adopted a 'Code of conduct to regulate, monitor and report Trading by Insiders' (the Code) pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all Directors and such Designated Persons as defined in the Code.

The detailed report on Corporate Governance for the year ended on 31 March 2017, under applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations or Listing Agreements) is set out below.

1 BOARD OF DIRECTORS

1.1 Directors' profile

The Board of Directors of the Company comprises highly renowned professionals drawn from diverse fields. They bring with them wide range of skills and experience to the Board which enhance the quality of the Board's decision making process. Profile of the Directors are posted on the Company's website www.esselpropack.com.

1.2 Board Procedure: With a view to follow transparency, the Board follows procedure of advance planning for the matters requiring discussion / decisions by the Board. The Board is given presentation covering finance, sales, major business segments and operations of the Company and other matters as members want. Agenda papers

for the Board and committee meetings are finalized in consultation with concerned functionaries. The minutes of proceeding of each board meetings are maintained in terms of statutory provisions. Meetings of various committee are held properly. The minutes of committee meetings are placed regularly before the Board.

The Agenda and notes to agenda for the meetings of the Board and Committees, together with relevant details, resolutions and documents are circulated in advance of the meeting. The Company follows practice to schedule dates of meetings for coming year or as possible. Meetings are largely held in attendance of Chief Operating Officer, CFO and Company Secretary and other executives are also invited wherever necessary for discussion or inputs.

1.3 Composition of the Board, category, directorship etc.

The Board of the Company comprises of five Directors as on 31 March 2017 with an optimum combination of executive and non-executive directors, of which 3 are Independent Directors, one is Non-executive and one is Managing Director. Independent Directors are renowned professional with specialization in their respective fields, having varied skills and expertise and not related to promoters of the Company. The Company is in compliance of the Listing Regulations and the Companies Act 2013 (the Act). The composition of the Board and other details as on 31 March 2017 are as below.

Name of Director	Category	No. of Directorship in other companies ⁽¹⁾	Position in outside Committees ⁽²⁾	
			Chairman	Member
Mr. Mukund Chitale	Independent Director	9	3	4
Mr. Boman Moradian	Independent Director	2	0	3
Ms. Radhika Pereira	Independent Director	4	1	3
Mr. Ashok Goel	Chairman and Managing Director	11	0	2
Mr. Atul Goel	Non-executive Director	11	0	0

(1) Including private companies but excluding foreign companies, companies registered under section 8 of the Companies Act 2013, and alternate directorship.

(2) Represents Chairmanship / Membership of Audit Committee and Stakeholders Relationship Committees of other companies.

Mr. Ashok Goel and Mr. Atul Goel are related to each other. None of the other Directors on the Board are related to each other. Mr. Ashok Goel has been appointed as Chairman by the Board in its meeting held on 23 May 2017 and accordingly his designation is being changed to "Chairman and Managing Director" from Vice Chairman and Managing Director.

Mr. Ashok Goel holds 4,20,760 equity shares in the Company. Other directors are not holding any share in the Company.

No director of the Company held any options or instruments convertible into equity shares of the Company.

Dr. Subhash Chandra, Chairman and non-executive director resigned w.e.f. 5 August 2016.

1.4 Board Meetings and attendance

During the year under review, the Board of Directors of the Company met six times i.e. on 28 April 2016, 17 June 2016, 1 September 2016, 27 October 2016, 2 February 2017 and 16 March 2017. The agenda papers along with notes and other supporting were circulated in advance of the Board Meeting with sufficient information.

Directors' attendance in Board Meetings held during the financial year and last Annual General Meeting are as under.

Name of Director	No. of Board Meetings		Attendance at Last Annual General Meeting
	Held	Attended	
Dr. Subhash Chandra*	6	1	No
Mr. Mukund Chitale	6	6	Yes
Mr. Boman Moradian	6	6	Yes
Ms. Radhika Pereira	6	5	Yes
Mr. Ashok Goel	6	6	Yes
Mr. Atul Goel	6	5	Yes

* Resigned w.e.f. 5 August, 2016.

1.5 Familiarization Programme

The Company's policy on programmes and measures to familiarize Independent Directors about the Company, its business, updates and development includes various measures viz issue of appointment letters containing terms, duties etc, presentation and other programmes as may be appropriate from time to time. Periodic presentations are made at the Board and Committee meetings on business, performance updates of the Company, global business environment, business strategy and risk involved. The Policy and programme aims to provide insights into the Company to enable independent directors to understand the business, functionalities, business model and others matters. The Company's Policy and other details in this respect is posted in investors section on the Company's website or link, <http://www.esselpack.com>

2 PERFORMANCE EVALUATION

During the year, the Board conducted a formal annual evaluation for evaluating its performance as well as that of its Committees and individual Directors, including the Vice Chairman / Chairman of the Board meetings. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. The criteria to evaluate the performance of the Board, committees, independent directors and non-independent directors were; a) Board Composition, size, mix of skill, experience and role; b) attendance and deliberation in the meetings; c) contribution or suggestions for effective functioning, development of strategy, board process, policies and others. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

3 POLICY ON APPOINTMENT OF DIRECTOR, QUALIFICATION AND ATTRIBUTES

The Company's policy on appointment of directors provides, inter alia, criteria of qualification, experience and skills in relation to appointment for the position of director.

4 AUDIT COMMITTEE

Audit Committee of the Board has been constituted in terms of Listing Regulations and section 177 of the Act.

The Audit Committee comprises of three directors. All members of the Audit Committee are independent directors. The Committee met five times during the year on 28 April 2016, 17 June 2016, 1 September 2016, 27 October 2016 and 2 February 2017.

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Mukund Chitale, Chairman	Independent Director	5	5
Mr. Boman Moradian	Independent Director	5	5
Ms. Radhika Pereira	Independent Director	5	5

Company Secretary of the Company acts as secretary to the Audit Committee.

Audit Committee meetings are also attended by Chief Financial Officer, COO, representatives of the Statutory Auditor and Internal Auditors and other executives as and when required. The Committee also invites senior executives, where it considers appropriate, to attend meetings of the Audit Committee.

Terms of Reference and role of the audit committee includes the matters specified under the Act and

Listing Regulations. Broad terms of reference includes: oversights of financial reporting process, review financial results and related information, approval of related party transactions, review internal financial controls and risk management, evaluate performance of statutory and internal auditors, audit process, relevant compliances, appointment and payments to statutory auditors.

5 NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of the Board (NRC) has been constituted in terms of the Listing Regulations and Section 178 of the Act.

The Nomination and remuneration Committee comprises of 3 members. All the members of the Nomination and remuneration committee are independent directors. During the year under review, the Nomination and remuneration Committee met three times i.e. on 28 April 2016, 17 June 2016, 1 September 2016.

The Composition of the NRC and the attendance are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Boman Moradian, Chairman	Independent Director	3	3
Mr. Mukund M. Chitale	Independent Director	3	3
Ms. Radhika Pereira	Independent Director	3	3

Terms of reference of the NRC includes the matters specified under the Act and the Listing Regulations. Broad terms of reference includes; formulation of remuneration policy, set criteria for determining qualifications, positive attributes and independence of a director, formulation of criteria for evaluation of independent directors and the Board and criteria for appointment of directors and senior management.

5.1 Remuneration of Directors

Details of remuneration, perquisites etc and sitting fees of Directors for the financial year ended on 31 March 2017 are as under.

Name of Director	Category	Commission or annual remuneration	Sitting fees	(₹ in lakhs)	
				Total	
Mr. Mukund Chitale	Independent Director	15.00	3.00	18.00	
Mr. Boman Moradian	Independent Director	15.00	3.80	18.80	
Ms. Radhika Pereira	Independent Director	15.00	2.60	17.60	
Mr. Atul Goel	Non-executive	Nil	Nil	Nil	

Name of Director	Category	Salary	Remuneration components			(₹ in lakhs)	
			Allowance, perquisites	Cont. to PF	Performance bonus	Total	
Mr. Ashok Goel	Chairman & Managing Director	302	146	36	233	717	

Period of appointment of Mr. Ashok Goel, Chairman & Managing Director is for a period of five years w.e.f 21 October 2013 and it can be terminated by either party giving three months' notice to other.

Remuneration to Mr Ashok Goel, Chairman & Managing Director of the Company comprises of fixed pay, perquisites and variable pay as mentioned above. Performance bonus/variable pay is based on criteria including achievement of performance standards as per Remuneration policy of the Company.

Performance bonus of the Chairman & Managing Director is as may be approved by the Nomination & Remuneration Committee and based on criteria including achievement of performance standards as mutually set out from time to time and as per Remuneration policy of the Company.

Commission payable to Directors as mentioned above is provided for the financial year 2016-17 and will be paid subsequently to the approval of financial statements.

5.2 Remuneration policy

The Board on the recommendation of Nomination and Remuneration Committee approved Remuneration Policy for Directors, KMP and senior management employees.

The policy describes various aspects and guiding factors while determining the remuneration to Directors, KMP and senior managerial personnel of the Company with intent to maintain level and composition of remuneration reasonable and sufficient to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and also create competitive advantage. Broad provisions of the Remuneration Policy are summarized hereunder.

- a) Nomination and Remuneration committee (NRC) has important role in monitoring the policy.
- b) The Board, on the recommendation of NRC approves the remuneration payable to the Managing Director of the Company. The remuneration payable to the Managing Director shall be in accordance with the applicable provisions of the Act, and the rules framed thereunder.
- c) The Board, on the recommendation of the NRC approves the remuneration payable to the Key Managerial Personnel and Senior Management Personnel. The structure of remuneration payable to Key Managerial Personnel and Senior Management Personnel will be in accordance with the compensation framework adopted for employees generally by the Human Resource department of the Company.

- d) The commission to the Non-Executive/ Independent Directors is paid as per the provisions of the Act and the rules framed thereunder.
- e) The Commission will be distributed among non-executive independent directors as per criteria mentioned in this Report.

5.3 Criteria for payment to Non-executive / Independent Directors

Independent Directors are paid sitting fee of ₹ 20,000 for each meeting of the Board or committee thereof. The Company also reimburses expenses incurred by the directors for attending the meetings.

The remuneration by way of commission to the non-executive and independent directors is decided, keeping in view the recommendations by NRC, based on number of factors including number of meetings attended by the director during the year, contribution to the Board and Committees and involvement in the decision making.

6 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder relationship Committee comprises of 2 members. The Chairperson of the committee is an Independent Director. During the year under review, the Stakeholders' Relationship Committee met four times on 28 April 2016, 1 September 2016, 27 October 2016 and 2 February 2017.

The Composition of the above Committee and the attendance are as under.

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Boman Moradian, Chairman	Independent Director	4	4
Mr. Ashok Goel	Chairman & Managing Director	4	4

During the year, six investor complaints were received and all the complaints have been resolved. No investors' complaints were pending as on 31 March 2017.

Terms of Reference and role of the Stakeholders Relationship Committee includes the matters specified under the Act and Listing Regulations. Broad terms of reference includes; to consider and resolve the grievances of security holders of the Company, to redress

the shareholders' and investors' complaints such as those relating to transfer of shares, non-receipt of annual reports, etc.

Mr. Suresh Savaliya, Head – Legal and Company Secretary has been appointed as compliance officer pursuant to the Listing Regulations. The designated e-mail for investor service and correspondence is complianceofficer@ep.esselgroup.com

7 OTHER COMMITTEES

In addition to the above referred committees, the Board has constituted committees of Directors and executives to look into various business matters. These committees includes corporate social responsibility committee, committee (allotment and other) and risk management committee. Details relating to corporate social responsibility committee are given in the Board's report.

8 GENERAL BODY MEETINGS

Details of last three Annual General Meetings (AGM) are given here below.

Year	Date	Time	Venue
2013-14	09.07.2014	11.00 a.m	Registered office at
2014-15	30.06.2015	11.00 a.m	P.O. Vasind, Taluka:
2015-16	17.06.2016	11.00 a.m	Shahapur, District:
			Thane, Maharashtra -
			421604, India

The following are the special resolutions passed at the last three AGM.

Date of AGM	Summary of special resolution passed
17.06.2016	Keeping registers, returns, etc at registered office /other place

Resolutions passed through postal ballot: The Company has passed following resolution through postal ballot during the financial year.

As per requirement under relevant circular of SEBI / applicable laws, resolution under section 391 to 394 read with Section 100 to 103 of Companies Act, 1956 and other applicable provisions if any of the Act and Companies (Court) Rules, 1959 for proposed Scheme of Amalgamation and Arrangement of Whitehills Advisory Services Private Limited and Essel Propack Limited, through postal ballot notice dated 2 April 2016

- The Board of Directors of the Company had appointed Mr. Dharmesh Zaveri of D M Zaveri & Co., Practicing Company Secretary, as the scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
- The Company had completed the dispatch of the Postal Ballot Notice dated 2 April 2016 together

with the explanatory statement along with forms and reply envelopes to all the shareholders whose names appeared on the Register of Members/list of beneficiaries as on 31 March 2016.

- The voting period under the postal ballot was kept open from 9.00 a.m. on Monday, 11 April 2016 to 5.00 p.m. on Tuesday, 10 May 2016 (either physically or through electronic mode).
- All postal ballots forms received/receivable on or before of close of working hours of 10 May 2016 the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny or voting purpose.
- On 11 May 2016 the results of the postal ballot as per the Scrutinizer's Report was announced and declared that the above resolution was passed with requisite majority.

9 DISCLOSURES

- During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the notes to financial statements and in Board's Report. Policy on dealing with related party transactions is posted in section 'Investors>corporate governance' on the Company's website or link www.esselpropack.com
- The Company has complied with all applicable provisions of the Listing Regulations and other SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.
- The Company has a Whistle-Blower Policy for establishing a vigil mechanism to report genuine concerns regarding unethical behaviour and mismanagement, if any. No employee of the Company was denied access to the Audit Committee. Details relating to vigil mechanism are also mentioned in the Board's Report.
- The Company has complied with the mandatory requirements of the Corporate Governance of the

Listing Regulations and also followed non-mandatory requirements relating to financial statements with unmodified audit opinion / without qualification.

- e) The Company is in compliance with the provisions in relation to material subsidiary wherever applicable. Policy for determining 'material' subsidiary is posted in section of 'Investors>corporate governance' in the Company's website or link www.esselpack.com
- f) There were no pecuniary relationships or transactions of non-executive directors vis-à-vis the Company during the year under review, except payment of sitting fees and remuneration.
- g) Disclosure of commodity price risks and commodity hedging activities: The Company has price review mechanism to protect against material movement in price of raw materials.

10 MEANS OF COMMUNICATION

- a) **Newspapers:** The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers viz. Economics Times, DNA and Maharashtra Times.
- b) **News Release and Presentation:** The Company also regularly releases press release to enable the stakeholders to appreciate the important developments and updates about the Company. News releases, presentations made to media, analysts, institutional investors, transcript of conference call with investors/analysts etc. are displayed on the company's website www.esselpack.com.
- c) **Website:** The Company's website www.esselpack.com contains a separate dedicated section "Investors" and "Press Release" where shareholders information is available. Quarterly and annual financial results, annual report are also available on the website. Press releases made by the Company from time to time are also displayed on the website.
- d) **Annual Report:** Annual Report containing, inter alia, Board's report, auditors' report, audited financial statements and other important information is circulated to members and others entitled thereto. The Annual Report is also available on website of the Company. Verbatim copy of financial statements,

reports etc are circulated in this Report and the same shall be deemed as signed copy.

- e) **Website of the Stock Exchanges:** Disclosures and filing with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) by the Company are also hosted on website of the said stock exchanges.
- f) **Disclosures:** The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

11 GENERAL SHAREHOLDERS' INFORMATION

- a) **Annual General Meeting** is scheduled to be held on **Wednesday, 12 July 2017 at 11:00 a.m.** at the Company's registered office at P.O.Vasind, Taluka Shahapur, Thane 421604.
- b) **Financial Year:** The Company follows April to March as its financial year. The results for every quarter beginning from April are declared tentatively in the month following the quarter or within the time line as per Listing Regulations.
- c) **Record Date:** Record date for the purpose including payment of dividend is given in Notes to Notice convening above mentioned Annual General Meeting.
- d) **Dividend Payment Date:** Dividend will be paid within the stipulated period, after its declaration by the members at the AGM.

Dividend on Equity Shares when declared will be made payable after the AGM to those Shareholders whose names stand in the Company's Register of Members on relevant dates of record date/book closure. In respect of shares held in electronic form/demat, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.

- e) **Listing on Stock Exchanges:** The Company's equity shares are listed on the following Stock Exchanges.

National Stock Exchange of India Limited (NSE), Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

BSE Limited (BSE), P.J. Towers, Dalal Street, Fort, Mumbai 400001.

Stock Code/Symbol: BSE - 500135. NSE - ESSELPACK.
 ISIN: INE255A01020

Debt Securities: Listed on Wholesale Debt Market (WDM) Segment of BSE.

Series A: Scrip Code: 951429, ISIN: INE255A07514

Series B: Scrip Code: 951430, ISIN: INE255A07522

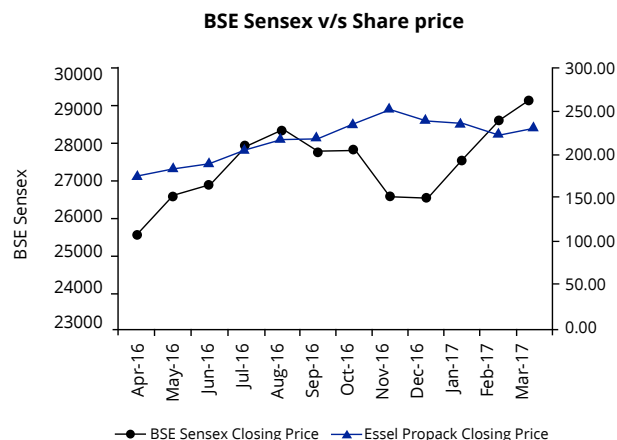
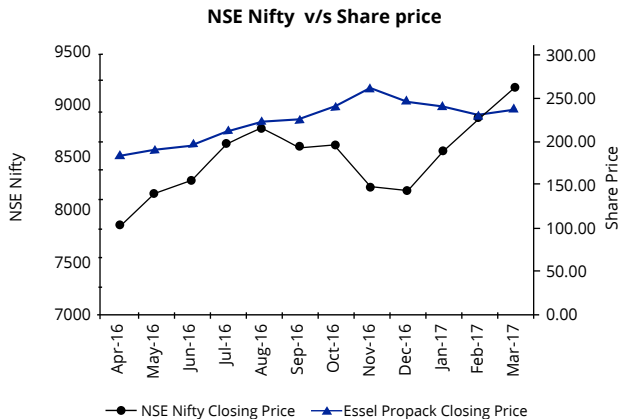
Debenture Trustees: Axis Trustee Services Limited, Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025. Tel: +91 22 43255231
 debenturetrustee@axistrustee.com

- f) Payment of Listing Fees:** The Company has paid annual listing fee for the year 2017-18 to BSE and NSE within time.

- g) Market Price Data:** The monthly high and low price of shares traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) are as follows:

Month & Year	BSE (In ₹)		NSE (In ₹)	
	High	Low	High	Low
April 2016	191.80	158.05	184.50	171.25
May 2016	206.90	181.80	193.70	184.25
June 2016	202.70	179.00	197.40	191.50
July 2016	224.30	195.40	214.95	210.55
August 2016	233.10	208.20	226.00	220.05
September 2016	245.20	206.95	229.00	215.00
October 2016	250.00	221.00	247.00	240.10
November 2016	264.30	216.40	263.90	252.00
December 2016	263.00	239.50	249.40	243.10
January 2017	263.40	237.45	246.50	236.75
February 2017	254.20	226.00	234.40	228.10
March 2017	247.10	226.10	239.50	234.05

h) Performance of the Company's stock price vis-a-vis Sensex / Index



i) Share Transfer System

Applications for transfer of shares in physical form are minimal and processed through the Company's Registrar & Transfer Agent. The Share Transfer Committee constituted for transfer / transmission of

shares, issue of duplicate shares and allied matters. The transfers of shares in physical form as and when received are normally processed within 15 days from the date of receipt of documents complete in all respects.

j) Distribution of Shareholding as on 31 March 2017

No. of equity shares	No. of share holders	% of share holders	No. of Shares Held*	% of share holding
1 to 500	28162	84.08	2554187	1.63
501 – 1000	2442	7.29	1919425	1.22
1001 – 5000	2338	6.98	4958448	3.15
5001 – 10000	270	0.81	1913838	1.22
10001 and above	281	0.84	145812720	92.78
Total	33493	100	157158618	100

*including 57,120 shares forfeited yet to be cancelled/reissued.

k) Dematerialization of equity shares and liquidity

As on 31 March 2017, 98.81% of the Equity Shares have been dematerialized.

Equity Shares of the Company are under compulsory demat trading by all investors. Considering the advantages of scripless / demat trading, shareholders are requested to consider dematerialization of their shares so as to avoid inconvenience in future.

l) Commodity price risk or foreign exchange risk and hedging activities.

Risks are associated with various forex exposures like translation, transaction, economic etc. the Company would have on risk on net import side. Import Exposure includes Trade Payables, Trade Buyer's Credit, Interest Payable, CAPEX Buyer's Credit etc. and export exposure includes trade receivable, royalty receivable etc.

There are various financial instruments for hedging are available to mitigate these risks like Forward Cover, Options, and Derivative etc. Based on the risks involved in the hedging instrument, the Company is normally using Forward Cover as measure for mitigating the Forex Volatility.

m) Plant Locations: The Company has plants/units at Vasind, Wada, Murbad, Dhanoli (Vapi), Bhatian (Nalagarh, HP) and Goa as at the end of the financial year. During the year, manufacturing facilities at

Chakan plant has been shifted to Dhanoli plant.

n) Registrar & Transfer Agent and Address for Communication

Registrar & Share Transfer Agent: Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400072. Maharashtra India. Tel No. 022 4043 0200, 28470652, Fax: 022 28475207.

Registered Office: P.O. Vasind, Taluka Shahapur, Thane 421604, Maharashtra, Tel: +91 9673333971/9882 CIN: L74950MH1982PLC028947

Corporate Office: Top Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Tel: +91 22 2481 9000/9200. Fax: +91 22 24963137, complianceofficer@ep.esselgroup.com, www.esselpropack.com

Investors Service and contact: Mr. Surje Singh, Sr. Manager – Legal & Secretarial at corporate office as mentioned above.

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

o) Shares in suspense account

The details of unclaimed equity shares and shareholders of the Company in unclaimed suspense account as on 31 March 2017 is mentioned below:

As on 1 April 2016		Shareholder who approached RTA & shares transferred in their favor		Balance as on 31 March 2017	
No. of Records	No. of Shares	No. of Records	No. of Shares	No. of Records	No. of Shares
1074	3160	--	--	1074	3160

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares claims the shares or as per statutory provisions.

p) Corporate benefits

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

Dividend

Year	%	Year	%	Year	%
1990-91	10%	1998-99 (Final)	34%	2005 (Special)	120%
1991-92	15%	1999-00 (Special)	150%	2006 (Interim)*	100%
1992-93	20%	1999-00 (Interim)	54%	2007	60%
1993-94	27%	2000-01	54%	2008	15%
1994-95	27%	2001	55%	2009-10	20%
1995-96	32%	2002	65%	2010-11	30%
1996-97 (Interim)	15%	2003 (Interim)	70%	2011-12	32.50%
1996-97 (Final)	30%	2003 (Final)	10%	2012-13	37.50%
1997-98 (Interim)	20%	2004 (Interim)	80%	2013-14	62.50%
1997-98 (Final)	32%	2004 (Final)	10%	2014-15	80.00%
1998-99 (Interim)	20%	2005 (Interim)	100%	2015-16	110%

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

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

Bonus shares

Year	Face Value (₹)	Ratio
1994	10	1:2
2000	10	3:5

For and on behalf of the Board

Essel Propack Limited

Ashok Goel

Chairman & Managing Director

23 May 2017, Mumbai

DECLARATION IN RESPECT OF CODE OF CONDUCT

In accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended 31 March 2017.

For and on behalf of the Board

Essel Propack Limited

Ashok Goel

Chairman & Managing Director

23 May 2017, Mumbai

Auditor's Certificate on Corporate Governance

To
The Members,
Essel Propack Limited

We have examined the compliance of conditions of Corporate Governance by Essel Propack Limited ('the Company'), for the year ended 31 March 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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 LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

23 May 2017, Mumbai

Annexure 1 - Dividend Distribution Policy

1. INTRODUCTION

Security and Exchange Board of India has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide notification dated 2 September 2015 coming into effect from 1 December 2015. The said Regulation is in substitute of compliance requirement of listing agreements entered into with recognized Stock Exchanges in India in respect to listing of equity shares, debts and other securities. Said Regulations as amended from time to time inter alia provides for the top five hundred listed entities based on market capitalization to formulate a dividend distribution policy.

2. PURPOSE

The purpose of this Policy is to outline guiding factors, parameters and procedures in relation to the determining amount of Dividend on equity shares of the Company by the Board and recommend the same for approval of shareholders whenever necessary.

This Policy is intended to provide guidance and approach of the Board of Directors for determining and recommendation on the amount of dividend on equity shares of the Company and process for payment.

To achieve these objectives, maintain decency and to observe applicable regulation, in relation to determining amount of dividend and distribution, the Board of Essel Propack Limited is adopting this Dividend Policy.

3. TITLE, COMMENCEMENT AND EXTENT

- 3.1 This Policy is called the "Dividend Distribution Policy" or "Dividend Policy" or the "Policy".
- 3.2 This Policy has been approved by the Board in its meeting held on 2 February 2017 and the same shall come into effect accordingly.

4. DEFINITIONS AND INTERPRETATION

In this Policy, except where the context otherwise requires, the following words and expressions shall have the following meaning.

- 4.1 "Board" or "Board of Directors" means the Board of Directors of the Company.
- 4.2 "Company" or "Essel" means the Essel Propack

Limited, registered in India under the Companies Act 1956/2013 having CIN L74950MH1982PLC028947.

- 4.3 "Dividend" means annual dividend and also includes interim and/or special dividend.
- 4.4 "Executive Management" means the Managing Director, Chief Operating Officer and Chief Financial Officer of the Company.
- 4.5 "Shares" or "Equity Shares" means the existing equity shares and equity shares as may be allotted by the Company from time to time.
- 4.6 "Statutory provisions", "Regulation" or "Listing Regulations" means applicable provisions of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended or reenacted time to time and other applicable law in relation to the Dividend.
- 4.7 The words importing the singular include the plural and vice versa and pronouns importing a gender include each of the masculine, feminine and neuter genders and shall be interpreted in the wide sense in spirit of this Code.

5. ESSEL'S DIVIDEND POLICY

Essel's Board adopts the policy of steady and progressive dividend distribution out of the net profit keeping in view the following factors. The Board believes this will serve the interest of the Shareholders for their regular income and the Company's business growth.

In determining the amount of dividend on equity shares of the Company for distribution to equity shareholders from time to time, the Board will consider the following guidelines and parameters, keeping in view the audited or reviewed financial results of the Company, as may be relevant to the financial year and estimates of the next financial year when context so requires.

5.1 Financial parameters

The Board shall be guided by the following financial factors when recommend the Dividend.

- a) To recommend steady dividend payout keeping in view standalone and consolidated net profit

of the Company as per audited financial results, subject to financial, external, internal and others factors.

- b) Increase in standalone and consolidated net sales, net profit, cash profit and net worth as compared to previous financial year.
- c) Position of debts, interest rate and debt servicing during the financial year and change expected during the next financial year.
- d) Other factors would include magnitude of realized profits, operating cash flow, liquidity, capacity to service borrowings, cost of borrowings vis-à-vis cost of capital, sales volume, anticipated expenses, financial ratios etc.

5.2 Internal Factors

- a) Cash requirements in short to medium term for capex program, organic and inorganic growth, acquisition, further investment in subsidiaries and joint ventures, surge sustainability in global business markets.
- b) Profitability, earnings variability, liquidity and cash flows, financial leverage and asset characteristics such as the composition of tangible and intangible assets.
- c) Achievement of targets in relation to capacity additions, inventions, new customers, quality excellence, fair inventory levels, sustainable balance between oral, non-oral care and pharma segments, as and when the management has set the targets for all or any of the aforesaid.
- d) To consider the proposal, if any, presented by Executive Management in relation to the recommendation of the Dividend.

5.3 External factors

- a) Change in statutory provisions, domestic and international taxation aspects, government policies, major accounting adjustments and audit assumptions.
- b) Contingent liability and legal disputes expected to tolerate in medium to long term and natural calamity.

- c) Material change in technology, market position, statutory restrictions, commercial assumptions and other aspects which is anticipated to affect to the business or profitability of the Company, its subsidiaries, joint ventures or major customers.
- d) Major write off of the bad debts, distressed assets or investments, bankruptcy of major customers, stricture of public liability and similar aspects affecting to the business or profit of the Company on standalone and consolidated basis.

In exceptional circumstances, the Board may deviate some parameters in determining the amount of dividend, if after deliberations in board meeting, it is decided so in interest of the Company, with consent of all the directors present.

6. UTILIZATION OF RETAINED EARNING

It is intended to use the retained earnings for business growth, capacity additions and general corporate purpose. Considering the cost of the borrowings vis-à-vis available funds (retained earnings), the quantum of reserves and available depreciation fund, the Board may decide to plough back the earnings. Utilization of the retained earnings of the Company shall be inter alia based on the factors includes financial leverage, mitigate dependence on external debts, expansion and diversification.

7. CIRCUMSTANCES UNDER WHICH MAY NOT EXPECT DIVIDEND

The Board intends to recommend reasonable dividend every financial year in normal business scenario keeping in view the provisions of this Dividend Policy. However the Board may consider to recommends lesser dividend as compared to previous financial years or may not recommend Dividend for any one or more financial years keeping in view the possible effect of one or more "External Factors" to the business, sales, profit or sustainability of the Company, its subsidiaries or in any other circumstances the Board decides that distribution of the profit by way of Dividend is not advisable in interest of the Company.

8. POLICY EXCLUSION

The policy shall not be applicable in the following circumstances.

- a) Buyback of shares or securities.
- b) Dividend on preference shares.
- c) Benefit to shareholders or class of shareholders by virtue of arrangements as may be approved by National Company Law Tribunal or appropriate authority.

9. INTERIM, SPECIAL OR HIGHER DIVIDEND

The Board may approve Interim Dividend, Special or higher Dividend considering the recommendation from the Executive Management and factors as mentioned in this Policy, keeping in view the financials based on reviewed or audited financial statements and as may be permitted under the statutory provisions. The Board at its discretion may consider the aforesaid proposal if the Board thinks that the factors as referred in the policy are favorable, available and possible use of cash and other factors as the Board may think relevant.

10. PROCEDURE IN RELATING TO THE DIVIDEND AND PAYMENT

- a) The Board usually to recommend Dividend annually for financial year based on annual financial results. Recommendation of the Board on annual dividend will be submitted to the shareholders in accordance with the statutory provisions for the adoption of a final decision at the shareholders' meeting. The amount of annual dividends shall not exceed the amount recommended by the Board of Directors.
- b) Annual Dividend as approved by the shareholders or interim or special Dividend as approved by the Board

will be paid in cash to those who are Shareholders on record date or book closure as may be determined for the purpose.

- c) Primary method for the payment of Dividends is the transfer or direct credit of dividend amount in Indian rupee to respective accounts of the shareholders in the Indian Bank details of which is registered with the Company or made available by the Depositories. In absence of correct bank account details, the Company will pay Dividend by way of dispatch of physical dividend instrument or demand drafts.
- d) The Company shall follow the statutory provisions as may be applicable from time to time relating to approval, declaration and payment of Dividend.

11. CLARIFICATIONS, AMENDMENT ETC.

This Policy has been framed in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any amendment in the Regulations, direction or clarification by SEBI, provision of this Code shall be read and implemented in context of such amended or clarified positions.

This Policy may be modified, amended, clarified or substituted by the Board as may be necessary.

This Policy is approved by the Board of Directors and signed for authentication on its behalf as under.

12. CAUTIONARY STATEMENT

The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for growth of the Company and subject to other aspects as mentioned in this Policy and/or other aspect the Board may think appropriate at its discretion from time to time.

Annexure 2 - Secretarial Audit Report

Form No. MR-3

For the Financial year ended 31st March, 2017

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Essel Propack Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Essel Propack Limited** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Essel Propack Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment

and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not relevant / applicable, since there is no delisting of equity shares during the year)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not relevant / applicable, since there is no buyback of securities during the year)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The following laws are specifically applicable to the Company in addition to laws mentioned above;
 - (a) Factories Act, 1948
 - (b) Contract Labour (Regulation and Abolition) Act, 1970

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act 2013;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The management has installed IT enabled software called “Legatrix” to manage legal and regulatory compliance. The Legatrix system has been implemented by legal professional and expert service provider Legasis Services Private Limited. We have reviewed the functioning of said system implemented at all plants, registered and corporate office of the Company and the said systems inter alia checks, alters, provide reports, updates and overview compliance management of various laws including laws specifically applicable to the Company viz Factories Act 1948, the Contract Labour (Regulation and Abolition) Act, 1970.

I further report that during the period under review;

1. The Company has sought approval of members in court convened meeting held on 11th May 2016 and also through postal ballot for approval of Scheme of Amalgamation and Arrangement of Whitehills Advisory Services Private Limited and Essel Propack Limited and their respective shareholders under section 391 to 394 read with Section 100 to 103 and other applicable provisions of Companies Act, 1956 and/or Companies Act, 2013, Companies (Court) Rules, 1959 read with SEBI LODR Regulations and relevant SEBI circulars.
2. The Company has convened Extra-ordinary General Meeting on 11th May 2016 at the Registered office of the Company to pass aspecial resolution for reduction of share capital in connection with Scheme of amalgamation as mentioned above.
3. The Company has sought members’ approval in its 33rd Annual General Meeting held on 17th June 2016 for payment of remuneration to Mr. Ashok Goel, Vice Chairman and Managing Director of the Company and also for keeping registers, returns at the registered office and/ or such other place.
4. Whitehills Advisory Services Private Limited (“Whitehills”) merged with Essel Propack Limited by virtue of the Scheme of Amalgamation approved by the Hon’ble Bombay High Court vide its order dated 1st September 2016 and said scheme of amalgamation become effective in the manner as mentioned in the scheme upon filing of copy of court orders with Registrar of Companies.
5. In accordance with Scheme of amalgamation 8,88,29,014 & 88,829 Equity Shares of ₹ 2 each were allotted as fully paid-up to Ashok Goel Trust and Rupee Finance and Management Private Limited being shareholders of Whitehills Advisory Services Private Limited respectively on 25th October 2016.
6. Pursuant to the Essel Employee Stock Option Scheme 2014 (ESOS 2014), 57,333 Equity Shares of face value of ₹ 2 each of the Company were allotted on 2nd February 2017 to those grantee who had exercised their vested Options.

For D. M. Zaveri & Co
 Company Secretaries

Dharmesh Zaveri
 (Proprietor)
 FCS. No.: 5418
 CP No.: 4363

23 May 2017, Mumbai

Annexure 3 - CSR Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs.	Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a CSR Committee. The Board also framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013. The said policy is placed on the website and is available on the following weblink http://www.esselpropack.com/wp-content/uploads/2015/02/Corporate-Social-Responsibility-Policy.pdf In line with CSR Policy and in accordance with Schedule VII to the Act, the Company has undertaken the following CSR projects: a) Promoting Education b) Providing Sanitation facilities c) Promoting healthcare including preventive health care d) Ensuring Environment Sustainability e) Rural Development The Company has undertaken the above CSR activities directly and also through registered trust or registered society and other permissible entities having an established track record of more than 3 years.
2. The Composition of the CSR Committee	Mr. Ashok Goel, Chairman & Managing Director Mr. Boman Moradian, Independent Director Mr. Mukund Chitale, Independent Director
3. Average net profit of the Company (India -Standalone) for preceding three financial years.	₹ 82,58,50,470
4. Prescribed CSR Expenditure spent (2% of the amount at Sr. 3 above).	₹ 1,65,17,009
5. Details of CSR spent during the financial year:	a) Total amount spent for the financial year; ₹ 42,30,114 b) Amount unspent, if any; ₹ 1,22,86,895 c) Manner in which the amount spent during the financial year: Manner in which the amount is spent is detailed in the Annexure A.

ANNEXURE A TO REPORT ON CSR ACTIVITIES

(1) Sr No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs were undertaken.	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period	(8) Amount spent Direct or through implementation agency
1	Providing & promoting education among differently abled children's	Promoting Education	State: Maharashtra Dist. Thane	21,00,000	21,00,000	21,00,000	Implementing Agency - Vishwas Charitable Trust
2	Creating awareness about child nutrition & health. Provide financial help for medication, treatment of child.	Promoting Health Care	State: Gujarat Dist. Ahemdabad	8,00,000	8,00,000	29,00,000	Implementing Agency - Aanchal Foundation
3	Promoting Rural development by Water conservation, storage & impart training	Rural Development & Sanitation	State: Maharashtra Dist. Thane	2,00,000	2,00,000	31,00,000	Implementing Agency - Eklavya Swavalamban Trust
4	Improve public policy issues such as education, rural development, e-governance, urban governance, developmental studies, etc	Promoting Education & Rural development	All across India	3,00,000	3,00,000	34,00,000	Implementing Agency - Vision India Foundation
5	Education and Training to Women & enhancing vocational skills	Promoting Education & Training	State: Maharashtra Dist. Kolhapur	1,25,000	1,25,000	35,25,000	Implementing Agency - Women's Development, Education and Public Welfare Foundation, Kolhapur
6	Promoting education by providing benches and improving sanitation facilities by providing toilets to various schools in the vicinity of the plants of the Company	Promoting Education & Health Care	State: Maharashtra Dist. Thane	5,76,114	5,76,114	41,01,114	Direct
7	Ensuring Environmental Sustainability by Plantation of Bamboo trees	Environmental Sustainability	State: Maharashtra Dist. Thane	1,29,000	1,29,000	42,30,114	Direct
Total				42,30,114	42,30,114	42,30,114	

The Company has already spent sizable amount towards various CSR activities during the year. The Company is evaluating more CSR programmes, activities and initiatives for further CSR spending. The Company couldn't spent towards CSR amount keeping in view to make contribution to areas where it can make ample impact and would attempt to find out more areas in future where the spending would really make a difference. The Company is also in dialogue with some CSR agencies and NGOs for implementing of the Company's CSR policy over a period of time.

Vishwas Charitable Trust was set-up in 1990, the trust runs a school for mentally retarded children's in Thane district, mainly works to provide conducive atmosphere for development of mentally challenged children and to make them fairly self-reliant.

Aanchal Foundation is a Non-profit organization dedicated to special needs of children and their families. Foundation identify, assess, refer and help the children with potential developmental delays for range of disabilities.

Eklavya Swavalamban Trust is an integral part of Friends of Tribal Society, the trust works towards the development of tribal area in the field of education, economic development, health care, empowerment, vocational training.

Vision India Foundation is a non-profit organization started by the alumni and faculty members of various IITs. They work on public policy issues such as education, rural development, e-governance, urban governance, etc.

Women's Development, Education and Public Welfare Foundation, Kolhapur works towards development, education of poor and needy women and provides information with respect to Gruh-Udhyog & provides technical training concerning Gruh-Udhyog.

CSR Committee states that the CSR activities being undertaken / proposed will be implemented and monitored as per CSR Policy and is in compliance with CSR objectives and policy of the Company.

Boman Moradian
Independent Director
Member – CSR Committee

Ashok Goel
Chairman & Managing Director
Chairman – CSR Committee

23 May 2017, Mumbai

Annexure 4(a)

Particulars of Employees as per Section 197(12) of the Companies Act, 2013 read with the Rules relating thereto for the year ended on 31 March 2017

Top 10 employees in terms of remuneration drawn and employees in receipt of remuneration not less than ₹ 1.02 crores p.a.

Sr. No.	Name	Designation-Nature of Duties	Qualification	Age	Date of Joining	Remuneration Received (₹)	Experience (in years)	Particulars of last employment held- Organisation & Designation
1.	Ashok Goel	Chairman & M.D.	B. Com	56	1-7-1988	688,89,200	35	-
2.	M R Ramasamy	Chief Operating Officer	BE, Exe. MBA	59	9-3-1985	233,96,328	35	Venlon Polyster Ltd., Project Engineer
3.	A V Ganapathy	Chief Financial Officer	ACA, ACS & AICWA	58	11-6-2007	171,44,433	34	Unilever Srilanka Ltd., Commercial Director
4.	Dileep Joshi	Director - Human Capital	Post-Graduation in Management (HR)	52	12-10-2009	121,97,149	28	Essar Shipping Ports & Logistics Ltd., Head HR - ESPL Business Group
5.	Roy Joseph	Regional Vice President-AMESA Region	Masters in Management, BE	48	2-11-2011	103,26,825	29	Avery Dennison India Ltd, Country General Manager India
6.	Prakash Dharmani	Chief Information Officer	BE (Chemical), Executive MBA	46	24-09-2012	82,40,780	25	Essar Power Ltd., VP CIO
7.	Vinay Mokashi	Finance Controller	AICWA & ACS	58	01-03-1997	56,47,237	37	Coral Cosmetics Ltd, Finance Manager & Company Secretary
8.	Ashok Kumar Vashisht	Regional Finance Controller – AMESA Region	FCMA (ICAI), FCMA (CIMA UK), CGMA, FCPA (Australia), DIP IFR (ACCA, UK), CS, B.Com	46	26-03-2013	56,38,886	24	SMA Solar India Pvt. Ltd, Head - Finance and compliance. Glaxosmithkline Consumer Healthcare Ltd, Sr. Manager – Finance & IT
9.	Amit Jain	Head Treasury	ACA	44	26-10-2012	54,83,895	22	Cadila Pharmaceuticals Ltd, General Manager
10.	Deepak Ganjoo	Head - Sales & Key Accounts	Bachelor of Engineering (B.E.)	42	01-07-2005	54,78,210	22	TVS Motors Ltd, Asst. Manager – Operations.

Employees employed for part of year and in receipt of remuneration of not less than ₹ 8.50 lakhs p.m.

Sr. No.	Name	Designation- Nature of Duties	Qualification	Age	Date of Joining	Remuneration Received (₹)	Experience (in years)	Particulars of last employment held- Organisation & Designation
1.	M K Banerjee	Director-Creativity & Innovation	BE Electrical	61	6-6-1985 Resigned w.e.f 30-09-2016	99,05,389	37	Guardian Plasticote Ltd., Maintenance Officer - Project Executive

Notes:

1. Remuneration consists of salary, variable pay, allowances and perquisites as computed under the Income Tax Act, 1961.
2. Above employees are in full time employment with the Company and the same can be terminable by notice on either side and are governed as per the terms of respective appointment and/or rules/policies of the Company.
3. Except for Mr. Ashok Goel, none of the employees mentioned above is related to any Director of the Company.

For and on behalf of the Board
Essel Propack Limited

Ashok Goel
Chairman & Managing Director

23 May 2017, Mumbai

Annexure 4(b)

The information on remuneration and other matters as required by sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in table below:

Sr. No.	Name of Director-KMP and Designation	% increase in remuneration in the FY 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr Ashok Goel - Chairman & Managing Director	0.67%	288
2.	Mr Atul Goel - Director	Nil	N.A.
3.	Mr Mukund Chitale - Independent Director	Nil	5.98
4.	Mr Boman Moradian - Independent Director	Nil	5.98
5.	Ms Radhika Pereira - Independent Director	Nil	5.98
6.	Mr A V Ganapathy - Chief Financial Officer	16.02%	N.A.
7.	Mr Suresh Savaliya - Head- Legal & Company Secretary	N.A.	N.A.

Sr.	Requirements	Disclosure
1.	The Percentage increase in the median remuneration of employees in the financial year.	Increase in median remuneration in the financial year under review was approx 6.60% as compared to the immediate preceding financial year.
2.	The Number of permanent employees on the rolls of the Company	1134 employees on payroll as on 31 March 2017.
3.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There was no exceptional circumstance for increase for managerial personnel in the last financial year. The average percentile increase and policy was same for managerial personnel and all the other employees.
4.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board
Essel Propack Limited

Ashok Goel
Chairman & Managing Director

23 May 2017, Mumbai

Annexure 5 - Energy, Technology Etc.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31 March 2017 is given here below and forms part of the Board's Report.

A. CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy:

Your Company is committed to reduce energy consumption at its various plants. Besides sustaining past initiatives, new measures were implemented during the year. Gist of initiatives taken in this regard is as under.

- Installed energy efficient Servo driven printing press at Vasind plant.
- Installed Energy efficient high speed Tubing line at Dhanoli (Vapi), Goa and Nalagarh.
- Installed new generation energy efficient water cooled chiller for the above new capacity expansion and replaced the old one.
- Installed energy saving LED lights for the above expansion and also replaced the traditional Halogen lamps from the old production and storage areas.

(b) The steps taken by the company for utilizing alternate sources of energy:

- Dedicated feeder line reliability led to less usage of Diesel-Generator set, led to less consumption of diesel.

(c) The capital investment on energy conservation equipment:

- Cost of Chillers: ₹ 156 lakhs (HVAC & Process at Vapi)

- Cost of Vertical Inline Pumps: ₹ 77 lakhs
- Cost of PIR ducting: ₹ 79 lakhs
- Cost of PPRC piping: ₹ 116 lakhs.

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

- a) Very high output Multilayer Blown film line has been running efficiently. New generation extreme performance polymer is being processed efficiently in this line.
- b) High output multitrack printing press with emission and volatiles free have been inducted for large volume continuous printing run.
- c) New generation tube forming line, specially suitable for producing premium cosmetic laminated tubes inducted.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.

- a) Production of Multilayer blown film as main substrate for manufacturing tube laminate with great precision and thickness accuracy but at lower energy consumption.
- b) Wider width tube web printing with regulatory compliant UV curing Ink. These new generation printing press are most suitable for vary large volume production environment but with quicker job changeover facility.
- c) Production of medium and large diameter tube with great looking side seam, especially dedicated to cosmetic category.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil

(iv) Details of expenditure on Research and Development during the year under review is as under:

(₹ In lakhs)

a)	Capital	66
b)	Recurring	496
c)	Total expenditure	562
d)	Total expenditure as a % of Net Sales	0.71%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In lakhs)

Particular	Year 2016-17	Year 2015-16
Foreign Exchange earned	11909	9083
Foreign Exchange used / outgo	28456	26995

For and on behalf of the Board

Essel Propack Limited

Ashok Goel

Chairman & Managing Director

23 May 2017, Mumbai

Annexure 6 - FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN As on financial year ended on 31 March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1.	CIN	L74950MH1982PLC028947
2.	Registration Date	22 December 1982
3.	Name of the Company	Essel Propack Limited
4.	Category of the Company/	Company limited by shares
	Sub-Category of the Company	Indian Non-Government Company
5.	Address of the Registered office and contact details	P.O.Vasind, Taluka Shahapur, District - Thane, Maharashtra - 421604, India, Tel.: +91 9673333971
6.	Whether listed Company	Yes, Listed on BSE Limited & National Stock Exchange of India Limited.
7.	Name, address and contact details of Registrar and Transfer Agent	Bigshare Services Private Limited, E2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400072. Maharashtra India. Tel No. 022 4043 0200, 28470652, Fax: 022 28475207.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the product/service	% total turnover of the company
1	Sale of collapsible Laminated/Plastic tubes (Multi-layer collapsible tubes and laminates)	3131, 22201	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
HOLDING COMPANY*					
1.	Whitehills Advisory Services Private Limited (Whitehills)* New Prakash Cinema, N.M. Joshi Marg, Lower Parel, Mumbai - 400011, India	U74120MH2013PTC241290	*Holding company	*	2(46)*
* Merged with Essel Propack Limited by virtue of the Amalgamation Scheme approved by the Hon'ble High Court of Bombay vide its order dated 01.09.2016 and accordingly Whitehills ceased as a holding company from effective date 06.10.2016. Before the Scheme became effective, Whitehills held 56.60% equity shares in the Company.					

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
DIRECT SUBSIDIARIES					
1.	Lamitube Technologies Limited, Mauritius 2nd Floor, Hennessy Tower, Suite 205, Pope Hennessy Street, Republic of Mauritius	Foreign Company	Wholly owned Subsidiary	100	2(87)
2.	Lamitube Technologies (Cyprus) Limited, Cyprus, Totalserve House, 17, Gr., Xenopoulou Street, 3106, Limassol, Cyprus	Foreign Company	Wholly owned Subsidiary	100	2(87)
3.	Arista Tubes Inc.^, USA 187 Cane Creek Blvd, Danville, VA – 24540	Foreign Company	Wholly owned Subsidiary	100	2(87)
STEP DOWN SUBSIDIARIES					
1.	Essel Propack America LLC, USA, 187 Cane Creek Blvd, Danville, VA – 24540.	Foreign Company	Subsidiary	100	2(87)
2.	The Egyptian Indian Company for Modern Packaging S.A.E.^ Egypt, 10th of Ramadan City, Industrial Zone, A2, PLOT 7/2 AT 61 KMS Ismailia Road, Egypt	Foreign Company	Subsidiary	75	2(87)
3.	Essel Packaging (Guangzhou) Limited, China No. 9, Yongshun Avenue, M., Yonghe Zone, GETDD, Guangzhou P.R.China	Foreign Company	Subsidiary	100	2(87)
4.	Essel Propack Philippines, Inc., Philippines Building 11, Phase II, Vita Comp, 108 Marcos Alvarez Avenue, Bo. Talon 1 Las Pinas City, 1747, Philippines	Foreign Company	Subsidiary	100	2(87)
5.	Essel de Mexico, S.A. de C.V., Mexico, Carretera Tepotzotlan-LA Aurora KM.1, Ex-Hacienda San Miguel Cuautitlan Izcalli Estado De Mexico, Mexico C.P. 54715	Foreign Company	Subsidiary	100	2(87)
6.	MTL de Panama S.A., Panama Apartado 8629, Panama 5, Republique De Panama	Foreign Company	Subsidiary	100	2(87)
7.	Arista Tubes Limited, United Kingdom Castle Court, 41 London Road, Reigate, Surrey, RH2 9RJ	Foreign Company	Subsidiary	100	2(87)
8.	Essel Propack UK Limited Castle Court, 41 London Road, Reigate, Surrey, RH2 9RJ	Foreign Company	Subsidiary	100	2(87)
9.	Tubopack de Colombia S.A., Colombia, Calle 13A No, 100-35 of 806, Call Planta: Parque ind El Paraiso Bod 4 Mza, B Santander De Quilichao, Colombia	Foreign Company	Subsidiary	100	2(87)

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
10.	Lamitube Hong Kong Trading Company Limited ^{^^^} Unit No 1601, 16th Floor, Comweb Plaza, 12 Cheung Yue Street, Lai Chi Kok, Kowloon, Hong Kong	Foreign Company	Subsidiary	100	2(87)
11.	Essel Propack LLC, Russia Ul., Shosseinaya, 40, Malakhovka – 2, Luberetsky Raion, Moskovskaya Oblast – 140032, Russian Federation	Foreign Company	Subsidiary	100	2(87)
12.	Essel Packaging (Jiangsu) Limited, China No.9, Changsheng Road Yang round development zone, Xinzhuang village, Changshu city, Jiangsu province, China	Foreign Company	Subsidiary	100	2(87)
13.	Essel Propack MISR for Advanced Packaging (S.A.E.), Egypt, Plot No 6 & 7, Block – 12016, 1st Industrial Estate, El Obour City, Egypt	Foreign Company	Subsidiary	75	2(87)
14.	Essel Propack Polska Sp. Z.O.O., Poland ul. Mahatmy Gandhiego 1 66-300 Międzyrzecz, Poland	Foreign Company	Subsidiary	100	2(87)
15.	Essel Colombia S.A.S. Via Cali-Santander de Quilichao, KM 24, Parque Industrial Parque Sur. Villa Rica, Columbia	Foreign Company	Subsidiary	100	2(87)
16.	*Essel Deutschland GmbH & Co. KG, Dresden, Germany. Manfred-von-Ardenne-Ring 10, 01099 Dresden, Germany Handelsregister: Amtsgericht Dresden, HRA 5605	Foreign Company	Subsidiary	100	2(87)
17.	*Essel Deutschland Management GmbH, Germany Manfred-von-Ardenne-Ring 10, 01099 Dresden, Germany Handelsregister: Amtsgericht Dresden, HRA 5605.	Foreign Company	Subsidiary	100	2(87)
ASSOCIATE COMPANY / JV					
1.	P.T Lamipak Primula, Indonesia, Jl, Sawunggaling No 26, Gilang, Taman, Sidoarjo, Indonesia.	Foreign Company	Associate	30	2(6)

^ Balance 7.35% of Arista Inc, USA is held by Lamitube Technologies (Cyprus) Limited.

^^ Subsidiary is in process of liquidation.

^^^ Subsidiary has applied for De-Registration

* Effective from 30 September 2016; till then JV

“Foreign Company” is mentioned above to indicate that mentioning of CIN/GLN is not applicable.

SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A) Shareholding of Promoter and Promoter Group										
Indian										
(a)	Individual / Huf	334750	0	334750	0.21	434750	0	434750	0.28	0.07
(b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	88943243	0	88943243	56.62	114229	0	114229	0.07	(56.55)
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others (Specify)	310000	0	310000	0.20	89139014	0	89139014	56.72	56.52
(i)	Group Companies	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1) :		89587993	0	89587993	57.03	89687993	0	89687993	57.07	0.04
Foreign										
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individual	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(2) :		0	0	0	0.00	0	0	0	0.00	0.00
Total holding for promoters										
(A)=(A)(1) + (A)(2)		89587993	0	89587993	57.03	89687993	0	89687993	57.07	0.04
(B) Public shareholding										
Institutions										
(a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	82895	2802	85697	0.05	67922	2802	70724	0.05	(0.01)
(c)	Mutual Funds / UTI	4285205	20770	4305975	2.74	5958515	20770	5979285	3.80	1.06
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	1655970	0	1655970	1.05	1655970	0	1655970	1.05	0.00
(f)	FII'S/FPIS	17638832	2000	17640832	11.23	22550814	2000	2552814	14.35	3.12
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Alternate Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1) :		23662902	25572	23688474	15.08	30233221	25572	30258793	19.25	4.18

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
Non-institutions										
(a)	Bodies Corporate	21449733	136572	21586305	13.74	17767521	136572	17904093	11.39	(2.35)
(b)	Clearing Member	118305	0	118305	0.08	138103	0	138103	0.09	0.01
(c)	Individual									
	(Capital Upto To ₹ 1 Lakh)	13730597	1486215	15216812	9.69	11153104	1416814	12569918	8.00	(1.69)
	(Capital Greater Than ₹ 1 Lakh)	5550962	57120	5608082	3.57	5322946	57120	5380066	3.42	(0.09)
(d)	Any Others (Specify)									
(i)	Trusts	21085	0	21085	0.01	21058	0	21058	0.01	0.00
(ii)	NBFC	115950	0	115950	0.07	58699	0	58699	0.04	(0.04)
(iii)	Non Resident Indians (NRI)/ Foreign Individuals	934676	222663	1157339	0.74	916292	222663	1138955	0.72	(0.07)
(iv)	Directors Relatives	0	0	0	0.00	0	0	0	0.00	0.00
(v)	Employee	0	0	0	0.00	0	0	0	0.00	0.00
(vi)	Overseas Bodies Corporates	0	940	940	0.00	0	940	940	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2) :	41921308	1903510	43824818	27.90	35377723	1834109	37211832	23.68	(4.22)
	Total Public Shareholding									
	(B)=(B)(1) + (B)(2)	65584210	1929082	67513292	42.97	65610944	1859681	67470625	42.93	(0.04)
(C) Shares held by Custodians and against which Depository Receipts have been issued										
(a)	Shares held by Custodians	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (C)(1) :	0	0	0	0.00	0	0	0	0.00	0.00
	(C)=(C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	155172203	1929082	157101285	100.00	155298937	1859681	157158618	100.00	0.00

* Includes 57,120 equity shares of face value ₹ 2 each forfeited by the Board of Directors of the Company in its' meeting held on 29 January 2015, and are yet to be cancelled / re-issued.

ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
PROMOTERS - INDIVIDUALS								
1	Goel Ashok Kumar	320760	0.20	0	420760	0.27	0	0.07
2	Kavita Goel	10990	0.01	0	10990	0.01	0	0.00
3	Nand Kishore	3000	0.00	0	3000	0.00	0	0.00
	Total	334750	0.21	0	434750	0.28	0	0.07
PROMOTERS -DOMESTIC COMPANIES								
1.	Whitehills Advisory Services Private Limited (merged with the Company during the year)	88917843	56.60	0	0	0	0	(56.60)
2.	Ganjam Trading Company Private Limited	100	0.00	0	100	0.00	0	0.00
3.	Rupee Finance And Management Private Limited	100	0.00	0	88929	0.06	0	0.06
4.	Pan India Paryatan Private Limited	25200	0.02	0	25200	0.02	0	0.00
	Total	88943243	56.62	0	114229	0.07	0	(56.55)
PROMOTERS – TRUSTS								
1	Ashok Kumar Goel (Trustee- Ashok Goel Trust)	310000	0.20	0	89139014	56.72	0	56.52
	Total	310000	0.20	0	89139014	56.72	0	56.52

(iii) Change in Promoters' Shareholding (please specify if there is no change)

Sr. No.	Name of the Shareholder	Shareholding		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. Shares at the beginning of the year (01.04.2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	Whitehills Advisory Services Pvt. Ltd.	88917843	56.60	25.10.2016	(88917843)	Extinguished*	0	0.00
				31.03.2017	-	-	0	0.00
2	Ruppee Finance and Management Private Limited	100	0.00	25.10.2016	88829	Allotted on 25.10.2016#	88929	0.06
				31.03.2017	-	-	88929	0.06
3	Ashok Kumar Goel (Trustee : Ashok Goel Trust)	310000	0.20	25.10.2016	88829014	Allotted on 25.10.2016#	89139014	56.72
				31.03.2017	-	-	89139014	56.72
4	Ashok Kumar Goel	320760		07.03.2017	23691	Market Acquisition	344451	0.22
				08.03.2017	76309	Market Acquisition	420760	0.27
				31.03.2017	-	-	420760	0.27

* Pursuant to Scheme of Amalgamation and Arrangement of Whitehills Advisory Services Private Limited with Essel Propack Limited approved by the High Court of Judicature at Bombay vide its order dated 1 September 2016, 8,89,17,843 equity shares of Essel Propack Limited held by Whitehills Advisory Services Private Limited stands cancelled / Extinguished.

Essel Propack Limited has allotted 8,88,29,014 & 88,829 equity shares of ₹ 2 each to Ashok Goel Trust and Ruppee Finance and Management Private Limited respectively on 25 October 2016 pursuant to the above mentioned Scheme of Amalgamation.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):

Sr. No.	Name of the Shareholder	No. of Shares at the beginning / End of the year	Date wise Increase/ Decrease in Shareholding during the year	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
1	CLAREVILLE CAPITAL OPPORTUNITIES MASTER FUND LIMITED	47,86,948	01-Apr-16	0		47,86,948	3.05
		47,86,948	31-Mar-17	0		47,86,948	3.05
2	NTASIAN DISCOVERY MASTER FUND	0	01-Apr-16			0	0.00
			30-Sep-16	350000	Transfer	3,50,000	0.22
			28-Oct-16	83662	Transfer	4,33,662	0.28
			04-Nov-16	132000	Transfer	5,65,662	0.36
			11-Nov-16	94600	Transfer	6,60,262	0.42
			25-Nov-16	1352624	Transfer	13,52,624	0.86
			02-Dec-16	879666	Transfer	22,32,290	1.42
			09-Dec-16	357015	Transfer	25,89,305	1.65
			23-Dec-16	334824	Transfer	29,24,129	1.86
			03-Mar-17	714700	Transfer	36,38,829	2.32
			10-Mar-17	122335	Transfer	37,61,164	2.39
			17-Mar-17	101000	Transfer	38,62,164	2.46
			24-Mar-17	130000	Transfer	39,92,164	2.54
			31-Mar-17	112500	Transfer	41,04,664	2.61
		41,04,664	31-Mar-17	0		41,04,664	2.61
3	WARBURG VALUE FUND	35,00,000	01-Apr-16	0		35,00,000	2.23
			15-Apr-16	-160709	Transfer	33,39,291	2.12
			22-Apr-16	-89291	Transfer	32,50,000	2.07
			03-Jun-16	-70241	Transfer	31,79,759	2.02
			10-Jun-16	-1521	Transfer	31,78,238	2.02
			17-Jun-16	-31000	Transfer	31,47,238	2.00
			24-Jun-16	-93823	Transfer	30,53,415	1.94
			30-Jun-16	-28221	Transfer	30,25,194	1.92
			01-Jul-16	-12500	Transfer	30,12,694	1.92
			08-Jul-16	-16375	Transfer	29,96,319	1.91
			15-Jul-16	-146319	Transfer	28,50,000	1.81
			29-Jul-16	-331	Transfer	28,49,669	1.81
			05-Aug-16	-36479	Transfer	28,13,190	1.79
			12-Aug-16	-63190	Transfer	27,50,000	1.75
			11-Nov-16	-10683	Transfer	27,39,317	1.74
			18-Nov-16	-1062	Transfer	27,38,255	1.74
			02-Dec-16	-275509	Transfer	24,62,746	1.57
			09-Dec-16	-20047	Transfer	24,42,699	1.55
			16-Dec-16	-14049	Transfer	24,28,650	1.55
			23-Dec-16	-38615	Transfer	23,90,035	1.52
			30-Dec-16	-4356	Transfer	23,85,679	1.52
			06-Jan-17	-9481	Transfer	23,76,198	1.51

Sr. No.	Name of the Shareholder	No. of Shares at the beginning / End of the year	Date wise Increase/ Decrease in Shareholding during the year	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
			13-Jan-17	-7717	Transfer	23,68,481	1.51
			20-Jan-17	-26923	Transfer	23,41,558	1.49
			27-Jan-17	-33365	Transfer	23,08,193	1.47
			03-Feb-17	-15505	Transfer	22,92,688	1.46
			10-Feb-17	-65407	Transfer	22,27,281	1.42
			17-Feb-17	-11835	Transfer	22,15,446	1.41
			24-Mar-17	-2556	Transfer	22,12,890	1.41
		22,12,890	31-Mar-17	0		22,12,890	1.41
4	GAGANDEEP CREDIT CAPITAL PVT LTD	34,76,686	01-Apr-16	0		34,76,686	2.21
		34,76,686	31-Mar-17	0		34,76,686	2.21
5	AMRIT PETROLEUMS PVT LIMITED	23,76,329	01-Apr-16	0		23,76,329	1.51
			23-Dec-16	-300000	Transfer	20,76,329	1.32
		20,76,329	31-Mar-17	0		20,76,329	1.32
6	DSP BLACKROCK MICRO CAP FUND	16,70,153	01-Apr-16	0		16,70,153	1.06
			08-Apr-16	204350	Transfer	18,74,503	1.19
			02-Sep-16	74332	Transfer	19,48,835	1.24
			03-Mar-17	112859	Transfer	20,61,694	1.31
			10-Mar-17	25000	Transfer	20,86,694	1.33
		20,86,694	31-Mar-17	0		20,86,694	1.33
7	UTI - CHILDRENS CAREER BALANCED PLAN	20,10,000	01-Apr-16	0		20,10,000	1.28
			02-Sep-16	-50000	Transfer	19,60,000	1.25
			28-Oct-16	-60000	Transfer	19,00,000	1.21
		19,00,000	31-Mar-17	0		19,00,000	1.21
8	LAXMI NARAIN GOEL	0	01-Apr-16			0	0.00
			24-Mar-17	84255	Transfer	84,255	0.05
			31-Mar-17	1800000	Transfer	18,84,255	1.20
		18,84,255	31-Mar-17	0		18,84,255	1.20
9	L N MINERALS LLP	18,84,255	01-Apr-16	0		18,84,255	1.20
			17-Mar-17	-84255	Transfer	18,00,000	1.15
			24-Mar-17	-400000	Transfer	14,00,000	0.89
			31-Mar-17	-1400000	Transfer	0	0.00
10	VEENA INVESTMENT PVT LTD	18,84,255	01-Apr-16	0		18,84,255	1.20
		18,84,255	31-Mar-17	0		18,84,255	1.20
11	ZEE ENTERTAINMENT ENTERPRISES LTD	18,22,000	01-Apr-16	0		18,22,000	1.16
		18,22,000	31-Mar-17	0		18,22,000	1.16
12	GENERAL INSURANCE CORPORATION OF INDIA	16,55,970	01-Apr-16	0		16,55,970	1.05
		16,55,970	31-Mar-17	0		16,55,970	1.05

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
i)	At the beginning of the year	320760	0.21	-	-
ii)	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):				
	07.03.2017 Market Acquisition	23691	0.02	344451	0.22
	08.03.2017 Market Acquisition	76309	0.05	420760	0.27
iii)	At the end of the year	420760	0.26	420760	0.27

Dr. Subhash Chandra holds 89,305 equity shares, who has resigned wef 5 August 2016 as a Director and Chairman.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(₹ in lakhs)

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	14558	5097	-	19655
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	43	8	-	51
Total (i+ii+iii)	14601	5105	-	19706
Change in Indebtedness during the financial year				
Addition	-	509	-	509
Reduction	(781)	-	-	(781)
Net Change	(781)	509	-	(272)
Indebtedness at the end of the financial Year				
i) Principal Amount	13775	5609	-	19384
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	45	5	-	50
Total (i+ii+iii)	13820	5614	-	19434

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

(₹ in lakhs)

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total
		Mr. Ashok Goel Chairman & Managing Director	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	447	447
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as a % of profit	-	-
	- others (Variable Pay)	233	233
5	Others, please specify Provident fund, LTA and others	37	37
	Total	717	717
	Ceiling as per the Act: Total managerial remuneration is within the limit of 10% of the profit of the Company as per section 198 of the Companies Act 2013.		

'0' Zero denotes less than lakh

B. Remuneration to other Directors:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		*Dr. Subhash Chandra	Atul Goel	Boman Moradian	Mukund Chitale	Radhika Pereira	
1.	Independent Directors						
	• Fee for attending board/ committee meetings	-	-	4	3	2	9
	• Commission	-	-	15	15	15	45
	• Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	19	18	17	54
	Other Non-Executive Directors						
	• Fees for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1+2)	-	-	19	18	17	54
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	Above Commission is within the limit of 1% of the net profit of the Company.					

* Resigned w.e.f 5 August 2016.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Head – Legal & Company Secretary	Chief Financial Officer	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	39	171	210
	b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	0	0
	c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as a % of profit	-	-	-
	- others, specify	-	-	-
5	Others (Provident fund, LTA, etc.)	2	8	10
	Total	41	179	220

'0' Zero denotes less than lakh

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board

Essel Propack Limited**Ashok Goel**

Chairman & Managing Director

23 May 2017, Mumbai

Annexure 7 - Business Responsibility Reporting

Pursuant to Reg 34 of the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- 1 Corporate Identity Number (CIN) of the Company: L74950MH1982PLC028947
- 2 Name of the Company: Essel Propack Limited
- 3 Registered address: P.O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra 421604
- 4 Website: www.esselpropack.com
- 5 Email id: complianceofficer@ep.esselgroup.com
- 6 Financial Year Reported: 1 April 2016 to 31 March 2017
- 7 Sectors that the Company is engaged in (industrial activity code-wise): The Company is mainly engaged in the business of manufacturing of collapsible laminated and plastic tubes and providing packaging solutions. NIC Code 3131, 22201.
- 8 List three key products/services that the Company manufactures/provides (as in balance sheet):

The Company is mainly engaged in the business of manufacturing of collapsible laminated and plastic tubes and providing packaging solutions. As a part of the said business, the Company also earns revenue from providing packaging solution, royalty and other ancillary services and business. Additional details are mentioned in the financial statements in this Annual Report.

- 9 Total number of locations where business activity is undertaken by the Company: the Company is having manufacturing facilities at Vasind, Murbad and Wada in Maharashtra, at Nalagarh in Himchal Pradesh, Dhanoli in Gujarat and Goa.

Company's international business operations are carried out by various direct and in-direct subsidiaries overseas and the major ones are in Mauritius, United Kingdom, China, Poland, Germany, Colombia, USA etc. Further details of the Subsidiaries are referred in the Board's Report, MDA and annexures thereto.

- 10 Markets served by the Company: The Company is in B2B business and served various markets including FMCG, Beauty & Cosmetics, Pharma & Health, Food, Home and Oral.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Financial details including paid-up capital, turnover profit after tax and others are given in financial statement contained in this Annual Report.

- 1 Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%): During the year, the Company has spent amount towards various CSR activities as mentioned in detail in the CSR Report which forms a part of Board Report and this Annual Report.
- 2 List of activities in which expenditure in 4 above has been incurred: Please refer the report on CSR activities contained in this Annual Report.

SECTION C: OTHER DETAILS

- 1 Does the Company have any Subsidiary Company/ Companies?

The Company has various direct and indirect subsidiaries. Further details in this respect are mentioned in the Board's Report and Form MGT9 (Extract of annual return) contained in this Annual Report.

- 2 Do the subsidiary companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary companies: No
- 3 Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] - No

SECTION D: BR INFORMATION

1 Details of Directors/Directors responsible for BR

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies.

Corporate Policies including the Business Responsibility Policies of the Company are

engrained in day-to-day business operations of the Company are implemented by the management and it is responsibility of concerned functionary or head of the department in charge of the relevant functions at various offices / manufacturing facilities of the Company. Mr. Ashok Goel, Chairman and

Managing Director of the Company oversee the implementation of the BR policies keeping in view the executives' feedback and reporting.

- b) Details of BR Head: Mr. Ashok Goel, Chairman & Managing Director, DIN 00025350, Tel: 022 24819000 / 9200, executive.assistant@ep.esselgroup.com.

2 Principle-wise (as per NVGS) BR Policy/policies

- a) Details of compliance (Reply in Y/N)

Sr	Questions	P1 Business ethics	P2 Product Respo.	P3 Emp. wellbeing	P4 Shareholders Eng.	P5 Human Rights	P6 Env. protection	P7 Pub. & regulatory	P8 CSR	P9 Customer relations
1	Do you have policy/policies for	yes	yes	yes	yes	yes	yes	yes	yes	yes
2	Has the policy being formulated in consultation with the relevant stakeholders	yes	yes	yes	yes	yes	yes	yes	yes	yes
3	Does the policy conform to any national/ international standards? If yes, specify?	NA	yes	NA	NA	yes	yes	NA	yes	NA
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Most of the corporate policies are approved by the Board. Policies mainly relating to business process, operations, HR etc are reviewed / approved by COO/CFO/Director – Human Capital and signed / authenticated by respective owner or functional heads.								
5	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	yes	yes	yes	yes	yes	yes	yes	yes	yes
6	Indicate the link for the policy to be viewed online?	Most of the policies are disseminated for relevant stakeholders on the Company's website. Policies relating to HR and mean for internal use are available on internal web portal.								
7	Has the policy been formally communicated to all relevant and external stakeholders?	yes	yes	yes	yes	yes	yes	yes	yes	yes
8	Does the company have in-house structure to implement the policy/policies?	Policies are engrained in day-to-day business operations of the Company are implemented by the concerned functionary or head of the department in charge of the relevant functions at various offices and level and monitored by the management.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies.	Yes. Wherever relevant, the Company has grievance redressal mechanism or practice.								
10	Has the company carries out independent audit/evaluation of the working of this policy by an internal or external agency?	Policies are evaluated periodically or as may be appropriate depending upon the nature of policies by the MD, COO and/or respective senior executives.								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why.

Sr	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Within the overall guidance of the COO / MD and Board whenever it is necessary, the Corporate Policies are framed/modified from time to time. Policies or practices in connection with Business Operations and matter relating thereto been followed over a period of time as per industry norms or best practices. The Company also follows the best practice in relation to some business areas and human capital, although no written policies. The Company will frame further policies, whenever the management thinks it relevant at appropriate time, keeping in view that this is first BRR.								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year Any other reason (please specify)									

3 Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

The assessment of BR performance is done on periodically basis by the COO / MD or senior management of the Company.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published.

The Company has started publishing BR report from financial year 2016-17 annually. The BR Reports is available on the Company's website www.esselpropack.com as a part of the annual report.

gifts and other benefits in the course of business relationship, maintain confidentiality, anti-bribery policy, conflict of interest, dealing with competitors and other relevant aspects.

Though the Company's code of conduct currently do not apply to external stakeholders including suppliers, contractors, NGOs etc, the Company follows zero tolerance on any acts of bribery, corruption etc by such agencies during their dealings with the Company.

- 2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Details relating to complaints from investors during the financial years and redressal thereof is given in Corporate Governance Report contained in this Annual Report. Additionally the complaints, grievances or views from other stakeholders are dealt with by respective functions within the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability.

- 1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company considers Corporate Governance as an integral part of management. The Company has a Code of Conduct that is approved by the Board of Directors and this code is applicable to all Board Members and employees and endeavor it to extend this code to its overseas group entities. The code is available on the Company's website www.esselpropack.com. The said Code includes; ethics at work place, restraining giving and receiving of

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1 List up to 3 of your products or service whose design has incorporated social or environmental concerns, risks and/or opportunities.

Essel Propack is committed to the Go Green Initiatives and focused on delivering sustainable solutions. The Company's businesses of manufacturing tubes are in compliance with applicable laws and rules relating to environments. The Company's invention towards 'Go Green – Green Maple Leaf (GML)' is a product

with recyclable all plastic laminate, thus reducing its carbon foot print and making it extremely eco-friendly. GML supports and strengthen Essel's Go Green Initiatives, ensuring that we are leading the way in making meaningful contributions for a greener, better, healthier planet. GML tubes have the ability to retain their shape even after repeated use and product dispensation and are available in two specifications with custom theme printing. Setting a new curve in packaging innovation GML is aimed at markets demanding sustainability and replacing EVOH tubes as it has equivalent product stability and shelf life properties, excellent tube resilience and feel. Produced with fully recyclable thermoplastic polymers, GML helps customers and society to achieve their sustainability goal.

- 2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

The Company is conscious about judicious use of water, energy and resources in course of production and manufacturing activities. Additional details relating to energy and others are given in the annexure to the Board Report contained in this Annual Report.

- 3 Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company maintains a healthy relationship with its supplier, vendors and other service providers and the business practice of the Company include them in its growth. The process of vendor registration lays emphasis on safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor.

- 4 Has the company taken any steps to procure goods or services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company, wherever possible, procures goods and services from vendors in surrounding locality of manufacturing facilities including transportation and labours / staffs. Wherever possible, the Company

prefers to support and encourage employment among communities surrounding its place of works.

- 5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Waste generated in course of manufacturing activities is not material. The Company disposes the waste through registered / appropriate agencies involved in proper disposal / recycling.

Principle 3: business should promote the well-being of all employees

The Company's belief is that its personnel are to its success and over a period of time the Company has initiated various policies and practices to improve employees well-being and engagement. The Company has aspiration to offer fully integrated Human Resource Management System (HRMS). The Company has launched the ePrism – Human Resource Information System for employees. Amongst a few of many advantage, ePrism offers a single platform to employees to access, control, monitor entire lifecycle in Essel – from hire to retire ie recruitment, selection, induction, learning & development, performance and reward, career movements and others.

- 1 Please indicate the total no. of employees: Details relating to employees are mentioned in Annexure 4b of Board Report contained in this Annual Report.
- 2 Please indicate the total number of employees hired on temporary/contractual/casual basis: 1487
- 3 Please indicate the Number of permanent women employee: 31
- 4 Please indicate the number of permanent employees with disabilities: Nil
- 5 Do you have an employee association that is recognized by the management: No employees association exist. However employees have access to management to raise their concerns without any fear and its always endeavor of the management to resolve the issues satisfactorily. Wherever the workers unions exist at some manufacturing facilities, the Company cooperates with such union keeping in view larger interest of society, workers and stakeholders.

- 6 What percentage of your permanent employee is members of this recognized employee association: N.A.
- 7 Please indicate the Number of complaints relating

to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of financial year.

Sr	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour /involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- 8 What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year.

The Company impart training relating to safety and skill upgradation to its employees including casual, temporary and contractual and its always endeavor of the management to cover maximum in the training programmes. The Company organizes various training sessions in-house. The Company has software based module for online survey of employee engagement and employee development plan.

Principle 4: Businesses should respect interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- 1 Has the company mapped its internal and external stakeholders? Yes/No

The Company has mapped its internal and external stakeholders, the major or key categories include Governments / regulatory authorities. However the process of mapping of stakeholders is an ongoing effort of updation.

- 2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company is in process to finalize.

- 3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable & marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

As a part of its business operations, the Company

supports various initiatives to create a greener and safer world. The Company's initiative about Go Green is given in this Report. Further details of CSR initiatives by the Company are included in a report on CSR activities forming part of this Annual Report.

Principle 5: Business should respect and promote human rights

- 1 Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/Others?

Essel Propack believes that an organization rests on a foundation of business ethics and valuing of human rights. Essel adheres to all statutes which embody the principles of human rights such as prevention of child labour, woman empowerment, anti-sexual harassment of women etc. the Company promotes awareness of the importance of human rights within its value chain and discourage instances of any abuse.

- 2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

There were no complaints reported on violation of any Human rights during the financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment

- 1 Does the policy related to principle 6 cover only the Company or extend to the Group/

Joint ventures/ suppliers/ contractors/ NGOS/ Others?

Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company has undertaken green initiatives during the year.

- 2 Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc: No

- 3 Does the company identify and assess potential environmental risks? Y/N

No. the Company's manufacturing facility largely machine based and do not emit or pollute the environment.

- 4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? (please confirm)

The Company does not have specific clean development mechanism. However the Company promotes clean environment initiatives. Company's initiative about 'Go Green' is described in this report.

- 5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Detail relating to energy conservation is given in annexure to the Board report contained in this Report.

- 6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? : Yes

- 7 Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year: Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

The Company is member / associated with various associations including Organization of Plastics Processors of India (OPPI), Confederation of India Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Indo-American Chambers of Commerce, Indo-German Chambers of Commerce, All India Association of Industries (AIAA), Bombay Chambers of Commerce and Industry, and Maharashtra Economic Development Council

- 2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company extends its support to various business associations and supports / advocates on various issues, whenever necessary, keeping in view the interest of various stakeholders.

Principle 8: Businesses should support inclusive growth and equitable development

- 1 Does the company have specified programme/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Relevant details of CSR initiatives are included in the Annual Report on CSR forming part of this Annual Report.

- 2 Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

The Company generally undertakes CSR projects through various agencies. Requisite details of entities through which CSR initiatives

were undertaken included in the Annual Report on CSR forming part of this Annual Report. The Company also undertakes CSR activities mainly relating to providing benches, toilets and sanitary measures at various schools.

- 3 Have you done any impact assessment of your initiative?

The CSR team of the Company periodically does impact assessment of various initiatives undertaken by the Company.

- 4 What is your company's direct contribution to community development projects – Amount in INR and the details of projects undertaken.

Refer details of CSR contributions in the Annual report on CSR forming part of this Annual Report.

- 5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Yes.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

- 1 What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

There are no material consumer cases / customer complaints outstanding as at the end of financial year.

- 2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information): Not applicable

- 3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so: Nil

- 4 Did your company carry out any consumer survey/ consumer satisfaction trends?

Customer service team and other management members whenever necessary, visit the customers to discuss and receive feedback and identifying consumers viewing behavior and emerging trends on consumer preferences. The Company has Creativity and Innovation Department with competent professionals to carry out research and development to cater needs of the customers. To match the expectation of the Company's multinational and domestic customers, Essel continuously develop and offer a diverse range of printing and packaging solutions.

Five Years' Summary of Selected Financial Data (India)

(₹ in lakhs)

	As per previous GAAP			As per IND AS**	
	2013	2014	2015	2016	2017
Sales and other income	65,685	74,028	83,022	83,917	90,068
Profit before depreciation, amortisation, finance costs and tax	14,951	15,600	16,199	22,075	17,711
Depreciation / Amortisation	3,308	3,665	4,575	5,063	6,021
Profit before tax	6,617	7,563	7,531	14,425	9,427
Profit after tax	4,984	5,449	5,653	11,250	6,511
Dividends (including dividend tax)	1,379	2,298	3,015	4,158	4,538
Cash profit	8,293	9,113	10,228	16,313	12,532
Book value per share	44.62	46.63	30.56	38.09	39.59
Basic earnings per share - ₹	3.17	3.47	3.60	7.16	4.15
Dividend per share - ₹	0.75	1.25	1.60	2.20	2.40
Closing share price on BSE at year end (₹ per share)	30.80	57.80	124.70	161.05	237.05
Market capitalisation (As at year end)	48,387	90,805	195,834	252,920	372,545
ASSETS LESS CURRENT LIABILITIES					
Fixed assets (Net)	26,562	31,450	33,039	33,843	37,922
Non-current investments	56,353	56,996	29,091	22,038	22,060
Other Non-current assets, loans and advances	3,763	4,619	4,341	2,979	3,917
Current assets	39,142	33,440	32,408	32,594	31,823
	125,821	126,505	98,879	91,454	95,722
Current liabilities	(28,849)	(23,839)	(18,196)	(12,424)	(14,758)
Net Assets	96,972	102,666	80,683	79,030	80,964
FINANCED BY					
Share capital *	3,141	3,141	3,142	3,142	3,143
Reserves	66,961	70,109	47,822	56,696	59,066
Net Worth	70,102	73,250	50,964	59,838	62,209
Deferred tax balances	2,242	2,276	1,667	1,551	1,904
Non-current liabilities	24,628	27,140	28,052	17,641	16,851
Capital employed	96,972	102,666	80,683	79,030	80,964
FINANCIAL RETURNS AND STATISTICS					
Profit after tax as a percent of sales and other income	7.6%	7.4%	6.8%	13.4%	7.2%
Profit before depreciation, finance costs and tax as a percent of sales and other income	22.8%	21.1%	19.5%	26.3%	19.7%
Return on capital employed ^	10.0%	10.0%	12.0%	15.4%	14.3%
Return on net worth % (PAT/ Networth)	7.1%	7.4%	11.1%	18.8%	10.5%
Non-current liability as a percent of total year end Shareholders' Fund	35%	37%	55%	29%	27%
Financial costs cover (Times)	21.2	26.5	28.4	65.8	45.2
(Profit before financial costs and taxation divided by finance costs)					
Number of equity shares outstanding (in lakhs) *	1,571	1,571	1,571	1,571	1,572
Cash profit to sales and other income	12.6%	12.3%	12.3%	19.4%	13.9%

** The Company has transitioned to Ind AS wef 1 April 2016. FY 16 and FY 17 numbers are as per Ind AS. Hence not strictly comparable with earlier years presented under previous GAAP.

* Refer Note 19 (a)

^ Considering shareholder's fund and total loan funds including short-term borrowings and current maturities of long-term borrowings.

Five Years' Summary of Selected Financial Data (Consolidated)

(₹ in lakhs)

	As per previous GAAP			As per IND AS**	
	2013	2014	2015	2016	2017
Sales and other income	185,728	214,900	234,392	222,944	242,324
Profit before depreciation, amortisation, finance costs and tax	33,863	37,651	41,172	42,760	45,660
Depreciation and amortisation expense	12,617	12,576	13,179	12,316	14,148
Profit before exceptional items and tax	12,125	16,937	20,057	24,353	25,759
Profit after tax attributable to Equity holders of the parent	8,096	10,783	14,063	17,010	19,032
Proposed Dividend	1,178	1,964	2,513	3,455	3,770
Cash Profit	20,713	23,359	27,242	29,326	33,180
Basic earnings per share - ₹	5.15	6.87	8.95	10.83	12.12
Dividend per share - ₹	0.75	1.25	1.60	2.20	2.40
ASSETS LESS CURRENT LIABILITIES					
Goodwill	36,069	-	-	-	1,423
Fixed assets (net)	81,963	93,368	97,600	98,127	118,456
Non current investments	4,637	4,544	4,575	3,038	1,526
Other non current assets, loans and advances	5,445	6,849	6,514	8,560	8,067
Current assets	88,921	104,503	102,306	92,166	96,398
	217,035	209,264	210,995	201,891	225,870
Current liabilities	(65,491)	(71,841)	(64,730)	(44,268)	(54,497)
Net Assets	151,544	137,423	146,265	157,623	171,373
FINANCED BY					
Share capital	3,141	3,141	3,142	3,142	3,143
Reserves and surplus	91,325	67,444	75,155	93,336	100,756
Net Worth	94,466	70,585	78,297	96,478	103,899
Non controlling interest	603	755	808	814	572
Deferred tax balances	(171)	445	1,373	3,047	4,076
	94,898	71,785	80,478	100,339	108,547
Non current liabilities	56,646	65,638	65,787	57,284	62,826
Capital employed	151,544	137,423	146,265	157,623	171,373
FINANCIAL RETURNS AND STATISTICS					
Profit after tax as a percent of Sales and other income	4.4%	5.0%	6.0%	7.6%	7.9%
Profit before depreciation, amortisation, finance costs and tax as a percent of Sales and other income	18.2%	17.5%	17.6%	19.2%	18.8%
Return on Capital Employed (Profit before Finance Costs and Tax/ Avg Capital Employed) (With Goodwill) ^	11.8%	13.7%	16.4%	18.3%	17.7%
Return on Net worth (PAT/Avg Networth) (With Goodwill)	8.9%	13.1%	18.9%	19.7%	19.0%
Non current liabilities as a percentage of Shareholders' funds	60%	93%	84%	59%	60%
Finance Costs Cover (Times) (Profit before Finance Costs and Taxation/Finance Costs)	2.4	3.1	3.5	5.1	5.5
Cash profit to sales and other income	11.2%	10.9%	11.6%	13.2%	13.7%

** The Company has transitioned to Ind AS wef 1 April 2016. FY 16 and FY 17 numbers are as per Ind AS. Hence not strictly comparable with earlier years presented under previous GAAP.

^ Considering shareholder's funds and total loan funds including short-term borrowings and current maturities of long-term borrowings.

Independent Auditor's Report

To

The Members of

Essel Propack Limited

1. Report on the standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of **Essel Propack Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

2. Management's responsibility for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements 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, of the state of affairs of the Company as at 31 March 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. Other Matters

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31 March 2016 and 31 March 2015 dated 28 April 2016 and 28 April 2015 respectively expressed an unmodified opinion on those standalone financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

6. Report on other Legal and Regulatory requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind As financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of account maintained by the Company and as

produced to us by the Management. Refer Note 45 to the standalone Ind AS financial statements.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Hitendra Bhandari

Partner

Membership Number 107832

Mumbai, 23 May 2017

Annexure A to the Independent Auditor's Report

Annexure referred to in paragraph 6(I) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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. Pursuant to the program, certain fixed assets have been physically verified by the management during the year. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of records, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks lying with third parties and stocks in transit have been conducted by the Management at reasonable intervals during the year. In respect of inventory lying with third parties, these have been confirmed by them. As explained to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loan of Rs. 9,607 lakhs to a company covered in the register maintained under Section 189 of the Act;
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the company listed in the register maintained under Section 189 of the Act is not, prima facie, prejudicial to the interests of the Company.
 - (b) The aforesaid loan granted is repayable on demand. The borrower is regular in the payment of interest as stipulated.
 - (c) There is no amount of interest overdue for more than 90 days as at 31 March 2017.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans and investments made and guarantees and securities provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
 - (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2017 for a period of more than six months from the date they became payable.
 - (b) There are no dues of service tax and duty of customs which have not been deposited on account of any dispute. The disputed dues of income tax, sales tax, duty of excise and value added tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	₹ in lakhs	Period to which the amount relate	Forum where dispute is pending
Central Excise Act, 1944	Duty of Excise	128	FY 2001-2002 to FY 2005-2006	Tribunal CESTAT
		25	FY 2009-2010 to FY 2011-2012	Commissioner of Central Excise (Appeals)
Maharashtra Value Added Tax Act, 2002	Value added tax	54	FY 2005-2006	Maharashtra Sales Tax Tribunal
		243	FY 2005-2006 and FY 2006-2007	Joint Commissioner of Sales Tax (Appeals)
Himachal Pradesh Value Added Tax Act, 2005	Value added tax	3	FY 2008-2009	Additional Excise and Taxation Commissioner
Central Sales Tax Act, 1956	Central sales tax	120	FY 2002-2003 and FY 2005-2006	Maharashtra Sales Tax Tribunal
		228	FY 2002-2003 to FY 2004-2005	Commissioner of VAT-Dadra and Nagar Haveli
		112	FY 2002-2003, FY 2007-2008 and FY 2008-2009	Deputy Commissioner of Sales Tax (Appeals)
		506	FY 2001-2002, FY 2003-2004 to FY 2005-2006, FY 2008-2009 and FY 2012-2013	Joint Commissioner of Sales Tax (Appeals)
		24	FY 2009-2010, FY 2011-2012 and FY 2012-2013	Assistant Commissioner of Commercial Taxes
The Income Tax Act, 1961	Income tax-Penalty	55	FY 2006-2007	Income Tax Appellate Tribunal
		397	FY 2007-2008 and FY 2011-2012	Commissioner of Income Tax (Appeals)
	Income tax	57	FY 2009-2010	Income Tax Appellate Tribunal
		1,732	FY 2006-2007 and FY 2010- 2011 to FY 2012-2013	Commissioner of Income Tax (Appeals)

- viii. 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 loans or borrowings to financial institutions, banks, government or dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The moneys raised by way of term loans during the year have been applied for the purposes for which they were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers

or employees, noticed or reported during the year, nor have been informed of any such case by the Management.

- xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the

standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Hitendra Bhandari

Partner

Membership Number 107832

Mumbai, 23 May 2017

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(II)(f) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017

We have audited the internal financial controls over financial reporting of **Essel Propack Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Hitendra Bhandari

Partner

Membership Number 107832

Mumbai, 23 May 2017

Balance sheet

as at 31 March 2017

	Note	As at 31 March 2017	As at 31 March 2016	(₹ in lakhs) As at 1 April 2015
Assets				
Non-current assets				
(a) Property, plant and equipment	4	35,159	31,649	31,722
(b) Capital work-in-progress	4	1,532	1,139	342
(c) Intangible assets	5	442	462	590
(d) Intangible assets under development	5	789	593	385
(e) Financial assets				
(i) Investments	6	22,060	22,038	29,091
(ii) Loans	7	1,697	1,574	2,701
(iii) Others	8	29	2	29
(f) Non-current tax assets (net)	9	458	446	338
(g) Other non-current assets	10	1,733	957	1,273
Total non-current assets		63,899	58,860	66,471
Current assets				
(a) Inventories	11	6,673	6,533	6,732
(b) Financial assets				
(i) Trade receivables	12	10,376	10,044	10,933
(ii) Cash and cash equivalents	13	41	212	95
(iii) Bank balances other than (ii) above	14	77	87	54
(iv) Loans	15	11,139	12,439	11,097
(v) Others	16	376	668	294
(c) Current tax assets (net)	17	151	151	151
(d) Other current assets	18	2,990	2,460	3,052
Total current assets		31,823	32,594	32,408
Total assets		95,722	91,454	98,879
Equity and liabilities				
Equity				
(a) Equity share capital	19	3,143	3,142	3,142
(b) Other equity	20	59,066	56,696	47,822
Total equity		62,209	59,838	50,964
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	15,045	16,127	27,295
(b) Provisions	22	1,806	1,514	757
(c) Deferred tax liabilities (net)	23	1,904	1,551	1,667
Total non-current liabilities		18,755	19,192	29,719
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	1,795	1,244	4,099
(ii) Trade payables	25	4,681	4,507	3,303
(iii) Others	26	6,872	5,781	10,072
(b) Other current liabilities	27	499	495	382
(c) Provisions	28	421	363	340
(d) Current tax liabilities (net)	29	490	34	-
Total Current liabilities		14,758	12,424	18,196
Total equity and liabilities		95,722	91,454	98,879
Notes forming part of the financial statements	1 - 64			

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel

} Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Statement of profit and loss

for the year ended 31 March 2017

(₹ in lakhs)

	Note	2017	2016
I Income			
Revenue from operations	30	88,105	81,745
Other income	31	500	477
Interest income	32	1,463	1,695
Total income		90,068	83,917
II Expenses			
Cost of materials consumed	33	35,411	33,806
Changes in inventories of finished goods and goods-in-process	34	140	(172)
Excise duty on sale of goods		8,565	7,454
Employee benefits expense	35	8,441	7,988
Finance costs	36	2,263	2,587
Depreciation and amortization expense	37	6,021	5,063
Other expenses	38	19,800	17,295
Total expenses		80,641	74,021
III Profit before exceptional items and tax		9,427	9,896
IV Exceptional items (net)	52	-	(4,529)
V Profit before tax		9,427	14,425
VI Tax expense	39		
Current tax		2,911	3,425
Deferred tax charge/(credit)		5	(250)
Total tax expense		2,916	3,175
VII Profit for the year		6,511	11,250
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan	44	(182)	(77)
Income tax effect on above	39	63	27
Other comprehensive income for the year		(119)	(50)
IX Total comprehensive income for the year		6,392	11,200
X Earnings per equity share of ₹ 2 each fully paid up	58		
Basic (₹)		4.15	7.16
Diluted (₹)		4.13	7.15
XI Notes forming part of the financial statements	1 - 64		

As per our attached report of even date
 For **MGB & Co LLP**
 Chartered Accountants
 Firm Registration Number 101169W/W-100035

Hitendra Bhandari
 Partner
 Membership Number 107832

Place: Mumbai
 Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
 Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel

Directors

A.V. Ganapathy
 Chief Financial Officer

Suresh Savaliya
 Head - Legal & Company Secretary

Statement of changes in equity

for the year ended 31 March 2017

A Equity Share capital

(₹ in lakhs)

	Note	
Balance as at 1 April 2015	19	3,142
Changes in equity share capital		-
Balance as at 31 March 2016	19	3,142
Changes in equity share capital		1
Balance at 31 March 2017	19	3,143

B Other Equity

(₹ in lakhs)

	Note	Capital reserve	Securities premium reserve	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Total other equity
Balance as at 1 April 2015		3,983	10,893	750	23	12,541	19,632	47,822
Profit for the year		-	-	-	-	-	11,250	11,250
Other comprehensive income		-	-	-	-	-	(50)	(50)
Total comprehensive income for the year							11,200	11,200
Share based payments	20 & 43	-	-	-	699	-	-	699
Transfer to debenture redemption reserve	20	-	-	750	-	-	(750)	-
Equity dividend	57	-	-	-	-	-	(2,513)	(2,513)
Tax on equity dividend	57	-	-	-	-	-	(512)	(512)
Balance as at 31 March 2016		3,983	10,893	1,500	722	12,541	27,057	56,696
Balance as at 1 April 2016		3,983	10,893	1,500	722	12,541	27,057	56,696
Profit for the year		-	-	-	-	-	6,511	6,511
Other comprehensive income		-	-	-	-	-	(119)	(119)
Total comprehensive income for the year							6,392	6,392
Pursuant to the scheme of amalgamation	62	996	-	-	-	-	39	1,035
Expenses incurred in connection with the scheme of amalgamation	62	(996)	-	-	-	-	-	(996)
Share options exercised	20	-	94	-	(25)	-	-	69
Share based payments	20 & 43	-	-	-	28	-	-	28
Transfer to debenture redemption reserve	20	-	-	750	-	-	(750)	-
Equity dividend	57	-	-	-	-	-	(3,455)	(3,455)
Tax on equity dividend	57	-	-	-	-	-	(703)	(703)
Balance as at 31 March 2017		3,983	10,987	2,250	725	12,541	28,580	59,066

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel

} Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Notes forming part of the financial statements

1 Corporate information

Essel Propack Limited (hereinafter referred to as 'EPL' or 'the Company' or 'the parent company') is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company's registered office is located at P.O. Vasind, Taluka : Shahpur District: Thane, Maharashtra -421604, India. The Company is engaged in manufacture of plastic packaging material in the form of multilayer collapsible tubes and laminates used primarily for packaging of consumer products in the Beauty & Cosmetics, Health & Pharmaceuticals, Food and Home care categories.

The separate financial statements (hereinafter referred to as "Financial Statements") of the Company for the year ended 31 March 2017 were authorised for issue by the Board of Directors at their meeting held on 23 May 2017.

2 Basis of Preparation

- a) The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI).

Till the year ended 31 March 2016, the financial statements of the Company were prepared to comply in all material respects with the Accounting standards (previous GAAP) specified as per section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act and guidelines issued by SEBI. These are the first financial statements of the Company prepared in accordance with Ind AS applicable to the Company from the year beginning 1 April 2016, consequent to the MCA notification dated 16 February 2015. In accordance with Ind AS 101, the transition date to Ind AS being 1 April 2015, the comparatives for the previous year ended 31 March 2016 and balances as on 1 April 2015 reported under previous GAAP have been restated as per Ind AS. Refer note 64 for understanding how the transition from previous GAAP to Ind AS affected the Company's earlier reported Balance sheet, financial performance and cash flows.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities (including derivative instruments), defined benefit plan assets and liabilities and share based payments being measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or a liability at the measurement date.

The financial statements are presented in Indian Rupees ('INR') with values rounded off to the nearest lakhs (00,000), except otherwise indicated

b) Current and non-current classification

Assets and liabilities are classified as current if it is expected to realise or settle within twelve months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes forming part of the financial statements

3(A) Significant accounting policies

a) Investment in subsidiaries

Investments in subsidiaries are accounted at cost in accordance with Ind AS 27 "Separate financial statements". Refer note 6 for the list of significant investments.

b) Property, plant and equipment

- i) Free hold land is carried at cost. Other property, plant and equipment are stated at original cost of acquisition/ installation (net of cenvat credit availed) less accumulated depreciation and impairment loss, if any. Cost includes of cost of acquisition, construction and installation, taxes, duties, freight and other incidental expenses that are directly attributable to bringing the asset to its working condition for the intended use and estimated cost for decommissioning of an asset. Further, in respect of accounting periods commencing on or after 7 December, 2006, exchange differences arising on reporting of long-term foreign currency monetary items which are recognised in the financial statements till the period ending 31 March 2016 at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, where these monetary items pertain to the acquisition of depreciable property, plant and equipment.
- ii) Capital work-in-progress comprises cost of property, plant & equipment and related expenses that are not yet ready for their intended use at the reporting date.
- iii) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on property, plant and equipment

- i) Depreciation on property, plant and equipment is provided to the extent of depreciable amount on straight-line method over the useful life of asset as specified in Part-C of Schedule II to the Act. Depreciation is charged on pro-rata basis for asset purchased / sold during the year. Depreciation on the following assets is provided considering a shorter useful life as compared to Schedule II useful life, based on management estimate in view of possible technology obsolescence and product life cycle implications.

Assets	Useful life
Tooling, Moulds, Dyes	7 years
Hydraulic works, Pipelines and Slucies (HWPS)	10 years

Property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

- ii) Premium on leasehold land and leasehold improvements are amortised over the normal period of lease.

c) Intangible assets

- i) Intangible assets are stated at cost of acquisition less accumulated amortisation. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Notes forming part of the financial statements

- ii) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.
- iii) Intangibles assets with finite lives are amortised as follows:
 - Softwares : ERP software 10 years and others 3 years
 - Patents : 10 years

d) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

e) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of such borrowings. All other borrowing costs are charged to the statement of profit and loss as finance costs. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs under Ind AS 23.

f) Financial assets

i) Recognition and measurement

The Company at initial recognition measures a financial asset at its fair value plus transaction costs that are directly attributable to its acquisition. However, transaction costs relating to financial assets to be subsequently valued at fair value through profit or loss (FVTPL) are expensed in the statement of profit and loss for the year.

The Company subsequently recognises its financial assets either at FVTPL, fair value through other comprehensive income (FVOCI) or at amortised cost, based on the Company's business model for managing the financial assets and their contractual cash flows. This has been explained below separately for debt investments and equity investments.

Debt investments

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on such instruments is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken

Notes forming part of the financial statements

through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in interest income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss. Gain and losses on fair value of such instruments are recognised in the statement of profit and loss. Interest income from these financial assets is included in other income.

Equity investments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss in the event of de-recognition. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

ii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 41A details how the Company determines whether there has been a significant increase in credit risk.

iii) De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

g) Derivatives and embedded derivatives

- i) The Company enters into certain derivative contracts (mainly foreign exchange forward contracts) to hedge risks, which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are recognised in the statement of profit and loss.

Notes forming part of the financial statements

- ii) Derivatives embedded in a host contract that are assets within the scope of Ind AS 109 or are closely related to the host contract, are not separated. Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, and are measured at fair value through profit or loss.

h) Borrowings and other financial liabilities

- i) Borrowings and other financial liabilities are initially recognised at fair value net of transaction costs incurred that are directly attributable to the acquisition of the financial liability .
- ii) Subsequently recognition is done at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. The EIR amortisation is included in finance costs in the statement of profit and loss.
- iii) Borrowings and other financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss.

i) Employee benefits

i) Short-term benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

ii) Defined benefit plans

- a) Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.
- b) Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur.

iii) Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

j) Share based payments

Share based compensation benefits are provided to employees under the Essel Employee Stock Option Scheme 2014. The fair value of options granted under the Essel Employee Stock Option Scheme 2014 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be recognised is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

Notes forming part of the financial statements

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expenses are amortised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service and non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

In case of share based payments to employees of the parent company and its subsidiaries, in the separate financial statements, the parent company records a debit, recognising an increase in the investment in the subsidiaries and a credit to equity.

k) Revenue recognition

- i) Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the Company.
- ii) Revenue from operations includes sale of goods, scrap, export incentives and income from royalty and service charges:
 - Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have passed to the customer. Amounts disclosed as revenue are inclusive of excise duty and net of returns, quality claims, discounts and value added tax/sales tax.
 - Income from royalty and service charges is recognised as per the agreed terms.
 - Export incentives / benefits are accounted on accrual basis.
- iii) Dividend income is recognised when the right to receive the payment is established by the balance sheet date.
- iv) Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate method and shown under interest income in the statement of profit and loss.

l) Government grants

- i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- ii) Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- iii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

m) Inventories

- i) Inventories are valued at lower of cost and estimated net realisable value.
- ii) Cost of raw materials, packing material and stores and spares are determined on moving average cost method.

Notes forming part of the financial statements

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

n) Foreign currency transactions

- i) The functional currency of the Company is Indian national rupee (₹) which is also the presentation currency. All other currencies are accounted for as foreign currency.
- ii) Transactions denominated in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing at the date of transaction.
- iii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- iv) Exchange differences, in respect of accounting periods commencing on or after 7 December 2006, arising on reporting of long-term foreign currency monetary items which are recognised in the financial statements till the period ending 31 March 2016 at rates different from those at which they were initially recorded or reported in previous Financial Statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset. Any other income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

o) Income taxes

- i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- ii) The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.
- iii) Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- iv) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
- v) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
- vi) Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes forming part of the financial statements

- vii) Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

p) Leases

Leases where the Company is a lessee and has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Provisions, contingent liabilities and contingent assets

- i) Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

- ii) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Notes forming part of the financial statements

- iii) A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized, but its existence is disclosed in the financial statements.

s) Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

t) Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the Company.

u) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v) Cash and cash equivalents

- i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.
- ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above, net of outstanding bank overdraft but including other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. "

w) Exceptional items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

3(B) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)(Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The amendment is applicable to the Company from 1 April 2017.

Notes forming part of the financial statements

Amendments to Ind AS 7

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is currently assessing the potential impact of this amendment.

3(C) Significant estimates, judgments and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based on the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involves a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Defined benefit obligation

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used are disclosed in note 44.

ii) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions refer note 40.

iii) Share-based payments

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 43.

Notes forming part of the financial statements

iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate.

v) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) Taxes

The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Company records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Notes forming part of the financial statements

Note 4 Property, plant and equipment

Description of assets	Gross Block			Depreciation			Net Block		
	As at 1 April 2016	Additions	Disposals	Upto 31 March 2016	Additions	Disposals	Upto 31 March 2017	As at 31 March 2017	As at 31 March 2016
Freehold Land	517	-	-	-	-	-	-	517	517
Leasehold Land	15	-	-	-	-	-	-	15	15
Leasehold Improvements	1	585	-	-	42	-	42	544	1
Buildings	4,002	44	-	224	231	-	455	3,591	3,778
Plant and Machinery									
- Owned	28,613	7,135	272	4,090	4,888	59	8,919	26,557	24,523
- Leased	1,914	-	-	284	284	-	568	1,346	1,630
Equipments									
- Owned	894	1,173	1	2,066	224	0	399	1,667	718
- Leased	103	-	-	103	23	-	46	57	80
Furniture and Fixtures	447	603	-	1,050	125	-	185	865	387
TOTAL (A)	36,506	9,540	273	4,857	5,817	59	10,614	35,159	31,649
Capital work-in-progress							1,532	1,139	

"0" Zero denotes less than a lakh

Note 5 Intangible assets

Description of assets	Gross Block			Amortisation			Net Block		
	As at 1 April 2016	Additions	Disposals	Upto 31 March 2016	Additions	Disposals	Upto 31 March 2017	As at 31 March 2017	As at 31 March 2016
Software	619	145	-	197	197	-	394	370	422
Patents	42	39	-	81	7	-	9	72	40
TOTAL(B)	661	184	-	199	204	-	403	442	462
Intangible assets under development							789	593	
TOTAL(A+B)	37,167	9,724	273	5,056	6,021	59	11,017	35,601	32,111

Notes:

- Buildings include roads, residential flats, tubewell, and watertanks and share in co-operative society.
- Additions to plant and machinery includes exchange difference of ₹ 334 lakhs capitalised during the financial year 2016-17.
- For details of property, plant and equipment pledged as security, refer note 46.

Notes forming part of the financial statements

Note 4 Property, plant and equipment

Description of assets	Gross Block			Depreciation			Net Block	
	Deemed cost as at 1 April 2015 *	Additions	Disposals	Upto 1 April 2015 *	Additions	Disposals	Upto 31 March 2016	As at 1 April 2015
Freehold land	517	-	-	-	-	-	-	517
Leasehold land	15	-	-	-	-	-	-	15
Leasehold improvements	1	-	-	-	-	-	-	1
Buildings	3,309	693	-	-	224	-	224	3,778
Plant and machinery								
- Owned	25,106	3,707	200	-	4,097	7	4,090	24,523
- Leased	1,914	-	-	-	284	-	284	1,630
Equipments								
- Owned	459	435	-	-	176	-	176	718
- Leased	103	-	-	-	23	-	23	80
Furniture and fixtures	298	149	-	-	60	-	60	387
TOTAL (A)	31,722	4,984	200	-	4,864	7	4,857	31,722
Capital work-in-progress							1,139	342

Note 5 Intangible assets

Description of assets	Gross Block			Amortisation			Net Block	
	Deemed cost as at 1 April 2015 *	Additions	Disposals	Upto 1 April 2015 *	Additions	Disposals	Upto 31 March 2016	As at 1 April 2015
Software	590	29	-	-	197	-	197	422
Patents	-	42	-	-	2	-	2	40
TOTAL(B)	590	71	-	-	199	-	199	462
Intangible assets under development							593	385
TOTAL(A+B)	32,312	5,055	200	-	5,063	7	5,056	32,312

Notes:

- Buildings include roads, residential flats, tubewell, and watertanks and share in co-operative society.
- Additions to plant and machinery includes exchange difference of ₹ 628 lakhs capitalised during the financial year 2015-16.
- For details of property, plant and equipment pledged as security, refer note 46.
- * Refer notes 3A(b)(iii) and 3A(c)(ii).

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
6 Non-current investments (at cost)			
(A) Investments in equity shares of wholly owned subsidiaries - Unquoted			
830,000 (31 March 2016: 830,000, 1 April 2015: 830,000) of US\$ 10 each of Lamitube Technologies Limited, Mauritius @	8,994	8,994	8,994
1,261 (31 March 2016: 1,261, 1 April 2015: 1,261) of no par value of Arista Tubes Inc., USA * @	7,443	7,443	7,443
1,600 (31 March 2016: 1,600, 1 April 2015: 1,600) of US\$ 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus @	720	720	720
Nil (31 March 2016: Nil, 1 April 2015: 416,150) of ₹ 100 each of Packaging India Private Limited	-	-	6,362
	17,157	17,157	23,519
(B) Investments in preference shares of wholly owned subsidiaries - Unquoted			
10,400 (31 March 2016: 10,400, 1 April 2015: 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 @	4,535	4,535	4,535
Nil (31 March 2016: Nil, 1 April 2015: 1,025,000) 7% Cumulative Redeemable Preference Shares of ₹ 100 each of Packaging India Private Limited	-	-	1,025
	4,535	4,535	5,560
(C) Value of stock options granted to employees of subsidiaries	368	346	12
Total	22,060	22,038	29,091
Aggregate book value of unquoted investments	22,060	22,038	29,091
Aggregate amount of impairment in value of investment	-	-	-
(All the above securities are fully paid up)			

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

@ The Company has given an undertaking that it will continue to hold / control at least 51% of equity share capital and preference share capital during the tenure of credit facility availed by the subsidiaries from the banks.

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
7 Non-current financial assets - Loans			
(Unsecured, considered good)			
Security deposits			
- Related parties (Refer note 54)	1,610	1,209	1,070
- Others	79	357	322
Loan to subsidiary (Refer note 54)	-	-	1,300
Loans and advances to employees	8	8	9
Total	1,697	1,574	2,701

Security deposits are interest free non-derivative financial assets carried at amortised cost. These primarily include deposits given against rented premises and various deposits with government authorities. The carrying value may be affected by changes in the credit risk of the counterparties.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
8 Other non-current financial assets			
Deposits with banks having original maturity period of more than twelve months*	29	2	29
Total	29	2	29

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

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
9 Non-current tax assets			
Balances with government authorities			
- Direct tax (net of provisions)	458	446	338
Total	458	446	338

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
10 Other non-current assets			
Capital advances	999	320	633
Prepaid expenses	319	191	298
Balances with Government authorities - Indirect tax	415	446	342
Total	1,733	957	1,273

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
11 Inventories			
Raw materials (Including goods-in-transit 31 March 2017: ₹ 194 lakhs, 31 March 2016: ₹ 134 lakhs, 1 April 2015: ₹ 167 lakhs)	2,250	2,151	2,077
Goods-in-process	2,695	2,868	2,587
Finished goods (Including goods-in-transit 31 March 2017: ₹ 64 lakhs, 31 March 2016: ₹ 31 lakhs, 1 April 2015: ₹ 15 lakhs)	64	31	140
Stores and spares	1,586	1,422	1,868
Packing materials	78	61	60
Total	6,673	6,533	6,732

Inventories were written down to net realisable value by ₹ 78 lakhs (31 March 2016 ₹ 27 lakhs). This amount is recognised as an expense during the year and included in "Changes in inventories of finished goods and goods-in-process" in the statement of profit and loss.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
12 Trade receivables (Unsecured)			
Considered good			
- Related parties (Refer note 54)	481	1,138	1,237
- Others	9,895	8,906	9,696
Considered doubtful - Others	551	540	585
	10,927	10,584	11,518
Less: Allowance for doubtful debts	(551)	(540)	(585)
Total	10,376	10,044	10,933

Trade receivables are non-interest bearing and credit terms are generally 30 to 90 days.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
13 Cash and cash equivalents			
Balance with banks in			
Current accounts	33	113	90
Cheques on hand/ Remittances in transit	8	99	5
Cash on hand	-	-	0
Total	41	212	95

'0' Zero denotes less than a Lakh

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
14 Bank balances other than 13 above			
Unclaimed dividend accounts	73	57	51
Deposits with bank having original maturity period of upto twelve months*	-	-	2
Deposits with bank having original maturity period of more than twelve months*	33	32	30
Less: Disclosed under "Other non-current financial assets" (Refer note 8)	(29)	(2)	(29)
Total	77	87	54

* Deposited with / lien in favour of various Government authorities / banks. Deposits with banks earns interest at floating rates based on daily bank deposit rates.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
15 Current financial assets - Loans			
Unsecured, considered good			
Security deposits - Others	433	217	180
Loans and advances to			
- Related parties (Refer note 54)	10,674	12,204	10,904
- Employees	32	18	13
Total	11,139	12,439	11,097

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
16 Other current financial assets			
Insurance claim receivable (Refer note 48)	193	193	-
Derivative instruments at fair value through profit or loss			
- Foreign exchange forward contracts	2	101	66
Other receivables from			
- Subsidiaries (Refer note 54)	176	361	220
- Others	5	13	8
Total	376	668	294

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
17 Current tax assets			
Balances with government authorities			
- Direct tax (net of provisions)	151	151	151
Total	151	151	151

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
18 Other current assets			
Advances against goods and services	93	120	263
Prepaid expenses	368	360	322
Balances with government authorities			
- Indirect tax	2,485	1,930	2,339
Export benefits receivable	44	50	128
Total	2,990	2,460	3,052

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
19 Equity Share capital			
Authorised #			
250,050,000 (31 March 2016: 200,000,000, 1 April 2015: 200,000,000) equity shares of ₹ 2 each	5,001	4,000	4,000
Issued			
157,158,618 (31 March 2016: 157,101,285, 1 April 2015: 157,101,285) equity shares of ₹ 2 each	3,143	3,142	3,142
Subscribed and paid up			
157,101,498 (31 March 2016: 157,044,165, 1 April 2015: 157,044,165) equity shares of ₹ 2 each (Refer note (a) below)	3,142	3,141	3,141
Add: 57,120 equity shares of ₹ 2 each Forfeited (Refer note (h) below)	1	1	1
Total	3,143	3,142	3,142

Increased pursuant to the Scheme of amalgamation (Refer note 62)

Notes forming part of the financial statements

a) Reconciliation of number of shares outstanding

	As at 31 March 2017		As at 31 March 2016	
	Number of equity shares	(₹ in lakhs)	Number of equity shares	(₹ in lakhs)
At the beginning of the year	157,044,165	3,141	157,044,165	3,141
Add/(less): Changes during the year				
Allotted pursuant to the scheme of amalgamation (Refer note 62)	88,917,843	1,778	-	-
Cancelled pursuant to the scheme of amalgamation (Refer note 62)	(88,917,843)	(1,778)	-	-
Alloted on exercise of employee share options	57,333	1	-	-
Outstanding at the end of the year	157,101,498	3,142	157,044,165	3,141

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 dividend 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) Details of shares held by holding company and ultimate holding company

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited (Holding company)*	-	-	88,917,843	56.60%
Ruppee Finance and Management Private Limited (Ultimate holding company)*	-	-	100	0.00%

* During the year, all the shares held by Whitehills Advisory Services Private Limited have been transferred to Ashok Goel Trust pursuant to a scheme of amalgamation (Refer note 62). As such, there is no holding company or ultimate holding Company w.e.f. 6 October 2016.

Notes forming part of the financial statements

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

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited (Holding company)*	-	-	88,917,843	56.60%
Ashok Kumar Goel (Trustee - Ashok Goel Trust)*	89,139,014	56.72%	-	-

* During the year, all the shares held by Whitehills Advisory Services Private Limited have been transferred to Ashok Goel Trust pursuant to a scheme of amalgamation (Refer note 62). As such, there is no holding company w.e.f. 6 October 2016.

- e) No bonus shares have been issued and no shares bought back during five years preceding 31 March 2017.
- f) For details of shares reserved for issue under the employee share based payment plan of the Company (Refer note 43).
- g) 500,155 equity shares of ₹ 2 each fully paid up were allotted on 14 September 2012 for consideration other than cash, pursuant to the Scheme of Merger of Ras Propack Lamipack Limited and Ras Extrusions Limited with the Company.
- h) Forfeited shares consist of 35,725 partly paid up equity shares and 21,395 fully paid up bonus shares forfeited during the previous year. The amount of ₹ 1 Lakh in relation to the forfeiture will be transferred to reserves upon cancellation of these shares.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
20 Other equity		
a) Capital reserve		
As per last balance sheet	3,983	3,983
Add/(less):		
Pursuant to the Scheme of amalgamation (Refer note 62)	996	-
Expenses incurred in connection with the scheme of amalgamation (Refer note 62)	(996)	-
	3,983	3,983
b) Securities premium reserve		
As per last balance sheet	10,893	10,893
Add: Share options exercised during the year	94	-
	10,987	10,893
c) Other reserves		
i) Debenture redemption reserve		
As per last balance sheet	1,500	750
Add: Transferred from retained earnings	750	750
	2,250	1,500
ii) Share options outstanding account		
As per last balance sheet	722	23
Add/(less): Compensation expenses recognised during the year	6	365
Options granted to employees of subsidiaries	22	334
Transferred to securities premium on exercise of options	(25)	-
	725	722

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
iii) General reserve		
As per last balance sheet	12,541	12,541
iv) Retained earnings		
As per last balance sheet	27,057	19,632
Add/(Less):		
Taken over pursuant to the Scheme of amalgamation (Refer note 62)	39	-
Profit for the year	6,511	11,250
Item of other comprehensive income recognised directly in retained earnings		
- Remeasurement gains/(losses) on defined benefit plan (net of tax)	(119)	(50)
Debenture redemption reserve	(750)	(750)
Equity dividend paid	(3,455)	(2,513)
Tax on equity dividend	(703)	(512)
	28,580	27,057
Total	59,066	56,696

Nature and purpose of reserves

i) Capital reserve

Capital reserve represents capital surplus and not normally available for distribution as dividend.

ii) Securities premium

Securities premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

iii) Debenture redemption reserve (DRR)

The Company had issued redeemable non-convertible debentures and accordingly DRR is required to be created pursuant to the Companies (Share capital and Debentures) Rules 2014. DRR is required to be created, out of profits of the Company available for payment of dividend, up to an amount which is equal to 25% of the total value of the debentures issued.

iv) Share options outstanding account

Represent the fair value at respective grant dates of options issued to employees under Essel Employee Stock Option Scheme 2014. This balance will be transferred to share capital and security premium account as and when the options get exercised from time to time.

v) General reserve

The reserve is a distributable reserve maintained by the Company out of transfers made from annual profits.

vi) Retained earnings

Retained earnings represent the accumulated earnings net of losses if any made by the Company over the years.

vii) Other comprehensive income

Other comprehensive income comprises of re-measurement gains/(losses) of defined benefit obligations.

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
21 Non-current borrowings			
Secured			
900 (900) units of redeemable non-convertible debentures of face value of ₹ 1,000,000 each (Refer note (a) below)	8,969	8,954	8,939
Term loan from banks (Refer note (b), (c), (d) below)	-	-	6,605
Term loan from others (Refer note (c) and (e) below)	-	-	7,476
Buyers credit from banks (Refer note (f) and (g) below)	2,512	3,985	6,192
Finance lease obligations (Refer note (h) below)	526	828	1,074
	12,007	13,767	30,286
Unsecured			
Buyers credit from banks (Refer note (i) below)	4,396	2,997	2,298
Term loan from Others (Refer note (j) below)	-	81	153
Deferred sales tax loan (Refer note (k) below)	1,139	1,494	1,974
	5,535	4,572	4,425
Total	17,542	18,339	34,711
Less: Current maturities disclosed under Other current financial liabilities (Refer note 26)	2,497	2,212	7,416
Total	15,045	16,127	27,295

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

a) Listed redeemable non-convertible debentures Series (A) of ₹ 4,983 lakhs (31 March 2016: ₹ 4,975 lakhs, 1 April 2015: ₹ 4,966 lakhs) and Series (B) of ₹ 3,986 lakhs (31 March 2016: ₹ 3,979 lakhs, 1 April 2015: ₹ 3,973 lakhs) are secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan and land and building situated at Goa and Murbad). These debentures are further secured by way of security provided by other related party*.	These debentures carry interest rate at SBI Base Rate + 145 bps p.a. and are redeemable at par in 3 annual instalments commencing from 25 April 2019 in the ratio of 30:30:40 with an put/call option at the end of 3 years from date of issue in case of Series A and 3 1/2 years from the date of issue in case of series B, and on each anniversary thereafter until redemption, and put option in the event of downgrade of credit rating to BBB+ below.
b) Term loan from banks of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 1,007 lakhs) are secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). These loans are further secured by way of security provided and guarantee issued by other related party*.	Term loan from banks and others are fully prepaid during the previous financial year.
c) Term loan from banks of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 3,501 lakhs) and Term loan from others ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 4,683 lakhs) are secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). These loans are further secured by way of security provided by other related party*.	

Notes forming part of the financial statements

d) Term loan from bank of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 2,097 lakhs) is secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari passu second charge on current assets of the company. The loan is further secured by way of security provided by other related party*.	
e) Term loan from others ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 2,793 lakhs) is secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari passu second charge on current assets of the company. The loan is further secured by way of security provided and corporate guarantee issued by other related party*.	
f) Buyers credit from bank of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 2,491 lakhs) is secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari passu second charge on current assets of the company. This loan is further secured by way of security provided by other related party*.	Buyers' Credit from bank is fully paid during the previous financial year.
g) Buyers credit from bank of ₹ 2,512 lakhs (31 March 2016: ₹ 3,985 lakhs, 1 April 2015: 3,701 lakhs) is secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). This loan is further secured by way of security provided by other related party*.	Buyers credit from banks carry interest rate ranging from 0.35% to 1.72% p.a. based on prevailing benchmark rates and are repayable in maximum period of three years from the date of transaction.
h) Finance lease obligations are secured by related leased assets.	Leases carry interest rate ranging from 12.36% to 13.50% p.a and are repayable in monthly installments.
i) Buyers credit from banks ₹ 2,284 lakhs (31 March 2016: ₹ 1,506 lakhs, 1 April 2015: ₹ 424 lakhs) are against security provided and guarantee issued by other related party and ₹ 2,112 lakhs (31 March 2016: ₹ 1,491 lakhs, 1 April 2015: 1,874 lakhs) are against security provided by other related party*.	Buyers credit from banks carry interest rate ranging from 0.15% to 1.82% p.a. based on prevailing benchmark rates and are repayable in maximum period of three years from the date of transaction.
j) Term loan from others ₹ Nil (31 March 2016: ₹ 81 lakhs, 1 April 2015: ₹ 153 lakhs) are unsecured.	Term loan from others are fully paid during the year.
k) Deferred sales tax interest free loans are repayable within a period of 10 to 14 years from the date of loan upto 2024-25.	

*Other related party i.e. Aqualand (India) Limited

	(₹ in lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
22 Non-current provisions			
Employee benefits	1,208	916	757
Provision for contingency	598	598	-
Total	1,806	1,514	757

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
23 Deferred tax liabilities (net)			
Deferred tax liabilities			
Depreciation on property, plant equipment and intangible assets	2,699	2,591	2,747
Unamortised ancillary borrowing costs	33	42	109
TOTAL (A)	2,732	2,633	2,856
Deferred tax assets			
Employee benefits / expenses allowable on payment basis	589	467	375
Allowance for doubtful debts	191	187	202
Other deductible temporary differences	48	17	41
TOTAL (B)	828	671	618
TOTAL (A-B)	1,904	1,962	2,238
Less: MAT credit entitlement (C)	-	411	571
Deferred tax liabilities (net) (A-B-C)	1,904	1,551	1,667

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
24 Current financial liabilities - Borrowings			
Secured			
Working capital loan from banks	701	127	891
Buyers credit from banks	1,040	617	1,814
	1,741	744	2,705
Unsecured			
Working capital loan from banks	54	-	281
Buyers credit from banks	-	500	1,113
	54	500	1,394
Total	1,795	1,244	4,099

of the total secured short-term borrowings

₹ 1,741 lakhs (31 March 2016: ₹ 744 lakhs, 1 April 2015: 2,705 lakhs) are secured by first pari-passu charge on current assets and second pari-passu charge on all fixed assets of the company (except all fixed assets situated at chakan).

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
25 Trade payables			
Acceptances	2,183	2,137	1,445
Others (for Micro, Small and Medium Enterprises - Refer note 53)	2,498	2,370	1,858
Total	4,681	4,507	3,303

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
26 Other current financial liabilities			
Current maturities of long-term borrowings (Refer note 21)	2,152	1,910	7,171
Current maturities of long-term finance lease obligations (Refer note 21)	345	302	246
Unclaimed dividend (Refer note 59)	73	57	51
Payable for capital goods (for Micro, Small and Medium Enterprises - Refer note 53)	266	350	120
Employee benefits payable	1,322	1,281	905
Derivative instruments at fair value through profit or loss			
- Foreign exchange forward contracts	423	128	117
Other payables	2,291	1,753	1,462
Total	6,872	5,781	10,072

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
27 Other current liabilities			
Trade advances	44	79	58
Statutory dues	455	416	324
Total	499	495	382

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
28 Current provisions			
Employee benefits	421	363	340
Total	421	363	340

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
29 Current tax liabilities			
Provision for direct tax (net)	490	34	-
Total	490	34	-

Notes forming part of the financial statements

(₹ in lakhs)

	2017	2016
30 Revenue from operations		
Sales of products (including excise duty)	84,673	78,753
Other operating revenues		
Royalty/Service charges	2,765	2,453
Sale of scrap	473	365
Export and other incentives	194	174
Revenue from operations		
Total	88,105	81,745

(₹ in lakhs)

	2017	2016
31 Other income		
Net gain on disposal of property, plant and equipment	38	14
Miscellaneous income	462	463
Total	500	477

(₹ in lakhs)

	2017	2016
32 Interest income		
Interest income on financial assets at amortised cost		
- Subsidiary	-	49
- Others*	1,280	1,494
Unwinding of discount on security deposits	183	152
Total	1,463	1,695

* Includes interest on loans, bank deposits, etc.

(₹ in lakhs)

	2017	2016
33 Cost of materials consumed		
Inventory at the beginning of the year	2,151	2,077
Add: Purchases (net)	35,510	33,880
	37,661	35,957
Less: Inventory at the end of the year	2,250	2,151
Total	35,411	33,806

Notes forming part of the financial statements

(₹ in lakhs)

	2017	2016
34 Changes in inventories of finished goods and goods-in-process		
Inventory at the end of the year		
Goods-in-process	2,695	2,868
Finished goods	64	31
	2,759	2,899
Inventory at the beginning of the year		
Goods-in-process	2,868	2,587
Finished goods	31	140
	2,899	2,727
Total	140	(172)

(₹ in lakhs)

	2017	2016
35 Employee benefits expense		
Salaries, wages and bonus	7,203	6,485
Contribution to provident and other funds	401	341
Gratuity	125	133
Share based payments to employees	6	365
Staff welfare expenses	706	664
Total	8,441	7,988

(₹ in lakhs)

	2017	2016
36 Finance costs		
Interest expense on financial liabilities at amortised cost		
- Borrowings	1354	1,989
- Others	16	72
Exchange differences regarded as an adjustment to borrowing costs	180	179
Other borrowing costs	713	347
Total	2,263	2,587

Notes forming part of the financial statements

(₹ in lakhs)

	2017	2016
37 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	5,817	4,864
Amortisation of intangible assets	204	199
Total	6,021	5,063

(₹ in lakhs)

	2017	2016
38 Other expenses		
Stores and spares	2,350	2,339
Packing materials	2,345	2,037
Power and fuel	3,947	3,368
Job work / labour charges	2,834	2,777
Lease rental on property, plant and equipment	964	638
Other manufacturing expenses	234	185
Factory rent	775	341
Repairs and maintenance		
- Buildings	60	68
- Plant and machinery	572	406
- Others	148	101
Rent	553	462
Rates and taxes	123	136
Insurance	95	68
Directors' sitting fees	9	9
Travelling and conveyance expenses	318	249
Professional and consultancy charges	675	479
Communication charges	116	110
Miscellaneous expenses	1,729	1,563
Exchange differences (net)	117	176
Payment to auditors (Refer details below)	58	74
Freight and forwarding expenses	1,676	1,446
Corporate social responsibility (Refer note 60)	42	63
Bad and doubtful debts (net of provision)	60	200
Total	19,800	17,295
Payment to auditors for:		
Audit fees	27	27
Tax audit	4	4
Tax representations and others	12	23
Certifications (including fees for limited review)	13	18
Reimbursement of expenses	2	2
Total	58	74

Notes forming part of the financial statements

39 Income tax

a) The major components of income tax for the year ended 31 March 2017 are as under:

i) Income tax related to items recognised directly in profit or loss of the Statement of profit and loss during the year

(₹ in lakhs)

	2017	2016
Current tax		
Current tax on profits for the year	2,898	3,425
Adjustments for current tax of prior periods	13	-
Total current tax expense	2,911	3,425
Deferred tax		
Relating to origination and reversal of temporary differences	5	(250)
Income tax expense reported in the statement of profit and loss	2,916	3,175

ii) Deferred tax related to items recognized in other comprehensive income (OCI) during the year

(₹ in lakhs)

	2017	2016
Deferred tax on remeasurement gains/(losses) on defined benefit plan	63	27
Deferred tax charged to OCI	63	27

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

(₹ in lakhs)

	2017	2016
Accounting profit before tax	9,427	14,425
Income tax @ 34.608%	3,262	4,993
Adjustments in respect of current income tax in respect of previous years	13	-
Non-deductible expenses for tax purpose	131	358
Additional allowance for tax purpose	(463)	(314)
Other allowances for tax purpose	(34)	(35)
Exceptional item (Refer note 52)	-	(1,577)
Tax paid at lower rate	2	-
Other temporary differences	5	(250)
Income tax expense charged to the statement of profit and loss	2,916	3,175

Notes forming part of the financial statements

c) Deferred tax relates to the following:

(₹ in lakhs)

	Balance-Sheet			Recognized in the statement of profit and loss		Recognized in OCI	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	2017	2016	2017	2016
a) Taxable temporary differences							
Depreciation on property, plant, equipment and intangible assets	2,699	2,591	2,747	108	(156)	-	-
Unamortised ancillary borrowing costs	33	42	109	(9)	(67)	-	-
Total (a)	2,732	2,633	2,856	99	(223)	-	-
b) Deductible temporary differences							
Allowance for doubtful debts	191	187	202	(4)	15	-	-
Employee benefits / expenses allowable on payment basis	589	467	375	(59)	(66)	(63)	(27)
Other deductible temporary differences	48	17	41	(31)	24	-	-
Total (b)	828	671	617	(94)	(27)	(63)	(27)
Less: MAT credit entitlement (c)	-	411	571				
Net deferred tax (assets)/liabilities (a-b-c)	1,904	1,551	1,667				
Deferred tax charge/(credit) (a+b)				5	(250)	(63)	(27)

- d) The Company has brought forward long term capital losses of ₹ 2,714 lakhs (31 March 2016 ₹ 2,714 lakhs, 1 April 2015 ₹ Nil) that are available for offsetting for eight years against future taxable long term capital gains till FY 2023-2024. Deferred tax assets of ₹ 615 lakhs (31 March 2016 ₹ 615 lakhs, 1 April 2015 ₹ Nil) have not been recognized in respect of these losses in view of uncertainty of future taxable long term capital gains.

40 Fair value measurements

Financial instruments by category:

(₹ in lakhs)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets (other than investment in subsidiaries)						
Non current assets						
Loans	-	1,697	-	1,574	-	2,701
Other financial assets	-	29	-	2	-	29
Current assets						
Trade receivables	-	10,376	-	10,044	-	10,933
Cash and bank balances	-	118	-	299	-	149
Loans	-	11,139	-	12,439	-	11,097
Derivative instruments	2	-	101	-	66	-
Other financial assets	-	374	-	567	-	228
Total financial assets	2	23,733	101	24,925	66	25,137

Notes forming part of the financial statements

(₹ in lakhs)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial liabilities						
Non-current liabilities						
Borrowings	-	15,045	-	16,127	-	27,295
Current liabilities						
Borrowings	-	1,795	-	1,244	-	4,099
Trade payables	-	4,681	-	4,507	-	3,303
Derivative instruments	423	-	128	-	117	-
Other financial liabilities	-	6,449	-	5,653	-	9,955
Total financial liabilities	423	27,970	128	27,531	117	44,652

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

Financial assets (other than investment in subsidiaries) and liabilities measured at fair value through profit or loss at each reporting date

(₹ in lakhs)

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at FVTPL									
Derivative instruments - foreign exchange forward contracts	-	2	-	-	101	-	-	66	-
Total	-	2	-	-	101	-	-	66	-
Financial liabilities measured at FVTPL									
Derivative instruments - foreign exchange forward contracts	-	423	-	-	128	-	-	117	-
Total	-	423	-	-	128	-	-	117	-

Notes forming part of the financial statements

Non-current financial assets (other than investment in subsidiaries) and liabilities measured at amortised cost at each reporting date

(₹ in lakhs)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Level 3	Carrying amount	Level 3	Carrying amount	Level 3	Carrying amount
Financial assets						
Loans	1,744	1,697	1,606	1,574	2,704	2,701
Other financial assets	24	29	2	2	25	29
Financial liabilities						
Borrowings	15,045	15,045	16,127	16,127	27,295	27,295

The carrying amounts of trade receivables, cash and bank balances, current loans, current borrowings, trade payables and other financial liabilities are considered to be approximately equal to the fair value due to the short -term maturities of these financial assets/liabilities.

The fair values of non-current loans, other non-current financial assets and non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs. During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Valuation techniques used to determine fair value:

- the fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date

41 Financial risk management

A Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of counter party, taking into account the financial condition, current economic trends, and the analysis of historical bad debts and ageing of accounts receivable etc. Individual risk limits are set accordingly.

i) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from certain customers, which mitigate the credit risk to an extent.

ii) Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions from whom the Company has also availed borrowings.

Notes forming part of the financial statements

- iii) The aging analysis of the trade receivables (other than due from related parties) has been considered from the date the invoice falls due.

	(₹ In lakhs)	
	As at 31 March 2017	As at 31 March 2016
Up to 3 months	9,663	8,734
3 to 6 months	136	114
More than 6 months	96	58
Total	9,895	8,906

The following table summarizes the change in the loss allowances measured using expected credit loss model:

	(₹ In lakhs)
As at 1 April 2015	585
Provided during the year	229
Amounts written off	245
Reversals of provision	29
As at 31 March 2016	540
Provided during the year	170
Amounts written off	49
Reversals of provision	110
As at 31 March 2017	551

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables, derivative instruments and other financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The Company regularly monitors liquidity position through rolling forecast based on estimated free cash flow generated from business.

As at 31 March 2017

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long term borrowings	2,476	14,956	160	17,592
Short term borrowings	1,792	-	-	1,792
Interest Payable	1,247	2,229	-	3,476
Trade payables	4,681	-	-	4,681
Other financial liabilities	3,952	-	-	3,952
Total	14,148	17,185	160	31,493

Notes forming part of the financial statements

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign Exchange Forward Contracts	423	-	-	423
Total	423	-	-	423

As at 31 March 2016

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long term borrowings	2,188	12,308	3,916	18,411
Short term borrowings	1,244	-	-	1,244
Interest Payable	1,139	3,619	28	4,785
Trade payables	4,507	-	-	4,507
Other financial liabilities	3,441	-	-	3,441
Total	12,518	15,927	3,943	32,388

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign Exchange Forward Contracts	128	-	-	128
Total	128	-	-	128

As at 01 April 2015

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long term borrowings	7,416	20,699	6,798	34,913
Short term borrowings	4,096	-	-	4,096
Interest payable	2,951	5,942	454	9,348
Trade payables	3,303	-	-	3,303
Other financial liabilities	2,538	-	-	2,538
Total	20,305	26,641	7,252	54,199

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign Exchange Forward Contracts	117	-	-	117
Total	117	-	-	117

C Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

Notes forming part of the financial statements

The Company's activities expose it to risks on account of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

I Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices. The Company is exposed to foreign exchange risk on their receivables, payables and foreign currency loans which are mainly held in the United State Dollar ("USD"), the Euro ("EUR"), the Swiss Franc ("CHF") and Chinese Yuan ("CNY"). Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupees ("INR") relative to the USD, the EUR, the CHF, and the CNY may change in a manner that has a material effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including minimising cross currency transactions, using natural hedge and the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Company's exposure to foreign currency risk at the end of the reporting period are as under -

(₹ in lakhs)

	As at 31 March 2017					As at 31 March 2016					As at 1 April 2015				
	USD	EUR	CHF	CNY	Others	USD	EUR	CHF	CNY	Others	USD	EUR	CHF	CNY	Others
Financial assets															
Trade receivables	454	93	-	-	-	795	49	-	-	-	1,070	105	116	-	-
Others	221	52	-	172	-	411	65	-	375	-	235	62	-	398	-
Derivative assets															
Foreign Exchange Forward contracts	(649)	-	-	-	-	(596)	-	-	-	-	(625)	-	-	-	-
Net exposure to foreign currency risk	26	144	-	172	-	610	114	-	375	-	680	168	116	398	-
Financial liabilities															
Borrowings	1,406	-	1,302	-	-	1,117	-	-	-	-	2,925	-	-	-	-
Trade payables	2,069	83	142	-	6	2,451	97	78	-	18	1,278	48	40	-	4
Others	10	0	4	-	-	4	0	9	-	-	5	0	26	-	-
Derivative liabilities															
Foreign Exchange Forward contracts	(3,443)	-	(1,302)	-	-	(2,979)	-	-	-	-	(4,175)	-	-	-	-
Net exposure to foreign currency risk	41	84	146	-	6	592	98	87	-	18	33	48	66	-	4

The above table exclude foreign currency exposures (financial liabilities) of ₹ 5,255 lakhs (31 March 2016: ₹ 7,008 lakhs, 1 April 2015: ₹ 8,492 lakhs) denominated primarily in USD, EUR and CHF currencies for which the exchange differences (net) are being capitalised to cost of property, plant and equipment. Accordingly the corresponding forward contracts against these financial liabilities amounting to ₹ 4,828 lakhs (31 March 2016: ₹ 3,646, 1 April 2015: ₹ 1,648 lakhs) have been excluded.

'0' Zero denotes less a than lakh.

Notes forming part of the financial statements

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the USD, EUR, CHF, CNY and other currencies with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lakhs)

Currencies / Sensitivity	As at 31 March 2017		As at 31 March 2016	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
	(Loss) / Gain		(Loss) / Gain	
USD	(0.72)	0.72	0.90	(0.90)
EUR	3.04	(3.04)	0.83	(0.83)
CHF	(7.28)	7.28	(4.36)	4.36
CNY	8.61	(8.61)	18.77	(18.77)
Others	(0.31)	0.31	(0.89)	0.89

II Interest rate risk

This refers to risk to Company's cash flow and profits on account of movement in market interest rates.

For the Company the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest and as appropriate make use of hedged products and optimise borrowing mix / composition.

a) Interest rate risk exposure

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Variable rate borrowings	17,718	17,251	35,808
Fixed rate borrowings	1,665	2,404	3,201
Total borrowings	19,384	19,655	39,010

b) Interest rate Sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rate of 50 basis point increase or decrease. The calculations are based on the variable rate borrowings outstanding at balance sheet date. All other parameters are held constant.

(₹ in lakhs)

Impact on profit after tax	2017	2016
Interest rates - (increase) by 50 basis points	(90)	(88)
Interest rates - decrease by 50 basis points	90	88

42 Capital Management

Risk management

The Company manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or raise / retire debt. The primary objective of the Company's capital management is to maximise the shareholders' value.

Notes forming part of the financial statements

For the purpose of the Company's capital management, equity includes issued capital, securities premium and other reserves. Net debt includes loans less cash and bank balances. The Company manages capital by monitoring gearing ratio which is net debt divided by equity plus net debt.

(₹ in lakhs)

The capital composition is as follows:	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Gross debt (inclusive of long term and short term borrowing)	19,384	19,655	39,010
Less: - Cash and bank balances	118	299	149
Net debt	19,266	19,356	38,861
Total equity	62,209	59,838	50,964
Total capital	81,475	79,194	89,825
Gearing Ratio	24%	24%	43%

Loan Covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, debt to EBITDA ratio, interest service coverage ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended once the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of adoption of the financial statements. The Company has also satisfied all other debt covenants prescribed in the respective sanction of bank loan. The deferred sales tax loans and finance leases do not carry any debt covenant.

43 Share-based payments

Employee stock option plan

- a) During the year 2014-15, the Company had instituted an Essel Employee Stock Option Scheme 2014 ("the Scheme") as approved by the Board of Directors for issuance of stock options to the eligible employees of the Company and of its subsidiaries, other than directors, promoters or person belonging to promoter group.

Subject to terms and conditions of the Scheme, the said options will vest on each of 1 July 2016, 1 July 2017 and 1 July 2018 to the extent mentioned in the letter of grant and can be exercised within a maximum period of four years from the date of vesting. When exercisable, each option is convertible into one equity share of ₹ 2 each fully paid up.

- b) Summary of options granted under the Scheme

	2017		2016	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	123.97	2,992,535	121.65	2,953,000
Granted during the year	203.56	152,507	161.00	176,535
Exercised during the year *	121.65	(57,333)	-	-
Forfeited during the year	126.06	(1,166,867)	121.65	(137,000)
Closing balance		1,920,842		2,992,535
Vested and exercisable	121.65	881,333	-	-

*The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2017 was ₹ 249.39.

Notes forming part of the financial statements

- c) Expiry date and exercise prices of the share options outstanding at the end of the year:

Grant date	Expiry date	Exercise price (₹)	Share options As at 31 March 2017	Share options As at 31 March 2016	Share options As at 1 April 2015
19 March 2015	30 June 2020	121.65	881,328	938,661	984,327
19 March 2015	30 June 2021	121.65	-	938,661	984,327
19 March 2015	30 June 2022	121.65	841,339	938,678	984,346
29 October 2015	30 June 2021	161.00	-	108,033	-
29 October 2015	30 June 2022	161.00	45,668	68,502	-
17 June 2016	30 June 2022	196.40	113,096	-	-
1 September 2016	30 June 2022	224.10	39,411	-	-
Total			1,920,842	2,992,535	2,953,000
Weighted average remaining contractual life of options outstanding at end of period			4.33	5.27	6.25

- d) The fair value of each option granted is estimated on the date of grant using the black scholes model with the following assumptions

Scheme	A	B	C	D
Grant date	19 March 2015	29 October 2015	17 June 2016	1 September 2016
Weighted average fair value of options granted	49.20	59.58	75.34	81.78
Exercise price	121.65	161.00	196.40	224.10
Share price at the grant date	116.50	160.00	194.75	222.70
Expected volatility	47.55%	37.90%	40.24%	39.46%
Risk free interest rate	7.64%	7.52%	7.28%	6.87%
Dividend yield	1.28%	1.28%	0.93%	0.93%
Expected life of the options (years)	3.29 to 5.29	3.67 to 4.67	4.04	3.83

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

- e) Expense arising from share based payments transactions

	2017	2016
Gross expense arising from share based payments	28	699
Less: Options granted to employees of subsidiaries recognised as deemed investment in subsidiaries	22	334
Employee share based payment expense recognised in statement of profit and loss (Refer note 35)	6	365

Notes forming part of the financial statements

44 Gratuity and other long-term benefit plans

As per Indian Accounting Standard – 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

- 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.
- Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.
- Details of post retirement gratuity plan are as follows:-

i. Expenses recognised during the year in the statement of profit and loss

(₹ in lakhs)

	2017	2016
Current service cost	65	57
Interest cost	59	47
Benefits paid by employer	1	29
Net expenses	125	133

ii Expenses recognised during the year in other comprehensive income (OCI)

(₹ in lakhs)

	2017	2016
Actuarial (gains) / losses arising from changes in demographic assumptions	1	-
Actuarial (gains) / losses arising from changes in financial assumptions	101	4
Actuarial (gains) / losses arising from changes in experience assumptions	86	65
Expected return on plan assets excluding interest	(6)	8
Net expenses	182	77

iii Net liability recognised in the balance sheet

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fair value of plan assets	324	353	387
Present value of obligation	1,304	1,105	996
Liability recognized in balance sheet	980	752	609

Notes forming part of the financial statements

iv. Reconciliation of opening and closing balances of defined benefit obligation

(₹ in lakhs)

	2017	2016
Defined benefit obligation as at the beginning of the year	1,105	996
Current service cost	65	57
Interest cost	87	78
Actuarial (gain) / loss on obligation	188	69
Liability transferred in/ (paid)	(17)	12
Benefits paid	(124)	(107)
Defined benefit obligation at the end of the year	1,304	1,105

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

(₹ in lakhs)

	2017	2016
Fair values of plan assets at the beginning of the year	353	387
Interest income	28	31
Return on plant assets, excluding interest income	6	(7)
Employer contribution	60	12
Benefits paid	(124)	(70)
Fair value of plan assets at year end	324	353

vi. Reconciliation of opening and closing balance of net defined benefit obligation

(₹ in lakhs)

	2017	2016
Defined benefit obligation as at the beginning of the year	752	609
Current service cost	65	57
Interest cost (net)	59	47
Actuarial (gain) / loss on obligation	188	69
Liability transferred in/ (paid)	(17)	12
Return on plant assets, excluding interest income	(6)	7
Employer contribution	(60)	(12)
Benefits paid	-	(37)
Defined benefit obligation at the end of the year	980	752

Notes forming part of the financial statements

vii. Investment details

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Insurer Managed Funds	324	353	387

viii. Actuarial assumptions

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate
Discount rate(per annum)	7.71%	7.96%	8.03%
Expected rate of return on plan assets (per annum)	7.71%	7.96%	8.03%
Rate of escalation in salary (per annum)	5.00%	4.00%	4.00%
Attrition rate	Service 4 years and below - 5%, others - 1%	Service 4 years and below - 6%, others - 1%	Service 4 years and below - 6%, others - 1%

ix Quantitative sensitivity analysis

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
Projected benefit obligation on current assumptions	1,304	1,105
Increase by 0.5% in discount rate	(41)	(32)
Decrease by 0.5% in discount rate	45	34
Increase by 0.5% in rate of salary increase	45	35
Decrease by 0.5% in rate of salary increase	(43)	(33)
Increase by 0.5% in rate of employee turnover	10	11
Decrease by 0.5% in rate of employee turnover	(10)	(12)

x Maturity analysis of projected benefit obligation: from the fund

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
Projected benefits payable in future years from the date of reporting		
1st Following Year	221	204
2nd Following Year	26	68
3rd Following Year	30	31
4th Following Year	505	28
5th Following Year	43	463
Sum of years 6 to 10	350	284

Notes forming part of the financial statements

Notes:

- 1 Amounts recognized as an expense and included in the Note 35 "Employee benefits expense" are gratuity ₹ 125 lakhs (31 March 2016 ₹ 133 lakhs) and leave encashment ₹ 241 lakhs (31 March 2016 ₹ 120 lakhs)
- 2 The estimate of future salary increases considered in the actuarial valuation, takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- 3 Contribution to provident and other funds" which is a defined plan is recognized as an expense in Note 35 of the financial statements.

45 Specified bank notes (SBN)

The Company has no transactions in cash and hence disclosures w.r.t. Specified Bank Notes (SBN) are not applicable.

46 Collateral / security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the Company and for a loan of USD 12.50 Million (31 March 2016: USD Nil, 1 April 2015: USD 9.00 Million) availed by a subsidiary are as under:

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Property, plant and equipment	37,318	32,827	31,973
Inventories	6,673	6,533	6,732
Other current and non-current assets excluding investments	29,065	29,452	30,588
Total assets pledged	73,056	68,812	69,293

(₹ In lakhs)

47 Contingent liabilities and commitments (to the extent not provided for)

i) Contingent liabilities

(₹ In lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A. Claims against the Company not acknowledged as debt			
(a) Unexpired letters of credit (net of liability provided)	25	-	1,225
(b) Disputed indirect taxes *	2,340	2,463	2,253
(c) Disputed direct taxes	3,023	2,070	1,140
(d) Deferred sales tax liability assigned	474	608	686
(e) Other claims not acknowledged as debts	50	50	50
B. Other money for which the Company is contingently liable			
(a) Bank guarantee given by the Company	271	284	150
(a) Duty benefit availed under EPCG scheme, pending export obligations	3,012	2,377	2,637

* Does not include disputed excise duty of ₹ Nil (31 March 2016 ₹ 1,154 lakhs and 1 April 2015 ₹ 1,154 lakhs) 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 has been set aside by the Hon'ble Supreme Court during the year.

Notes forming part of the financial statements

ii) Capital and other commitments

(₹ In lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	1,676	2,082	2,527

48 This claim is in respect of transit damage to the plant and machinery, which is under litigation before National Consumer Dispute Redressal Commission, New Delhi (Refer Note 16).

49 Leases

a. Finance Lease

The Company has acquired plant and machinery and equipments under finance lease which are capitalized under property, plant and equipment. 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 2017 and its present value are as follows:

(₹ In lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Minimum lease payment as at			
Not later than one year	395	395	365
Later than one year but not later than five years	189	584	979
Total minimum lease payments	584	979	1,344
Less: Amount representing finance charges	58	151	270
Present value of minimum lease payments	526	828	1,074
Not later than one year	345	302	246
Later than one year but not later than five years	181	526	828

b. Operating Lease

The Company has taken premises, residential facilities, plant and machinery (including equipment) and vehicles under cancellable/ non-cancellable 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 one hundred and eight months. The rental obligations are as follows:

(₹ In lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Lease rental charges for the year	2,355	1,550	1,453
Future lease rental obligation payable (under non-cancellable leases)			
Not later than one year	1,913	2,170	1,123
Later than one year but not later than five years	4,121	4,676	2,183
Later than five years	2,141	2,785	143
Total	8,175	9,631	3,449

Notes forming part of the financial statements

50 Segment information

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 segment information on the basis of the Consolidated Financial Statements as permitted by Ind As 108 "Operating Segments." The Company has only one major identifiable business segment viz. Plastic Packaging Material.

51 Divestment of Packaging India Private Limited

On 13 July 2015, the Company had divested its stake in wholly owned subsidiary, Packaging India Private Limited for full cash consideration as part of its strategy to pursue growth opportunity in its tube packaging business which has great potential across the globe in the Beauty & Cosmetics, Pharma & Health and Food categories. Gain on divestment of ₹ 4,689 lakhs is credited to the statement of profit and loss of the previous year net off transaction costs and contingencies for any possible indemnity/claim.

52 Exceptional items for the previous year ₹ 4,529 lakhs include

- Gain of ₹ 4,689 lakhs on divestment of its wholly owned subsidiary (Refer Note 51)
- ₹ 160 lakhs write off of ancillary borrowing costs on account of pre-payment of long-term borrowings and related charges thereof.

53 Micro, Small and Medium Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 ("The Act") are given as follows:

	(₹ In lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
i. Principal amount payable to suppliers under the Act			
- For capital goods	-	24	2
- For Others	299	195	91
ii. Principal amount due to suppliers under the Act	-	-	-
iii. Interest accrued and due to suppliers under the Act, on the above amount	-	-	-
iv. Payment made to suppliers (Other than interest) beyond the appointed day, during the year	2,856	812	389
v. Interest paid to suppliers under the Act	-	-	-
vi. Interest due and payable to suppliers under the Act, for payments already made	8	4	2
vii. Interest accrued and remaining unpaid at the end of the year under the Act	26	18	14

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

Notes forming part of the financial statements

54 Related party disclosures

i. Ultimate holding company

Rupee Finance and Management Private Limited (Ceased to be ultimate holding company w.e.f. 6 October 2016 pursuant to the scheme of amalgamation (Refer note 62)

ii. Holding company

Whitehills Advisory Services Private Limited (Ceased to be holding company w.e.f. 6 October 2016 pursuant to the scheme of amalgamation (Refer note 62)

iii Subsidiary companies

Name of the subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)			Country of Incorporation
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	
Direct subsidiary				
Arista Tubes Inc. *	100.00%	100.00%	100.00%	USA
Lamitube Technologies (Cyprus) Limited	100.00%	100.00%	100.00%	Cyprus
Packaging India Private Limited **	--	--	100.00%	India
Lamitube Technologies Limited	100.00%	100.00%	100.00%	Mauritius
Step down subsidiary				
The Egyptian Indian Company for Modern Packaging S.A.E. #	75.00%	75.00%	75.00%	Egypt
Essel Propack MISR for Advanced Packaging S.A.E.	75.00%	75.00%	75.00%	Egypt
Lamitube Hong Kong Trading Company Limited @	100.00%	100.00%	100.00%	Hong Kong
Essel Packaging (Guangzhou) Limited	100.00%	100.00%	100.00%	China
Essel Packaging (Jiangsu) Limited	100.00%	100.00%	100.00%	China
Essel Propack Philippines, Inc	100.00%	100.00%	100.00%	Philippines
MTL de Panama S.A.	100.00%	100.00%	100.00%	Panama
Packtech Limited ^	--	--	100.00%	Mauritius
Arista Tubes Limited	100.00%	100.00%	100.00%	United Kingdom
Essel Propack UK Limited	100.00%	100.00%	100.00%	United Kingdom
Essel de Mexico, S.A. de C.V.	100.00%	100.00%	100.00%	Mexico
Tubo pack de Colombia S.A.	100.00%	100.00%	100.00%	Colombia
Essel Propack LLC	100.00%	100.00%	100.00%	Russia
Essel de Colombia S.A.S. ^^	100.00%	100.00%	--	Colombia
Essel Propack Polska Sp. Z.O.O.	100.00%	100.00%	100.00%	Poland
Essel Deutschland GmbH & Co.,KG Dresden ##	100.00%	--	--	Germany
Essel Deutschland Management GmbH ##	100.00%	--	--	Germany
Essel Propack America, LLC	100.00%	100.00%	100.00%	USA

Notes forming part of the financial statements

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

** Divested on 13 July 2015 (Refer note 51)

Subsidiary has discontinued its operations and is under liquidation

Ceased to be joint ventures and became wholly owned subsidiaries w.e.f. 30 September 2016.

^ Merged with Lamitube Technologies Limited during the previous year 2015-16

^^ Incorporated during the previous year 2015-16

@ Under deregistration process

iv Associate company

Name of Company	Extent of Holding			Country of Incorporation
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	
P.T. Lamipak Primula	30.00%	30.00%	30.00%	Indonesia

v Joint Ventures

Name of Company	Extent of Holding			Country of Incorporation
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	
Essel Deutschland Management GmbH ##	--	24.9%	24.9%	Germany
Essel Deutschland GmbH & Co. KG, Dresden ##	--	24.9%	24.9%	Germany

Ceased to be joint ventures and became wholly owned subsidiaries w.e.f. 30 September 2016

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

Other related parties

Aqualand (India) Limited, Ayepee Lamitubes Limited, Ganjam Trading Company Private Limited, Pan India Paryatan Private Limited, Rama Associates Limited, Zee Entertainment Enterprises Limited, Sprit Textiles Private Limited, ITZ Cash Card Limited, Shrotra Enterprises Private Limited.

vii Key Management Personnel

Executive Director

Mr. Ashok Goel (Chairman and Managing Director)

Notes forming part of the financial statements

viii Transactions with related parties

(₹ In lakhs)

	2017	2016
(I) Transactions		
a) Sales to and recoveries from		
Subsidiaries	2,060	3,515
Essel Propack Polska Sp.Z.O.O.	455	491
Essel Propack America, LLC	80	1,665
Essel Propack MISR for Advanced Packaging S.A.E.	648	690
Essel Packaging (Guangzhou) Limited	229	75
Essel Propack Russia, LLC	446	198
Others	202	397
Joint ventures / Associate	595	784
Essel Deutschland GmbH & Co., KG Dresden	581	784
P.T. Iamipack Primula	14	-
Other related parties	-	23
Shrotra Enterprises Private Limited	-	5
Ganjam Trading Company Private Limited	-	18
b) Royalty/Service income		
Subsidiaries	1,347	1,275
Essel Packaging (Guangzhou) Limited	888	928
Essel Propack MISR for Advanced Packaging S.A.E.	253	254
Essel Propack Polska Sp.Z.O.O.	37	34
Essel Propack America, LLC	29	24
Essel Deutschland GmbH & Co., KG Dresden	105	-
Others	35	35
Joint ventures / Associate	110	227
Essel Deutschland GmbH & Co., KG Dresden	110	227
c) Guarantee commission income		
Subsidiaries	449	423
Lamitube Technologies Limited	330	282
Essel Propack Polska Sp.Z.O.O.	113	99
Others	6	42
d) Sale of property, plant and equipment		
Subsidiaries	315	-
Essel de Columbia S.A.S.	54	-
Essel Packaging (Guangzhou) Limited	261	-

Notes forming part of the financial statements

(₹ In lakhs)

	2017	2016
e) Purchase of goods and services		
Subsidiaries	42	30
Essel Propack America, LLC	31	18
Essel Propack Polska Sp. Z.O.O.	4	5
Essel Packaging (Guangzhou) Limited	3	2
Others	4	5
Other related parties	21	24
ITZ Cash Card Limited	21	17
Shrotra Enterprises Private Limited	-	3
Others	-	4
f) Purchase of property, plant and equipment		
Subsidiaries	1,532	216
Essel Propack America, LLC	1	216
Essel Deutschland GmbH & Co., KG Dresden	472	-
Essel Propack Polska Sp. Z.O.O.	1,026	-
Others	33	-
g) Rent expenses		
Other related parties	934	417
Ayepee Lamitubes Limited	40	39
Ganjam Trading Company Private Limited	875	378
Others	19	-
h) Guarantee commission paid	513	137
Aqualand (India) Limited	513	137
i) Loans/deposits/advances given		
Other related parties	550	-
Ganjam Trading Company Private Limited	550	-
j) Repayment of loans/deposits/advances given		
Other related parties	975	-
Ganjam Trading Company Private Limited *	975	-
k) Interest income on loans /advances / deposits given		
Subsidiaries	-	49
Packaging India Private Limited	-	49
Other related parties	1,297	1,445
Ganjam Trading Company Private Limited *	111	-
Sprit Textiles Private Limited	1,186	1,445
l) Remuneration paid/provided	717	712
Key management personnel (Refer note ix)	717	712

* Repayment received of loan taken over pursuant to scheme of amalgamation (Refer note 62) and interest thereon.

Notes forming part of the financial statements

(₹ In lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(II) Balances outstanding			
a) Trade receivables			
Subsidiaries	480	1,014	1,050
Essel Propack America, LLC	4	99	214
Essel Packaging (Guangzhou) Limited	182	414	416
Essel Propack MISR for Advanced Packaging S.A.E.	98	345	226
Essel Propack Russia, LLC	74	87	-
Essel Deutschland GmbH & Co., KG Dresden	26	-	-
Essel de Columbia S.A.S.	53	-	-
Essel Propack Polska Sp. Z.O.O.	-	49	105
Others	43	20	89
Joint Ventures/ Associate	-	123	163
Essel Deutschland GmbH & Co., KG Dresden	-	123	163
Other related parties	1	1	24
Shrotra Enterprises Private Limited	1	1	22
Others	-	-	2
b) Loans/advances/deposits given (including interest receivable)			
Subsidiaries	-	-	1,300
Packaging India Private Limited	-	-	1,300
Other related parties	12,774	13,754	12,454
Ayeppee Lamitubes Limited	1,250	1,250	1,250
Sprit Textiles Private Limited	10,674	12,204	10,904
Others	850	300	300
c) Other receivables			
Subsidiaries	176	361	220
Essel Propack America, LLC	23	63	31
Essel Propack MISR for Advanced Packaging S.A.E.	23	22	14
Essel Packaging (Guangzhou) Limited	61	130	82
Essel Propack Polska Sp.Z.O.O.	36	63	48
Others	33	83	45
Other related parties	0	0	-
Ayeppee Lamitubes Limited	0	0	-
d) Trade and other payables			
Subsidiaries	58	231	0
Essel Propack America, LLC	12	226	0
Essel Propack Polska Sp.Z.O.O.	42	5	-
Others	4	-	-
Other related parties	-	9	1
Ganjam Trading Company Private Limited	-	9	-
Zee Entertainment Enterprises Limited	-	0	-

Notes forming part of the financial statements

	(₹ In lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Ayepee Lamitubes Limited	-	-	1
e) Investments in equity/preference shares			
Subsidiaries	21,692	21,692	29,079
Lamitube Technologies Limited	8,994	8,994	8,994
Lamitube Technologies (Cyprus) Limited	5,255	5,255	5,255
Arista Tubes Inc.	7,443	7,443	7,443
Packaging India Private Limited	-	-	7,387
f) Guarantees, counter guarantees, standby letter of credit and letter of comfort provided for loans raised by subsidiaries			
Subsidiaries	60,194	56,066	59,976
Lamitube Technologies Limited	46,102	38,819	34,625
Essel Propack Polska Sp. Z.O.O.	12,633	15,756	16,132
Essel Propack America, LLC	1,459	1,491	1,406
Lamitube Technologies (Cyprus) Limited	-	-	7,813
g) Guarantees / securities provided on Company's behalf			
Other related parties	25,400	25,400	49,725
Aqualand (India) Limited	25,400	25,400	49,725
Loan Outstanding ₹ 15,557 lakhs (31 March 2016: ₹ 17,928 lakhs, 1 April 2015: ₹ 35,512 lakhs)			
h) Remuneration payable			
Key management personnel	233	312	270
	233	312	270

Notes:

- All transactions with related parties are made on arm's length basis in the ordinary course of business. The outstanding balances at year end are unsecured due to be settled for consideration in cash.
- '0' Zero denotes less than a Lakh

ix) Break up of remuneration of key management personnel of the Company

	(₹ In lakhs)	
	2017	2016
i. Salaries, allowances and perquisites ^	448	435
ii. Contribution to provident and other funds	36	35
iii. Performance bonus *	233	242
Total	717	712

^ Excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis. Further the Essel Employee Stock Option Scheme 2014 does not extend to chairman and managing director, hence there is no share based compensation benefit.

* The performance bonus for the current year has been provided in the accounts as recommended by the nomination and remuneration committee and approved by the Board of Directors. The total remuneration to Managing Director on this basis as computed as per the Companies Act, 2013 is within limits prescribed u/s 197 of the Companies Act, 2013.

Notes forming part of the financial statements

55 Information required under Section 186(4) of the Companies Act, 2013

a. Loans given

(₹ In lakhs)

Name of the Party	2016	Given	Repaid	2017
Ganjam Trading Company Private Limited*	-	-	975	-
Sprit Textiles Private Limited	9,607	-	-	9,607

* Repayment received of loan taken over pursuant to the scheme of amalgamation (Refer note 62)

b. Investments made

There are no investments other than disclosed in Note 6 - Non-current investments.

c. Corporate guarantees given on behalf of subsidiaries

(₹ In lakhs)

Name of the Subsidiary	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
i. Lamitube Technologies Limited , Mauritius	46,102	38,819	34,625
ii. Essel Propack Polska Sp. Z.O.O., Poland	12,633	15,756	16,132
iii. Essel Propack LLC, USA	1,459	1,491	1,406
iv. Lamitube Technologies (Cyprus) Limited , Cyprus	-	-	7,813
	60,194	56,066	59,976

d. Security provided for loan availed by the subsidiary

(₹ In lakhs)

Name of the Subsidiary	Sanctioned loan Amount as at 31 March 2017	Sanctioned loan Amount as at 31 March 2016	Sanctioned loan Amount as at 1 April 2015
Lamitube Technologies Limited, Mauritius	8,106	-	7,500

Notes

- All the loans/guarantees and security given are for general business purposes.
- The loans are interest bearing and at arm's length.
- Loans given to Sprit Textiles Private Limited is repayable on demand.
- The outstanding loan amount availed by the subsidiaries against the corporate guarantees/security given by the Company as at 31 March 2017 is ₹ 46,332 lakh (31 March 2016 ₹ 41,044 lakhs; 1 April 2015 ₹ 40,155)
- Amounts disclosed in (c) and (d) are translated at respective year-end foreign exchange rates.

56 Disclosure as required by Schedule V (A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

a. Investments by Loanee in the equity shares of the Company as at 31 March 2017

	Number of fully paid up equity shares		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Sprit Textiles Private Limited	784,025	784,025	784,025

Notes forming part of the financial statements

57 Dividends paid and proposed

	(₹ In lakhs)	
	2017	2016
a. Cash dividends on equity shares declared and paid		
Final dividend paid for the year ended 31 March 2016 ₹ 2.20 per share (31 March 2015: ₹ 1.60 per share)	3,455	2,513
Dividend distribution tax on above	703	512
b. Proposed dividends on equity shares		
Final dividend proposed for the year ended 31 March 2017 ₹ 2.40 per share (31 March 2016: ₹ 2.20 per share)	3,770	3,455
Dividend distribution tax on above	768	703

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at the reporting date.

58 Earnings per share

	2017	2016
Profit after tax (₹ In lakhs)	6,511	11,250
Weighted average number of basic equity shares (Nos.)	157,053,275	157,053,275
Weighted average number of diluted equity shares (Nos.)	157,540,510	157,540,510
Nominal value of equity shares (₹)	2.00	2.00
Basic earnings per share (₹)	4.15	7.16
Diluted earnings per share (₹)	4.13	7.15

- 59** Dividend of ₹ 2 lakhs (31 March 2016 ₹ 7 lakhs; 31 March 2015 Nil) unclaimed for a period of more than seven years is transferred to Investor Education and Protection Fund during the year. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2017.

60 Corporate Social Responsibility (CSR)

During the year, the Company has towards various CSR initiatives spent ₹ 42 lakhs (31 March 2016 ₹ 63 lakhs) as against ₹ 165 lakhs (31 March 2016 ₹ 141 lakhs) as required by Section 135 read with Schedule VII of the Companies Act 2013. CSR spend has been charged to the Statement of Profit and Loss under "Other Expenses" in line with ICAI guidance note issued in May 2015.

61 Research and Development expenditure (R&D)

During the year, the Company has incurred total R&D expenditure of ₹ 562 lakhs (31 March 2016 ₹ 634 lakhs) including capital expenditure of ₹ 66 lakhs (31 March 2016 ₹ 125 lakhs), out of which the Company has claimed weighted tax deduction on eligible R&D expenditure of ₹ 470 lakhs (31 March 2016 ₹ 373 lakhs) including capital expenditure of ₹ 66 lakhs (31 March 2016 ₹ 125 lakhs) under Section 35(2AB) of the Income Tax Act, 1961.

Notes forming part of the financial statements

62 Scheme of Amalgamation

- i A Scheme of Amalgamation of the holding company Whitehills Advisory Services Private Limited ("transferor company") with Essel Propack Limited ("transferee company") and their respective shareholders (the Scheme) was sanctioned by Hon'ble High Court of Judicature at Mumbai vide its order dated 1 September 2016. The Scheme became effective on 6 October 2016 and consequently all assets, liabilities and reserves vested in the Company on the appointed date i.e. 1 November 2015. Accordingly, the financial statements for the year ended 31 March 2017 includes the transactions of the transferor company.
- ii The amalgamation is accounted for as per the accounting treatment mentioned in the Scheme approved by the Hon'ble High Court i.e. as per the pooling of interest method.
- iii Pursuant to the Scheme:-
 - a. All assets and liabilities appearing in the books of the transferor company have been recorded by the transferee company at their respective book values at the appointed date.
 - b. 88,829,014 and 88,829 equity shares of ₹ 2 each fully paid up of the Company have been allotted to the participating preference shareholders and equity shareholders respectively of the transferor company and equivalent number of equity shares of ₹ 2 each fully paid up held by the transferor company have been cancelled. There is no change in the paid up equity share capital of the Company post allotment of the above equity shares.
 - c. The net assets taken over have been credited to capital reserve and expenses incurred in relation to and in connection with the Scheme have been debited to capital reserve as detailed below:

Assets and Liabilities	(₹ In lakhs)	(₹ In lakhs)
Cash and bank balances	30	
Long term loans and advances	975	
Current assets	2	
Current liabilities	(11)	
Net assets taken over		996
Credited to capital reserve		996
Less: Expenses incurred in connection with the Scheme debited to capital reserve		(996)

- d. The authorised equity share capital of the Company stands increased by 50,050,000 equity shares of ₹ 2 each.
- e. During the period between the appointed date and the effective date, as transferor company has carried on the existing business in "trust" on behalf of the Company, all vouchers, documents etc; for that period are in the name of transferor company.

63 Prior period comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classifications / disclosures.

Notes forming part of the financial statements

64 First time adoption of Ind AS

A First Ind AS financial statements

These are the Company's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2017.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet as at 1 April 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has restated the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP) so as to comply in all material respects with Ind AS.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is as follows:"

i Optional exemptions availed

a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption is also applicable for intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b) Investment in subsidiaries

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investment in subsidiaries as recognised in the financial statements at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

c) Long-term foreign currency monetary items

A first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP

Accordingly, the Company has elected to continue the current accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items .

ii Mandatory exceptions applied

a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Notes forming part of the financial statements

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

b) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

d) Government loans

As per Ind AS 101, if a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind ASs as the carrying amount of the loan in the opening Ind AS Balance Sheet. An entity shall apply Ind AS 109 to the measurement of such loans after the date of transition to Ind AS.

Under the previous GAAP, these loans were carried at amounts that will be repaid. Accordingly, the Company applies this exception and does not make any changes to the interest free deferred sales tax loans outstanding as at the date of transition.

B. Reconciliation of equity as at 1 April 2015 (date of transition)

					(₹ in lakhs)
	Note	Previous GAAP	Ind AS adjustments	Ind AS	
I Assets					
1 Non-current assets					
(a) Property, plant and equipment		31,722	-	31,722	
(b) Capital work-in-progress		342	-	342	
(c) Intangible assets		590	-	590	
(d) Intangible assets under development		385	-	385	
(e) Financial assets					
(i) Investments	B.7	29,079	12	29,091	
(ii) Loans	B.1	3,198	(497)	2,701	
(iii) Others		29	-	29	
(f) Non-current tax assets (net)		338	-	338	
(g) Other non-current assets	B.1	978	295	1,273	

Notes forming part of the financial statements

(₹ in lakhs)

	Note	Previous GAAP	Ind AS adjustments	Ind AS
2 Current assets				
(a) Inventories		6,732	-	6,732
(b) Financial assets				
(i) Trade receivables		10,933	-	10,933
(ii) Cash and cash equivalents		95	-	95
(iii) Bank balances other than (ii) above		54	-	54
(iv) Loans		11,097	-	11,097
(v) Others		294	-	294
(c) Current tax assets (net)		151	-	151
(d) Other current assets	B.1	2,899	153	3,052
Total assets		98,916	(37)	98,879
II Equity and liabilities				
1 Equity				
a) Equity share capital		3,142	-	3,142
b) Other equity		44,843	2,979	47,822
2 Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings		27,295	-	27,295
(b) Provisions		757	-	757
(c) Deferred tax liabilities (net)	B.3	1,667	0	1,667
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		4,099	-	4,099
(ii) Trade payables		3,303	-	3,303
(iii) Others	B.6	10,073	(1)	10,072
(b) Other current liabilities		382	-	382
(c) Provisions	B.2	3,355	(3,015)	340
Total equity and liabilities		98,916	(37)	98,879

'0' Zero denotes less than a lakh

C Reconciliation of equity as at 31 March 2016

I Assets				
1 Non-current assets				
(a) Property, plant and equipment	B.6	31,626	23	31,649
(b) Capital work-in-progress	B.6	1,137	2	1,139
(c) Intangible assets		462	-	462
(d) Intangible assets under development		593	-	593

Notes forming part of the financial statements

(₹ in lakhs)

	Note	Previous GAAP	Ind AS adjustments	Ind AS
(e) Financial assets				
(i) Investments	B.7	21,692	346	22,038
(ii) Loans	B.1	1,952	(378)	1,574
(iii) Others		2	-	2
(f) Non-current tax assets (net)		446	-	446
(g) Other non-current assets	B.1	780	177	957
2 Current assets				
(a) Inventories		6,533	-	6,533
(b) Financial assets				
(i) Trade receivables		10,044	-	10,044
(ii) Cash and cash equivalents		212	-	212
(iii) Bank balances other than (ii) above		87	-	87
(iv) Loans		12,439	-	12,439
(v) Others	B.6	671	(3)	668
(c) Current tax assets (net)		151	-	151
(d) Other current assets	B.1	2,311	149	2,460
Total assets		91,138	316	91,454
II Equity and liabilities				
1 Equity				
a) Equity share capital		3,142	-	3,142
b) Other equity		52,246	4,450	56,696
2 Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings		16,127	-	16,127
(b) Provisions		1,514	-	1,514
(c) Deferred tax liabilities (net)	B.3	1,553	(2)	1,551
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		1,244	-	1,244
(ii) Trade payables		4,507	-	4,507
(iii) Others	B.6	5,755	26	5,781
(b) Other current liabilities		495	-	495
(c) Provisions	B.2	4,521	(4,158)	363
(d) Current tax liabilities (net)		34	-	34
Total equity and liabilities		91,138	316	91,454

Notes forming part of the financial statements

(₹ in lakhs)

	Note	Previous GAAP	Ind AS adjustments	Ind AS
D Reconciliation of total comprehensive income for the year ended 31 March 2016				
I Income				
Revenue from operations	B.8	74,291	7,454	81,745
Finance income	B.1	1,543	152	1,695
Other income		477	-	477
Total Income		76,311	7,606	83,917
II Expenses				
Cost of materials consumed		33,806	-	33,806
Changes in inventories of finished goods and goods-in-process		(172)	-	(172)
Excise duty on sale of goods	B.8	-	7,454	7,454
Employee benefits expense	B.4, B.7	7,701	287	7,988
Finance costs		2,587	-	2,587
Depreciation and amortization expense		5,063	-	5,063
Other expenses	B.1, B.6	17,134	161	17,295
Total expenses		66,119	7,902	74,021
III Profit before exceptional items and tax		10,192	(296)	9,896
IV Exceptional item (net)		(4,529)	-	(4,529)
V Profit before tax		14,721	(296)	14,425
VI Tax expense				
Current tax		3,425	-	3,425
Deferred tax charge/(credit)	B.3, B.4	(274)	24	(250)
Total tax expense		3,151	24	3,175
VII Profit for the year		11,570	(320)	11,250
VIII Other comprehensive income	B.5			
Items that will not be reclassified to profit or loss				
- Remeasurement gains/(losses) on defined benefit plan	B.4	-	(77)	(77)
Income tax effect on above	B.4	-	27	27
Other comprehensive income for the year		-	(50)	(50)
IX Total comprehensive income for the year		11,570	(370)	11,200

Notes forming part of the financial statements

E Reconciliations of equity and total comprehensive income

i) Reconciliations of total equity as at

(₹ in lakhs)

	Note	As at 31 March 2016	As at 1 April 2015
Equity as per previous Indian GAAP		55,388	47,985
a) Financial assets measured at amortised cost	B.1	(52)	(49)
b) Forward contracts measured at fair value through profit or loss	B.6	(4)	1
c) Proposed dividends and tax thereon	B.2	4,158	3,015
d) ESOPs accounted at fair value	B.7	346	12
e) Deferred tax impact on above adjustments	B.3	2	(0)
Equity as per Ind AS		59,838	50,964

"0" Zero denotes less than a lakh

ii) Reconciliation of total comprehensive income for the year ended 31 March 2016

(₹ in lakhs)

	Note	2016
Net profit as per previous Indian GAAP		11,571
a) ESOPs accounted at fair value	B.7	(365)
b) Remeasurements of defined benefit plans	B.4	77
c) Financial assets measured at amortised cost	B.1	(3)
d) Forward contracts measured at fair value through profit or loss	B.6	(6)
e) Deferred tax impacts on above adjustments	B.3, B.4	(24)
Profit after tax as per Ind AS		11,250
Other comprehensive income (net of tax)	B.4	(50)
Total comprehensive income as per Ind AS		11,200

Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016 -

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the statement of cash flows.

S.N. Explanation to reconciliation:

B.1 Security deposits

Under the previous GAAP, interest free lease security deposits given (that are refundable in cash on expiry/termination of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be measured at fair value. Accordingly, the Company has fair valued lease security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid expenses. Consequent to this change, security deposits decreased by ₹ 378 lakhs as at 31 March 2016 (1 April 2015: ₹497 lakhs) and prepaid expenses increased by ₹ 326 lakhs as at March 2016 (1 April 2015: ₹ 448 lakhs). Total equity decreased by ₹49 lakhs as at 1 April, 2015. The profit for the year ended on 31 March 2016 decreased by ₹3 lakhs due to recognition of prepaid expenses over the lease term amounting to ₹ 155 lakhs which is partially offset by notional interest income of ₹ 152 lakhs recognised on security deposits.

B.2 Proposed dividend

Under the previous GAAP, proposed dividend including tax thereon was recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company i.e. as and when approved by the shareholders. Therefore the proposed dividends and tax thereon amounting to ₹ 4,158 lakhs and ₹ 3,015 lakhs for the year ended 31 March 2016 and 31 March 2015 respectively have been credited to retained earnings.

Notes forming part of the financial statements

B.3 Tax adjustments

Tax adjustments include deferred tax impact on account of differences between previous GAAP and Ind AS. Consequently, the deferred tax liability increased by ₹ 2 lakhs as on 31 March 2016 (decreased by ₹ '0' as at 1 April 2015).

B.4 Remeasurements of defined benefit plans

Under the previous GAAP, remeasurements i.e. actuarial gains and losses on the net defined benefit liability were recognised in the statement of profit and loss. Under Ind AS, these remeasurements are recognised in other comprehensive income instead of the statement of profit and loss. As a result of this change, the profit for the year ended 31 March 2016 increased by ₹ 50 lakhs (net of deferred tax of ₹ 27 lakhs). There is no impact on the total equity as at 31 March 2016.

B.5 Other comprehensive income (OCI)

Under previous GAAP, the Company was not required to present other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind-AS. Further, Ind-AS profit or loss is reconciled to total comprehensive income as per Ind-AS.

B.6 Fair valuation of forward contracts

Under the previous GAAP, the premium or discount arising at the inception of foreign exchange forward contracts (except on contracts related to long term monetary item) entered into to hedge an existing asset / liability, were amortised as expense or income over the life of the contract. Exchange differences on such contracts were recognized in the statement of profit and loss in the reporting period in which the exchange rate changes. Under the IND AS 109, foreign exchange forward contracts are carried at fair value and the resultant gains /(losses) are recorded in the statement of profit and loss. Accordingly, the same has been fair valued resulting in decrease in equity by ₹ 6 lakhs as at 31 March 2016 (increase ₹ 1 lakhs as at 1 April 2015).

B.7 Employee stock options

Under the previous GAAP, the cost of employee stock option plan was recognised using the intrinsic value method. Under Ind AS, employee stock option plan is now recognised based on the fair value of the options as at the grant date. Consequently the amount recognised in share options outstanding account stands at ₹ 722 lakhs as at 31 March 2016 (1 April 2015: ₹ 23 lakhs). Of this, ₹ 346 lakhs (March 2015 - ₹ 12 lakhs) pertains to options granted to the employees of subsidiaries which is recognised as deemed investments in subsidiaries and recorded equivalent increase in equity. The profit for the year ended 31 March 2016 decreased by ₹ 365 lakhs.

B.8 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by ₹7454 lakhs. There is no impact on the total equity and profit.

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel

} Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Statement of cash flows

for the year ended 31 March 2017

(₹ In lakhs)

	2017	2016
A Cash flow from operating activities		
Profit before tax	9,427	14,425
Adjustments for:		
Depreciation and amortisation expense	6,021	5,063
Share-based payments to employees	6	365
Interest expense	1,370	2,062
Interest income	(1,280)	(1,542)
Unwinding of discount on security deposits	(183)	(152)
Net gain on disposal of property, plant and equipment	(38)	(14)
Gain on sale of current investments	(3)	-
Gain on divestment of subsidiary (net off provision for contingencies)	-	(4,757)
Allowance for doubtful debts/ (written back) (net)	10	(44)
Notional rent of discount on security deposits	179	155
Amortisation of ancillary borrowing costs	26	196
Exchange adjustments (net)	90	(53)
Operating profit before working capital changes	15,625	15,704
Adjustments for:		
(Increase) / decrease in trade and other receivables	(1,507)	1,213
(Increase) / decrease in inventories	(140)	199
Increase / (decrease) in trade and other payables	743	2,165
Cash generated from operations	14,721	19,281
Direct taxes paid (net of refunds)	(2,045)	(3,339)
Net cash from operating activities (A)	12,676	15,942
B Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(10,474)	(5,074)
Sale of property, plant and equipment	315	15
Decrease in other bank balances	(26)	(6)
Loan given to subsidiary	-	(700)
Repayment of loan given to subsidiary	-	2,000
Sale of investments in subsidiary	-	12,742
Repayment received of loan given pursuant to scheme of amalgamation (Refer note 62)	975	-
Purchase of current investments	(4,551)	-
Sale of current investments	4,554	-
(Increase)/decrease in other receivables of subsidiaries (net)	186	(141)
Interest received	2,854	238
Net cash from/ (used in) Investing activities (B)	(6,167)	9,074

Statement of cash flows

for the year ended 31 March 2017

(₹ In lakhs)

	2017	2016
C Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium of ₹ 69 lakhs)	70	-
Proceeds from long-term borrowings	1,368	4,565
Repayment of long-term borrowings	(1,886)	(21,239)
Proceeds from short-term borrowings	9,554	-
Repayment of short-term borrowings	(9,500)	(259)
Increase/(decrease) in other borrowings (net)	494	(2,572)
Principal payment under finance lease	(302)	(246)
Interest paid	(1,370)	(2,127)
Dividend paid (including tax)	(4,142)	(3,018)
Expenses incurred pursuant to the scheme of amalgamation (Refer note 62)	(996)	-
Ancillary borrowing costs incurred	-	(4)
Net cash used in financing activities (C)	(6,710)	(24,900)
Net changes in cash and cash equivalents (A+B+C)	(201)	116
Cash and cash equivalents at the beginning of the year	212	96
Cash and cash equivalents acquired pursuant to the scheme of amalgamation (Refer note 62)	30	-
Cash and cash equivalents at the end of the year	41	212

Notes:

Previous year figures are regrouped / reclassified wherever necessary.

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
Chairman & Managing Director

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Atul Goel

} Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Independent Auditor's Report

To The Members of Essel Propack Limited

1. Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Essel Propack Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), its associate and jointly controlled entities which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 5 below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements 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 including the Ind AS, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at 31 March 2017 and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

5. Other Matter

- a) We did not audit the financial statements of twenty subsidiaries whose financial statements reflect total assets of ₹ 277,066 lakhs as at 31 March 2017, total revenues of ₹ 184,083 lakhs, total net profit after tax of ₹ 19,039 lakhs, total comprehensive income of ₹ 18,632 lakhs and net cash inflows of ₹ 1,501 lakhs for the year ended on that date, and financial statements of one associate which reflect the Group's share of net profit after tax of ₹ 58 lakhs for the year ended 31 March 2017, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the reports of the other auditors.
- b) We have relied upon the unaudited financial statements of two jointly controlled entities, which have become wholly owned subsidiaries effective 30 September 2016, wherein the Group's share of net profit after tax is ₹ 47 lakhs. These unaudited

financial statements have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entities, is based solely on such unaudited financial statements.

Our opinion on the consolidated Ind AS financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

- c) The comparative financial information of the Group, its associate and jointly controlled entities for the year ended 31 March, 2016 and the transition date opening balance sheet as at 1 April, 2015 included in these consolidated Ind AS financial statements, are based on previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31 March, 2016 and 31 March, 2015 dated 28 April, 2016 and 28 April, 2015 respectively expressed an unmodified opinion on those consolidated financial statements and have been restated to comply with Ind AS. Adjustments made to the said consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

6. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been

kept so far as it appears from our examination of those books.

- (c) The consolidated Ind AS balance sheet, the consolidated Ind AS statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts having any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and;
 - iv. The Holding Company has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016, on the basis of information available with the Holding Company. Refer Note 48 to the consolidated Ind AS financial statements.

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

Hitendra Bhandari

Partner

Membership Number 107832

Mumbai, 23 May 2017

Consolidated Balance Sheet as at 31 March 2017

	Note	As at 31 March 2017	As at 31 March 2016	(₹ in lakhs) As at 1 April 2015
Assets				
Non-current assets				
(a) Property, plant and equipment	4(a)	111,668	91,278	85,240
(b) Capital work-in-progress	4(b)	1,144	5,117	8,434
(c) Goodwill		1,423	-	-
(d) Other intangible assets	4(c)	4,855	1,139	1,675
(e) Intangible assets under development	4(d)	789	593	385
		119,879	98,127	95,734
(f) Investments in associate and joint ventures	5	1,526	3,038	2,610
(g) Financial assets				
(i) Investments	6	-	-	10
(ii) Loans	7	2,453	2,360	2,199
(iii) Others	8	29	2	29
		2,482	2,362	2,238
(h) Deferred tax assets (net)	9	904	1,082	305
(i) Non-current tax assets (net)	10	2,107	2,585	2,648
(j) Other non-current assets	11	2,574	2,531	1,980
Total non-current assets		129,472	109,725	105,515
Current assets				
(a) Inventories	12	24,598	19,867	22,511
(b) Financial assets				
(i) Trade receivables	13	37,662	33,122	37,117
(ii) Cash and cash equivalents	14	8,203	6,873	7,339
(iii) Bank balances other than (ii) above	15	2,081	1,569	4,156
(iv) Loans	16	11,198	12,527	11,239
(v) Others	17	200	308	86
(c) Current tax assets (net)	18	262	167	151
(d) Other current assets	19	12,194	17,733	17,840
Total current assets		96,398	92,166	100,439
Total assets		225,870	201,891	205,954
Equity and liabilities				
Equity				
(a) Equity share capital	20	3,143	3,142	3,142
(b) Other equity	21	100,756	93,336	72,889
(c) Non-controlling interests		572	814	808
Total equity		104,471	97,292	76,839
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
Borrowings	22	60,496	55,344	62,980
(b) Provisions	23	2,330	1,940	1,314
(c) Deferred tax liabilities (net)	9	4,076	3,047	2,248
Total non-current liabilities		66,902	60,331	66,542
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	8,688	6,684	13,820
(ii) Trade payables	25	14,732	12,819	15,749
(iii) Others	26	25,944	20,104	27,710
(b) Other current liabilities	27	2,822	1,425	1,423
(c) Provisions	28	644	627	628
(d) Current tax liabilities (net)	29	1,667	2,609	3,243
Total Current liabilities		54,497	44,268	62,573
Total equity and liabilities		225,870	201,891	205,954
Notes forming part of the consolidated financial statements 1 - 64				

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel

Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31 March 2017

	Note	2017	2016
(₹ in lakhs)			
Income			
Revenue from operations	30	238,794	220,562
Other income	31	2,033	689
Interest income	32	1,497	1,693
Total Income		242,324	222,944
Expenses			
Cost of materials consumed	33	101,213	92,911
Changes in inventories of finished goods and goods-in-process	34	(424)	(559)
Excise duty on sale of goods		8,565	7,812
Employee benefits expense	35	40,580	37,438
Finance costs	36	5,753	6,091
Depreciation and amortisation expense	37	14,148	12,316
Other expenses	38	46,730	42,582
Total expenses		216,565	198,591
Profit before share of profit/(loss) of an associate / joint ventures and exceptional items		25,759	24,353
Share of profit/(loss) from associate and joint ventures		105	484
Profit before exceptional items and tax		25,864	24,837
Exceptional items (net)	46	(1,565)	(232)
Profit before tax		27,429	25,069
Tax expense	59		
Current tax		7,084	7,693
Deferred tax		785	64
Total tax expense		7,869	7,757
Profit for the year		19,560	17,312
Attributable to:			
Equity holders of the parent		19,032	17,010
Non-controlling interests		528	302
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan	55	(222)	(82)
Income tax effect on above		75	28
- Capital reserve on bargain purchase	57	7	-
- Share of OCI of associate		(11)	(3)
Income tax effect on above		3	1
		(148)	(56)
Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(7,991)	110
- Share of OCI of associate and joint ventures		(2)	183
		(7,993)	293
Other comprehensive income for the year		(8,141)	237
Total comprehensive income for the year		11,419	17,549
Attributable to:			
Equity holders of the parent		11,442	17,151
Non-controlling interests		(23)	398
Earnings per equity share of ₹ 2 each fully paid up	47		
Basic (₹)		12.12	10.83
Diluted (₹)		12.05	10.83
Notes forming part of the consolidated financial statements	1 - 64		

As per our attached report of even date
 For **MGB & Co LLP**
 Chartered Accountants
 Firm Registration Number 101169W/W-100035

Hitendra Bhandari
 Partner
 Membership Number 107832

Place: Mumbai
 Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
 Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel

} Directors

A.V. Ganapathy
 Chief Financial Officer

Suresh Savaliya
 Head - Legal & Company Secretary

Consolidated Statement of changes in equity

for the year ended 31 March 2017

A Equity share capital

	Note	(₹ in lakhs)
Balance as at 1 April 2015	19	3,142
Changes in equity share capital		-
Balance as at 31 March 2016	19	3,142
Changes in equity share capital		1
Balance as at 31 March 2017	19	3,143

B. Other equity

	Note	Capital reserve	Capital reserve on Consolidation	Securities premium reserve	Debenture redemption reserve	Legal reserve	Share options outstanding account	General reserve	Retained earnings	Foreign currency translation reserve	Total other equity	Non controlling interests	Total
Balance as at 1 April 2015		4,012	49,692	10,893	750	993	23	545	5,981	-	72,889	808	73,697
Profit for the year									17,010		17,010	302	17,312
Other comprehensive income									(56)	197	141	96	237
Total comprehensive income for the year		-	-	-	-	-	-	-	16,954	197	17,151	398	17,549
Share based payments	21 & 56	-	-	-	-	-	699	-	-	-	699	-	699
Reduction in goodwill on account of sale of subsidiary		-	5,622	-	-	-	-	-	-	-	5,622	-	5,622
Transfer to debenture redemption reserve	21	-	-	-	750	-	-	-	(750)	-	-	-	-
Transfer to legal reserve	21	-	-	-	-	605	-	-	(605)	-	-	-	-
Equity dividend	51	-	-	-	-	-	-	-	(2,513)	-	(2,513)	-	(2,513)
Tax on equity dividend	51	-	-	-	-	-	-	-	(512)	-	(512)	-	(512)
Dividend to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(392)	(392)
Balance as at 31 March 2016		4,012	55,314	10,893	1,500	1,598	722	545	18,555	197	93,336	814	94,150

Consolidated Statement of changes in equity

for the year ended 31 March 2017

(₹ in lakhs)

Note	Capital reserve	Capital reserve on Consolidation	Securities premium reserve	Debenture redemption reserve	Legal reserve	Share options outstanding account	General reserve	Retained earnings	Foreign currency translation reserve	Total other equity	Non controlling interests	Total
Profit for the year	-	-	-	-	-	-	-	19,032	-	19,032	528	19,560
Other comprehensive income	-	7	-	-	-	-	-	(155)	(7,442)	(7,590)	(551)	(8,141)
Total comprehensive income for the year		7						18,877	(7,442)	11,442	(23)	11,419
Pursuant to the scheme of amalgamation	43	996	-	-	-	-	-	39	-	1,035	-	1,035
Expenses incurred in connection with the scheme of amalgamation	43	(996)	-	-	-	-	-	-	-	(996)	-	(996)
Share options exercised	21 & 56	-	-	94	-	-	(25)	-	-	69	-	69
Share based payments	21 & 56	-	-	-	-	-	28	-	-	28	-	28
Transfer to debenture redemption reserve	21	-	-	750	-	-	-	(750)	-	-	-	-
Transfer to legal reserve	21	-	-	-	607	-	-	(607)	-	-	-	-
Equity dividend	21	-	-	-	-	-	-	(3,455)	-	(3,455)	-	(3,455)
Tax on equity dividend	21	-	-	-	-	-	-	(703)	-	(703)	-	(703)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(219)	(219)
Balance as at 31 March 2017		4,019	55,314	10,987	2,250	2,205	725	31,956	(7,245)	100,756	572	101,328

As per our attached report of even date

 For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

For and on behalf of the Board

Ashok Goel

Chairman & Managing Director

A.V. Ganapathy

Chief Financial Officer

Hitendra Bhandari

Partner

Membership Number 107832

Place: Mumbai

Date: 23 May 2017

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel

Directors

Suresh Savaliya

Head - Legal & Company Secretary

Notes forming part of the consolidated financial statements

1 Corporate Information

Essel Propack Limited (hereinafter referred to as “EPL” or the “Company” or the “parent company”) is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company’s registered office is located at P.O. Vasind, Taluka: Shahapur District: Thane, Maharashtra - 421604, India.

The Company alongwith its subsidiaries (the “Group”), joint ventures and associate is engaged in manufacture of plastic packaging material in the form of multilayer collapsible tubes and laminates used primarily for packaging of consumer products in the Beauty & Cosmetics, Health & Pharmaceuticals, Food and Home care categories.

The Consolidated Financial Statements (hereinafter referred to as ‘CFS’) of the group for the year ended 31 March 2017 were authorised for issue by the Board of Directors at their meeting held on 23 May 2017.

2 Basis of preparation

- a) The CFS have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies Indian Accounting Standards Rules, 2015 and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI).

Till the year ended 31 March 2016 the CFS of the group were prepared to comply in all material respects with the Accounting standards (previous GAAP) specified as per section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act and guidelines issued by SEBI. These are the first CFS of the Group prepared in accordance with Ind AS applicable to the group from the year beginning 1 April 2016, consequent to the MCA notification dated 16 February 2015. In accordance with Ind AS 101, the transition date to Ind AS being 1 April 2015, the comparatives for the previous year ended 31 March 2016 and balances as on 1 April 2015 reported under previous GAAP have been restated as per Ind AS. Refer note 64 for understanding how the transition from previous GAAP to Ind AS affected the group’s earlier reported Balance sheet, financial performance and cash flows.

The CFS have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities (including derivative instruments), defined benefit plan assets and liabilities, and share based payments being measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or a liability at the measurement date.

The CFS are presented in Indian Rupees (‘INR’) with values rounded off to the nearest lakhs (00,000), except otherwise indicated.

b) Current and non-current classification

Assets and liabilities are classified as current if it is expected to realise or settle within twelve months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current.

Notes forming part of the consolidated financial statements

3 (A) Principles of Consolidation and equity accounting

i) Subsidiaries

- The consolidated financial statements incorporate the financial statements of EPL and entities controlled by EPL and its subsidiaries.
- Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.
- The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the parent i.e. year ended 31 March 2017.
- Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.
- Listed below are the subsidiaries considered in the CFS. Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date that control ceases.

Name of the Subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)			Country of Incorporation
	31 March 2017	31 March 2016	1 April 2015	
Direct Subsidiary				
Arista Tubes Inc. *	100%	100%	100%	USA
Lamitube Technologies (Cyprus) Limited	100%	100%	100%	Cyprus
Packaging India Private Limited **	---	---	100%	India
Lamitube Technologies Limited	100%	100%	100%	Mauritius
Step down Subsidiary				
The Egyptian Indian Company for Modern Packaging S.A.E.#	75%	75%	75%	Egypt
Essel Propack MISR for Advanced Packaging S.A.E.	75%	75%	75%	Egypt
Lamitube Hongkong Trading Company Limited @	100%	100%	100%	Hong Kong
Essel Packaging (Guangzhou) Limited	100%	100%	100%	China
Essel Packaging (Jiangsu) Limited	100%	100%	100%	China
Essel Propack Philippines, Inc	100%	100%	100%	Philippines
MTL de Panama S.A.	100%	100%	100%	Panama
Packtech Limited ^	---	---	100%	Mauritius
Arista Tubes Limited	100%	100%	100%	United Kingdom

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 Propack UK Limited	100%	100%	100%	United Kingdom
Essel Deutschland Management GmbH ##	100%	---	---	Germany
Essel Deutschland GmbH & Co. KG, Dresden ##	100%	---	---	Germany
Essel de Mexico, S.A. de C.V.	100%	100%	100%	Mexico
Tubo pack de Colombia S.A.	100%	100%	100%	Colombia
Essel de Colombia S.A. S. ^^	100%	100%	---	Colombia
Essel Propack LLC	100%	100%	100%	Russia
Essel Propack Polska Sp. Z.O.O.	100%	100%	100%	Poland
Essel Propack America, LLC	100%	100%	100%	USA

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

** Divested on 13 July 2015

Subsidiary has discontinued its operations and is under liquidation

Ceased to be Joint ventures and became wholly owned subsidiaries w.e.f. 30 September 2016 (Refer note 3(ii)(d))

^ Merged with Lamitube Technologies Limited during previous year 2015-16

^^ Incorporated during previous year 2015-16

@ Under deregistration process

ii) Associate and Joint ventures

- Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.
- Under Ind AS 111 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The group has interest in joint ventures that are accounted for using the equity method after initially being recognised at cost in the consolidated balance sheet.
- Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment.

Notes forming part of the consolidated financial statements

d) List of investments in associate and joint ventures accounted for using “Equity method” is as under:

Name of the Joint Venture / Associate	Extent of holding			Relationship	Country of Incorporation
	31 March 2017	31 March 2016	1 April 2015		
Essel Deutschland Management GmbH ##	---	24.9%	24.9%	Joint Venture	Germany
Essel Deutschland GmbH & Co. KG, Dresden ##	---	24.9%	24.9%	Joint Venture	Germany
P.T. Lamipak Primula	30.0%	30.0%	30.0%	Associate	Indonesia

Ceased to be joint ventures and became wholly owned subsidiaries w.e.f. 30 September 2016

3 (B) Significant Accounting Policies

a. Property, plant and equipment

- Free hold land is carried at cost. Other property, plant and equipment are stated at original cost of acquisition / installation (net of cenvat credit availed) less accumulated depreciation and impairment loss, if any. Cost includes cost of acquisition, construction and installation, taxes, duties, freight and other incidental expenses that are directly attributable to bringing the asset to its working condition for the intended use and estimated cost for decommissioning of an asset. Further, in respect of accounting periods commencing on or after 7 December 2006, exchange differences arising on reporting of the long-term foreign currency monetary items which are recognised in the financial statements till the period ending 31 March 2016 at rates different from those at which they were initially recorded during the period or reported in the previous financial statements, are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, where these monetary items pertain to the acquisition of depreciable property, plant and equipment.
- Capital work-in-progress comprises cost of property, plant & equipment and related expenses that are not yet ready for their intended use at the reporting date.
- On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on property, plant and equipment

i) In case of parent company

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on straight-line method over the useful life of asset as specified in Part-C of Schedule II to the Act. Depreciation is charged on pro-rata basis for asset purchased / sold during the year. Depreciation on the following assets is provided considering a shorter useful life as compared to Schedule II useful life, based on the management estimate in view of possible technology obsolescence and product life cycle implications.

Assets	Useful Life
Tooling, Moulds, Dyes	7 Years
Hydraulic works, Pipelines and Slucies (HWPS)	10 Years

Notes forming part of the consolidated financial statements

ii) **In case of subsidiaries, associates and joint ventures**

Depreciation on property, plant and equipment is provided at the rates adopted in the accounts of respective subsidiaries, associate and joint ventures as permissible under local laws on straight line basis from the time they are available for use, so as to write off their cost over the estimated useful life of the assets.

iii) Property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

iv) Premium on leasehold land and leasehold improvements are amortised over the normal period of lease.

b. Intangible assets

i) Intangible assets are stated at cost of acquisition less accumulated amortisation. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

ii) On transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

iii) **Intangibles assets with finite lives are amortised as follows:**

- Softwares : ERP software 10 years and others 3 years
- Patents and commercial rights : 10 years

c. Impairment of non-financial assets

i) Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or change in circumstances indicate that they might be impaired.

ii) The carrying amounts of other non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

d. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of such borrowings. All other borrowing costs are charged to the statement of profit and loss as finance costs. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs, in terms of Ind AS 23.

Notes forming part of the consolidated financial statements

e. Financial assets

i) Recognition and measurement

The group at initial recognition measures a financial asset at its fair value plus transaction costs that are directly attributable to its acquisition. However, transaction costs relating to financial assets to be subsequently valued at fair value through profit or loss (FVTPL) are expensed in the statement of profit and loss for the year. The group subsequently recognises its financial assets either at FVTPL, fair value through other comprehensive income (FVOCI) or at amortised cost, based on the group's business model for managing the financial assets and their contractual cash flows. This has been explained below separately for debt investments and equity investments.

Debt investments

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on such instruments is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in interest income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss. Gain and losses on fair value of such instruments are recognised in profit or loss. Interest income from these financial assets is included in other income.

Equity investments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss in the event of de-recognition. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends from such investments are recognised in the statement of profit and loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

ii) Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes forming part of the consolidated financial statements

iii) **De-recognition of financial assets**

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

f. Derivatives and embedded derivatives

- i) The group enters into certain derivative contracts (mainly foreign exchange forward contracts) to hedge risks, which are not designated as "hedges". Such contracts are accounted for at fair value through profit or loss and are recognised in the statement of profit and loss.
- ii) Derivatives embedded in a host contract that are assets within the scope of Ind AS 109 or are closely related to the host contract, are not separated. Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

g. Borrowings and other financial liabilities

- i) Borrowings and other financial liabilities are initially recognised at fair value net of transaction costs incurred that are directly attributable to the acquisition of the financial liability.
- ii) Subsequently recognition is done at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. The EIR amortisation is included in finance costs in the statement of profit and loss.
- iii) Borrowings and other financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss.

h. Employee benefits

i) Short-term benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

Notes forming part of the consolidated financial statements

ii) Defined benefit plans

- a) Post-employment and other long-term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques.
- b) Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur.

iii) Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

i. Share based payments

Share based compensation benefits are provided to employees under the Essel Employee Stock Option Scheme 2014. The fair value of options granted under the Essel Employee Stock Option Scheme 2014 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be recognised is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expenses are amortised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service and non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

j. Revenue recognition

- i) Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the group.
- ii) Revenue from operations includes sale of goods, scrap, export incentives and income from royalty and service charges:
 - Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have passed to the customer. Amounts disclosed as revenue are inclusive of excise duty and net of returns, quality claims, discounts and value added tax / sales tax.
 - Income from royalty and service charges is recognised as per the agreed terms.
 - Export incentives / benefits are accounted on accrual basis.
- iii) Dividend Income is recognised when right to receive the payment is established by the balance sheet date.
- iv) Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate method and shown under interest income in the statement of profit and loss.

Notes forming part of the consolidated financial statements

k. Government grants

- i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.
- ii) Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate, and presented within other income.
- iii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight-line basis over the expected lives of the related assets, and presented within other income.

l. Inventories

- i) Inventories are valued at lower of cost or estimated net realisable value.
- ii) Cost of raw materials, packing material and stores and spares are determined on moving average cost method.
- iii) Cost of finished goods and goods-in-process includes cost of direct materials, labour and other manufacturing overheads. Excise liability is included in the valuation of inventory of finished goods.

m. Foreign currency transactions

- i) Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Essel Propack Limited's functional and presentation currency.

Transactions denominated in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing at the date of transaction.

- ii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- iii) Exchange differences, in respect of accounting periods commencing on or after 7 December 2006, arising on reporting of long-term foreign currency monetary items which are recognised in the financial statements till the period ending 31 March 2016 at rates different from those at which they were initially recorded or reported in previous CFS, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset. Any other income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.
- iv) The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - assets and liabilities are translated at the closing rate at the date of the balance sheet;
 - income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
 - All resulting exchange differences are recognised in other comprehensive income.

Notes forming part of the consolidated financial statements

- v) When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.
- vi) Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

n. Income taxes

- i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in the countries where the parent company and its subsidiaries, associate and joint ventures operate and generate taxable income.

- ii) Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- iii) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
- iv) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
- v) Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.
- vi) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
- vii) Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
- viii) Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Notes forming part of the consolidated financial statements

o. Leases

Leases where the group is a lessee and has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

p. Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r. Provisions, contingent liabilities and contingent assets

- i) Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

- ii) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a

Notes forming part of the consolidated financial statements

present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The group does not recognize a contingent liability but discloses its existence in the financial statements.

- iii) A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group. The group does not recognize a contingent asset but discloses its existence in the financial statements.

s. Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

t. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

u. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at bank & on hand and short term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short term deposit, as defined above, net of outstanding bank overdraft but including other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

v. Exceptional Items

Certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the group, such income or expenses is classified as an exceptional item and accordingly, disclosed in the consolidated financial statements.

3 (C) Significant estimates, judgements and assumptions

The preparation of CFS in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgement in applying the accounting policies, that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The management believes that these estimates are prudent and reasonable and are based on the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Notes forming part of the consolidated financial statements

i) **Defined benefit obligation**

The cost of post-employment and other long-term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used are disclosed in note 55.

ii) **Fair value of financial instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions refer note 62.

iii) **Share-based payments**

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 56.

iv) **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate.

v) **Impairment of financial assets**

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) **Taxes**

The group periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The group records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Notes forming part of the consolidated financial statements

3 (D) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)(Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The amendment is applicable to the group from 1 April 2017.

Amendments to Ind AS 7

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Notes forming part of the consolidated financial statements

4(a). Property, plant and equipment

Description of assets	Gross carrying amount					Depreciation / Amortisation					Net carrying amount			
	As at 1 April 2016	Acquired during the year (Refer note (iii) below)	Additions	Disposals	Translation adjustment	As at 31 March 2017	Upto 31 March 2016	Acquired during the year (Refer note (iii) below)	For the year	Disposals	Translation adjustment	Upto 31 March 2017	As at 31 March 2017	As at 31 March 2016
Freehold land	897	605	-	-	(72)	1,430	-	-	-	-	-	-	1,430	897
Leasehold land	305	-	6	-	(27)	284	13	-	10	-	(4)	19	265	292
Leasehold improvements	1,267	-	960	-	(106)	2,121	269	-	478	-	(46)	701	1,420	998
Buildings														
- Owned	11,312	4,152	60	-	(891)	14,633	616	1,313	657	-	(178)	2,408	12,225	10,696
- Leased	4,491	-	-	-	(95)	4,396	127	-	129	-	(7)	249	4,147	4,364
Plant and Machinery														
- Owned	80,225	22,757	22,234	1,020	(6,934)	117,262	9,897	11,864	11,134	59	(1,994)	30,842	86,420	70,328
- Leased	2,440	-	-	-	(11)	2,429	533	-	536	-	(14)	1,055	1,374	1,907
Equipments														
- Owned	1,563	2,209	1,740	16	(251)	5,245	307	1,612	489	-	(162)	2,246	2,999	1,256
- Leased	103	-	-	-	-	103	23	-	23	-	(1)	45	58	80
Furniture and fixtures	531	1,023	701	10	(88)	2,157	76	620	194	8	(55)	827	1,330	455
Vehicles	10	-	-	-	(2)	8	5	-	4	-	(1)	8	-	5
Total (A)	103,144	30,746	25,701	1,046	(8,477)	150,068	11,866	15,409	13,654	67	(2,462)	38,400	111,668	91,278
4 (b) Capital work in progress													1,144	5,117
4 (c) Intangible assets														
Software	1,516	853	202	-	(137)	2,434	416	484	426	-	(73)	1,253	1,181	1,100
Patents and commercial rights	42	1,362	2,562	-	(101)	3,865	3	134	68	-	(14)	191	3,674	39
Total (B)	1,558	2,215	2,764	-	(238)	6,299	419	618	494	-	(87)	1,444	4,855	1,139
Grand Total (A+B)	104,702	32,961	28,465	1,046	(8,715)	156,367	12,285	16,027	14,148	67	(2,549)	39,844	116,523	92,417
4 (d) Intangible assets under development													789	593

Notes:

- Buildings include roads, residential flats, tubewell, watertanks and share in co-operative society.
- Additions to plant and machinery includes exchange difference of ₹ 315 lakhs capitalised during the financial year 2016-17.
- The assets acquired during the year as a result of acquisition of control in Essel Deutschland GmbH & Co. KG, Dresden, Germany on 30 September 2016 are shown in separate column titled "Acquired during the year".
- For details of property, plant and equipment pledged as security, refer note 42.

Notes forming part of the consolidated financial statements

4 (a). Property, plant and equipment

Description of assets	Gross carrying amount				Depreciation / Amortisation				Net carrying amount		
	Deemed cost as at 1 April 2015 *	Additions	Disposals	Translation adjustment	As at 31 Mar 2016	Upto 1 April 2015 *	For the year	Disposals	Translation adjustment	Upto 31 Mar 2016	As at 31 March 2015
Freehold land	915	-	41	23	897	-	-	-	-	-	915
Leasehold land	547	-	243	1	305	-	13	-	(0)	13	547
Leasehold improvements	325	941	-	1	1,267	-	271	-	(2)	269	325
Buildings											
- Owned	12,043	782	1,832	319	11,312	-	614	-	2	616	12,043
- leased	4,237	-	-	254	4,491	-	126	-	1	127	4,237
Plant and Machinery											
- Owned	63,326	19,793	3,475	581	80,225	-	9,932	7	(28)	9,897	63,326
- leased	2,410	-	-	30	2,440	-	530	-	3	533	2,410
Equipments											
- Owned	913	674	35	11	1,563	-	307	-	0	307	913
- leased	103	-	-	-	103	-	23	-	-	23	103
Furniture and fixtures	410	177	54	(2)	531	-	76	-	(0)	76	410
Vehicles	11	-	-	(1)	10	-	5	-	(0)	5	11
Total (a)	85,240	22,367	5,680	1,217	103,144	-	11,897	7	(24)	11,866	85,240
4 (b) Capital work in progress											
										5,117	8,434
4 (c) Intangible assets											
Software	1,675	42	217	16	1,516	-	416	-	0	416	1,675
Patents and commercial rights	-	42	-	-	42	-	3	-	(0)	3	-
Total (b)	1,675	84	217	16	1,558	-	419	-	0	419	1,675
Grand Total (a+b)	86,915	22,451	5,897	1,233	104,702	-	12,316	7	(24)	12,285	86,915
4 (d) Intangible assets under development											
										593	385

Notes:

- Buildings include roads, residential flats, tubewell, watertanks and share in co-operative society.
- Additions to plant and machinery include exchange difference of ₹ 876 lakhs capitalised during the financial year 2015-16.
- For details of property, plant and equipment pledged as security, refer note 42.
- * Refer notes 3B(a)(iii) and 3B(b)(ii)
- Zero '0' denotes less than a lakh

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
5 Investments in associate and joint ventures (Refer note 58)			
A) Unquoted			
i) Associate company			
2,100 (31 March 2016 - 2,100; 1 April 2015 - 2,100) equity shares of USD 350 each of PT Lamipak Primula Indonesia (Extent of holding 30%)	508	508	508
Goodwill	514	514	514
Share of accumulated profits	456	225	225
Share of profit for the year	58	275	-
Share of other comprehensive income for the year	(10)	39	-
Dividend received	-	(83)	-
	1,526	1,478	1,247
ii) Investment in joint ventures			
a) Nil (31 March 2016 - 12450; 1 April 2015 - 12450) Equity Shares of EURO 50 each of Essel Deutschland GmbH & Co. KG, Dresden (Extent of holding 24.9%)	1,548	1,352	1,352
Share of profit for the year	47	212	
Dividend received	(172)	(158)	
Share of other comprehensive income for the year	(143)	142	
	1,280	1,548	1,352
Less: Transferred on acquisition (Refer note 57)	(1,280)	-	-
	-	1,548	1,352
b) Nil (31 March 2016 - 12450; 1 April 2015 - 12450) Equity Shares of EURO 50 each of Essel Deutschland Management GmbH (Extent of holding 24.9%)	12	11	11
Share of profit for the year	0	1	-
	12	12	11
Less: Transferred on acquisition (Refer no 57)	(12)	-	-
	-	12	11
Total	1,526	3,038	2,610

Zero '0' denotes less than a lakh

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
6 Non-current investments			
(i) Quoted Investments			
Investments in equity instruments carried at fair value through profit or loss			
Nil (31 March 2016 - Nil; 1 April 2015 - 200) Equity Shares of ₹ 10 each in Cosmo Films Limited	-	-	0
Nil (31 March 2016 - Nil; 1 April 2015 - 100) Equity Shares of ₹ 10 each in Orient Press Limited	-	-	0
Nil (31 March 2016 - Nil; 1 April 2015 - 700) Equity Shares of ₹ 10 each in State Bank of Travancore	-	-	3
(ii) Unquoted investments			
Obligatory investments in Government securities (All the above securities are fully paid up)	-	-	7
	-	-	10
Aggregate carrying value of quoted investments	-	-	3
Aggregate carrying value of unquoted investments	-	-	7
Aggregate market value of quoted investments	-	-	3

Zero '0' denotes less than a lakh

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
7 Non-current financial assets - Loans			
(Unsecured, considered good)			
Security deposits			
- Related parties (Refer note 49)	1,609	1,209	1,070
- Others	835	1,143	1,120
Loans and advances to employees	9	8	9
Total	2,453	2,360	2,199

Security deposits are interest free non-derivative financial assets carried at amortised cost. These primarily include deposits given against rented premises and various deposits with government authorities. The carrying value may be affected by changes in the credit risk of the counter parties.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
8 Other non-current financial assets			
Deposits with banks having original maturity period of more than twelve months*	29	2	29
Total	29	2	29

* Deposited with / lien in favour of various government authorities / banks

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
9 Deferred tax liabilities (net)			
a) Deferred tax liabilities			
Depreciation on property, plant and equipment and Intangible assets	4,381	3,550	3,514
Outside basis tax	744	766	683
Unamortised ancillary borrowing costs	33	42	109
Total (A)	5,158	4,358	4,306
Deferred tax assets			
Employee benefits / expenses allowable on payment basis	671	549	487
Allowance for doubtful debts	194	191	606
Other deductible temporary differences	217	160	394
Total (B)	1,082	900	1,487
Less: MAT credit entitlement (C)	-	411	571
Deferred tax liabilities (net) (A-B-C)	4,076	3,047	2,248
b) Deferred tax assets (net)			
Deferred tax assets			
Employee benefits / expenses allowable on payment basis	405	508	94
Unrealised profit on Inter company transactions	196	233	211
Unused tax losses	315	356	-
Total (A)	916	1,097	305
Less: Deferred tax liabilities			
Depreciation on property, plant and equipment and Intangible assets	-	1	-
Other deductible temporary differences	12	14	-
Total (B)	12	15	-
Deferred tax assets (net) (A-B)	904	1,082	305

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
10 Non-current tax assets			
Balances with government authorities			
Direct tax (net of provision)	2,107	2,585	2,648
Total	2,107	2,585	2,648

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
11 Other non-current assets			
Capital advances	1,840	1,894	1,336
Prepaid expenses	319	191	302
Balance with Government authorities indirect taxes (net of provision)	415	446	342
Total	2,574	2,531	1,980

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
12 Inventories			
Raw material (includes goods in transit 31 March 2017 ₹ 719 lakhs, 31 March 2016 ₹ 952 lakhs, 1 April 2015 ₹ 1127 lakhs)	9,211	7,572	10,429
Goods-in-process	5,682	5,181	4,548
Finished goods (includes goods in transit 31 March 2017 ₹ 64 lakhs, 31 March 2016 ₹ 31 lakhs, 1 April 2015 ₹ 15 lakhs)	4,376	2,339	2,413
Stores and spares	4,897	4,491	4,869
Packing materials	432	284	252
Total	24,598	19,867	22,511

Inventories were written down to net realisable value by ₹ 78 lakhs (31 March 2016 ₹ 27 lakhs). This amount is recognised as an expense during the year and included in "Changes in inventories of finished goods and goods-in-process" in the consolidated statement of profit and loss.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
13 Trade receivables (Unsecured)			
Considered good	37,662	33,122	37,117
Considered doubtful	650	703	632
	38,312	33,825	37,749
Less: Allowance for doubtful debts	650	703	632
Total	37,662	33,122	37,117

Trade receivables are non-interest bearing and credit terms are generally 30 to 120 days.

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
14 Cash and cash equivalents			
Balance with banks in			
- Current accounts	7,617	6,486	6,419
- Cheques/drafts on hand	67	136	376
Deposits with bank having original maturity period upto three months	507	233	500
Cash on hand	12	18	44
	8,203	6,873	7,339

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
15 Bank balances other than (14) above			
Unclaimed dividend accounts	73	57	51
Deposits with bank having original maturity period of upto twelve months*	2,004	1,482	4,104
Deposits with bank having original maturity period of more than twelve months*	33	32	30
	2,110	1,571	4,185
Disclosed under "Other non-current financial assets (Refer note 8)	(29)	(2)	(29)
Total	2,081	1,569	4,156

* Deposited with / lien in favour of various government authorities / banks. Deposits with banks earns interests at floating rates based on bank deposit rates

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
16 Current financial assets - Loans			
Unsecured, considered good			
Security deposits	476	276	284
Loans and advances to			
- Related parties (Refer note 49)	10,674	12,204	10,904
- Employees	48	47	51
Total	11,198	12,527	11,239

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
17 Other current financial assets			
Insurance claim receivable (Refer note 44)	193	193	8
Derivative instruments at fair value through profit or loss - Foreign exchange forward contracts	2	101	66
Other receivables	5	14	12
Total	200	308	86

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
18 Current tax assets			
Balances with government authorities-Direct tax (net of provision)	262	167	151
Total	262	167	151

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
19 Other current assets			
Advances against goods and services	6,059	13,831	13,049
Prepaid expenses	1,266	815	720
Balance with Government authorities - Indirect taxes (net of provision)	4,815	2,998	3,851
Export benefits receivable	54	89	220
Total	12,194	17,733	17,840

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
20 Equity Share capital			
Authorised #			
250,050,000 (31 March 2016: 200,000,000, 1 April 2015: 200,000,000) equity shares of ₹ 2 each	5,001	4,000	4,000
Issued			
157,158,618 (31 March 2016: 157,101,285, 1 April 2015: 157,101,285) equity shares of ₹ 2 each	3,142	3,142	3,142
Subscribed and paid up			
157,101,498 (31 March 2016: 157,044,165, 1 April 2015: 157,044,165) equity shares of ₹ 2 each fully paid up (Refer note (a) below)	3,142	3,141	3,141
Add: 57,120 equity shares of ₹ 2 each forfeited (Refer note (h) below)	1	1	1
Total	3,143	3,142	3,142

Increased pursuant to the scheme of amalgamation (Refer note 43)

a) Reconciliation of number of shares outstanding

	As at 31 March 2017		As at 31 March 2016	
	Number of equity shares	₹ in lakhs	Number of equity shares	₹ in lakhs
At the beginning of the year	157,044,165	3,141	157,044,165	3,141
Add/less: Changes during the year				
Allotted pursuant to the scheme of amalgamation (Refer note 43)	88,917,843	1,778		
Cancelled pursuant to the scheme of amalgamation (Refer note 43)	(88,917,843)	(1,778)		
Allotted on exercise of employee share option	57,333	1	-	-
Outstanding at the end of the year	157,101,498	3,142	157,044,165	3,141

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 dividend 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.

Notes forming part of the consolidated financial statements

c) Details of shares held by holding company and ultimate holding company

Name of Shareholder	As a t31 March 2017		As at 31 March 2016	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited (Holding company)*	-	-	88,917,843	56.60%
Rupee Finance and Management Private Limited (Ultimate holding company) *	-	-	100	0.00%

*During the year, all the shares held by Whitehills Advisory Services Private Limited have been transferred to Ashok Goel trust pursuant to a scheme of amalgamation (Refer note 43). As such, there is no holding company or ultimate holding company w.e.f. 6 October 2016.

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

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Whitehills Advisory Services Private Limited (Holding company)*	-	-	88,917,843	56.60%
Ashok Kumar Goel (Trustee - Ashok Goel Trust)*	89,139,014	56.72%	-	-

* During the year, all the shares held by Whitehills Advisory Services Private Limited have been transferred to Ashok Goel trust pursuant to a scheme of amalgamation (Refer note 43). As such, there is no holding company w.e.f. 6 October 2016.

- e) No bonus shares have been issued and no shares bought back during five years preceding 31 March 2017.
- f) For details of shares reserved for issue under the share based payment plan of the Company (Refer note 56).
- g) 500,155 equity shares of ₹ 2 each fully paid up were allotted on 14 September 2012 for consideration other than cash, pursuant to the Scheme of Merger of Ras Propack Lamipack Limited and Ras Extrusions Limited with the Company.
- h) Forfeited shares consist of 35,725 partly paid up equity shares and 21,395 fully paid up bonus shares forfeited during the previous year. The amount of ₹ 1 lakh in relation to the forfeiture will be transferred to reserves upon cancellation of these shares.

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
21 Other equity		
a) Capital reserve		
As per last balance sheet	4,012	4,012
Add/(less):		
Pursuant to the scheme of amalgamation (Refer note 43)	996	-
Expenses incurred in connection with the scheme of amalgamation (Refer note 43)	(996)	-
Addition during the year	7	-
	4,019	4,012
b) Capital reserve on consolidation	55,314	55,314
c) Securities premium reserve		
As per last balance sheet	10,893	10,893
Add: Share options exercised during the year	94	-
	10,987	10,893
d) Other reserves		
i) Debenture redemption reserve		
As per last balance sheet	1,500	750
Add: Transferred from retained earnings	750	750
	2,250	1,500
ii) Legal reserve		
As per last balance sheet	1,598	993
Add: Appropriated during the year	607	605
	2,205	1,598
iii) Share options outstanding account		
As per last balance sheet	722	23
Add/(less):		
Compensation expenses recognised during the year	28	699
Transfer to securities premium on exercise of options	(25)	-
	725	722
iv) General reserve		
As per last balance sheet	545	545

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
v) Retained earnings		
As per last balance sheet	18,555	5,981
Add/(Less):		
Taken over pursuant to the Scheme of Amalgamation (Refer note 43)	39	-
Profit for the year	19,032	17,010
Item of other comprehensive income recognised directly in retained earnings		
- Remeasurement gains/(losses) on defined benefit plan (net of tax)	(155)	(56)
Debenture redemption reserve	(750)	(750)
Legal reserve	(607)	(605)
Equity dividend paid	(3,455)	(2,513)
Tax on equity dividend paid	(703)	(512)
	31,956	18,555
Other comprehensive income		
vi) Foreign currency translation reserve		
As per last balance sheet	197	-
Add : Addition during the year	(7,442)	197
	(7,245)	197
Total	100,756	93,336

Nature and purpose of reserves

i) Capital reserve

Capital reserve represents capital surplus and not normally available for distribution as dividend.

ii) Securities premium

Securities premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

iii) Debenture redemption reserve (DRR)

The Company had issued redeemable non-convertible debentures and accordingly DRR is required to be created pursuant to the Companies (Share capital and Debentures) Rules 2014. DRR is required to be created, out of profits of the Company available for payment of dividend, upto an amount which is equal to 25% of the value of the debentures issued.

iv) Share options outstanding account

Represents the fair value at respective grant dates of options issued to employees under Essel Employee Stock Option Scheme 2014. This balance will be transferred to share capital and security premium account as and when the options get exercised from time to time.

v) General reserve

The reserve is a distributable reserve maintained by the Company out of transfers made from annual profits.

vi) Retained earnings

Retained earnings represent the accumulated earnings net of losses if any made by the group over the years.

vii) Other comprehensive income

Consists of income and expense not chargeable to Profit and Loss account in the ordinary course. It is made of items which will be reclassified to profit or loss and Items that will not be reclassified to profit or loss.

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
22 Non-current borrowings			
Secured			
Debentures			
900 (900) units of Redeemable Non-convertible debentures of ₹ 1,000,000 each (Refer note [a (i)] below)	8,969	8,953	8,939
Term loans			
Term loan from banks {Refer note [a (ii), (iii), (iv)] and [b (i)] below}	46,965	39,999	46,920
Term loan from others {Refer note [a (iii)and(v)]}	-	-	7,476
Buyers credit from banks (Refer note [(a) (vi) and (vii)] and [b (i)] below)	2,512	3,985	6,303
Finance lease obligations [Refer note [a (viii)] and [b (ii)] below]	5,450	5,696	6,024
	63,896	58,633	75,662
Unsecured			
Term loan from banks (Refer note [b (iii)] below)	1,716	1,039	488
Term loan from others (Refer note [a (x)] below)	-	81	153
Buyers credit from banks (Refer note [a (ix)] below)	4,396	2,997	2,298
Deferred sales tax loan (Refer note [a (xi)] below)	1,139	1,494	1,974
	7,251	5,611	4,913
	71,147	64,244	80,575
Less: Current maturities disclosed under "Other current financial liabilities" (Refer note 26)	10,651	8,900	17,595
Total	60,496	55,344	62,980

Nature of security and terms of repayment for long-term borrowings:

a) In Parent Company

i) Listed redeemable non-convertible debentures Series (A) of ₹4,983 lakhs (31 March 2016: ₹ 4,974 lakhs, 1 April 2015: ₹ 4,966 lakhs) and Series (B) of ₹ 3,986 lakhs (31 March 2016: ₹ 3,979 lakhs, 1 April 2015: ₹ 3,973 lakhs) are secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan and land and building situated at Goa and Murbad). These debentures are further secured by way of security provided by other related party*.	These debentures carry interest rate at SBI Base Rate + 145 bps p.a. and are redeemable at par in 3 annual instalments commencing from 25 April 2019 in the ratio of 30:30:40 with an put/call option at the end of 3 years from date of issue in case of Series A and 3 1/2 years from the date of issue in case of series B, and on each anniversary thereafter until redemption, and put option in the event of downgrade of credit rating to BBB+ below.
ii) Term loan from banks of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 1,007 lakhs) are secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). These loans are further secured by way of security provided and guarantee issued by other related party*.	Term loan from banks and others are fully prepaid during the previous financial year.
iii) Term loan from banks of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 3,501 lakhs) and Term loan from others ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 4,683 lakhs) are secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). These loans are further secured by way of security provided by other related party*.	

Notes forming part of the consolidated financial statements

iv) Term loan from bank of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 2,097 lakhs) is secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari passu second charge on current assets of the company. The loan is further secured by way of security provided by other related party*.	
v) Term loan from others ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 2,793 lakhs) is secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari passu second charge on current assets of the company. The loan is further secured by way of security provided and corporate guarantee issued by other related party*.	
vi) Buyers credit from bank of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 2,491 lakhs) is secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan) and pari passu second charge on current assets of the company. This loan is further secured by way of security provided by other related party*.	Buyers' Credit from bank is fully paid during the previous financial year.
vii) Buyers credit from bank of ₹ 2,512 lakhs (31 March 2016: ₹ 3,985 lakhs, 1 April 2015: ₹ 3,701 lakhs) is secured by pari passu first charge on all fixed assets of the company (except all fixed assets situated at chakan). This loan is further secured by way of security provided by other related party*.	Buyers credit from banks carry interest rate ranging from 0.35% to 1.72% p.a. based on prevailing benchmark rates and are repayable in maximum period of three years from the date of transaction.
viii) Finance lease obligations are secured by related leased assets.	Leases carry interest rate ranging from 12.36% to 13.50% p.a and are repayable in monthly installments.
ix) Buyers credit from banks ₹ 2,284 lakhs (31 March 2016: ₹ 1,506 lakhs, 1 April 2015: ₹ 424 lakhs) are against security provided and guarantee issued by other related party and ₹ 2,112 lakhs (31 March 2016: ₹ 1,491 lakhs, 1 April 2015: ₹ 1,874 lakhs) are against security provided by other related party*.	Buyers credit from banks carry interest rate ranging from 0.15% to 1.82% p.a. based on prevailing benchmark rates and are repayable in maximum period of three years from the date of transaction.
x) Term loan from others ₹ Nil (31 March 2016: ₹ 81 lakhs, 1 April 2015: ₹ 153 lakhs) are unsecured.	Term loan from others are fully paid during the year.
xi) Deferred sales tax interest free loans are repayable within a period of 10 to 14 years from the date of loan upto 2024-25.	

*Other related party i.e. Aqualand (India) Limited

b) In Subsidiaries and Joint ventures

i) Term loans from banks of ₹ 46,965 lakhs (31 Mar 2016: ₹ 39,999 lakhs, 1 April 2015: ₹ 40,315 lakhs) and Buyers credit from banks of ₹ Nil (31 Mar 2016: ₹ Nil, 1 April 2015: ₹ 111 lakhs) in different currencies are variously secured by way of charge over fixed assets (excluding leased assets) and / or exclusive charge on the asset financed under the particular loan, inventory, book debts and other current assets of the respective subsidiary company, dividend escrow account, pledge of shares of the overseas subsidiaries, subservient charge on moveable fixed assets and current assets of the parent company, corporate guarantee / letter of comfort of the parent company / affiliate.	Repayable in specified installment (Monthly, Quarterly, Half yearly and Yearly) repayable by 2024-25. Interest rate for USD denominated loans are ranging from 4.30% to 5.32% p.a. and EUR denominated loans are ranging from 1.00% to 2.95% p.a. at linked to prevailing benchmark rates of respective currencies.
ii) Finance lease obligations are secured against the assets leased.	USD denominated leases carry interest rate ranging from 4.48% to 6.00% p.a. and COP denominated lease carry interest rate at 13.60% p.a. All leases are repayable in monthly installments.
iii) Term Loan from banks ₹ 1,716 lakhs (31 March 2016: ₹ 1,039 lakhs, 1 April 2015: ₹ 488 lakhs) are unsecured	EUR denominated term loan from banks carry interest rate 1.20% and COP denominated term loan carry interest ranging from 8.50% to 13.90% p.a. and is repayable in quarterly / half yearly installments by 2019-20

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
23 Non-current provisions			
Employee benefits	1,332	942	914
Provision for contingencies	998	998	400
Total	2,330	1,940	1,314

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
24 Current financial liabilities - Borrowings			
Secured {Refer note [(a) and (b) below]}			
Short-term loan from banks	-	-	1,420
Working capital loan from banks	4,930	2,948	6,974
Buyers credit from banks	1,040	617	2,188
	5,970	3,565	10,582
Unsecured			
Short-term loan from banks {Refer note (b) below}	2,048	2,619	1,841
Working capital loan from banks	670	-	284
Buyers credit from banks	-	500	1,113
	2,718	3,119	3,238
Total	8,688	6,684	13,820

Nature of security:

a) In Parent Company

Of the total secured short-term borrowings

₹ 1,741 lakhs (31 March 2016: ₹ 744 lakhs, 1 April 2015: ₹ 2,705 lakhs) are secured by first pari-passu charge on current assets and second pari-passu charge on all fixed assets of the company (except all fixed assets situated at chakan).

b) In Subsidiaries and Joint ventures

Short term loans from banks of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 1,420 lakhs), Working capital loan from Banks of ₹ 4,229 lakhs (31 March 2016: ₹ 2,822 lakhs, 1 April 2015: ₹ 6,084 lakhs) and Buyers credit from banks of ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 373 lakhs) are secured variously by way of charge over fixed assets (excluding leased assets), inventory, book debts and other current assets of the respective subsidiary companies, corporate guarantee / letter of comfort of the parent company, and pledge of shares of overseas subsidiary companies.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
25 Trade payables			
Acceptances	2,259	2,260	1,699
Others	12,473	10,559	14,050
Total	14,732	12,819	15,749

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
26 Other current financial liabilities			
Current maturities of long term borrowings (Refer note 22)	10,051	8,113	16,914
Current maturities of long term finance lease obligations (Refer note 22)	600	787	681
Unclaimed dividend (Refer note 50)	73	57	51
Payable for capital goods	363	220	189
Employee benefits payable	2,547	2,451	2,066
Grant repayable	1,952	103	191
Derivative instruments at fair value through profit or loss			
- Foreign exchange forward contracts	440	128	308
- Interest rate swaps	8	66	-
Other payables	9,910	8,179	7,310
Total	25,944	20,104	27,710

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
27 Other current liabilities			
Trade advances	137	235	445
Statutory dues	2,685	1,190	978
Total	2,822	1,425	1,423

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
28 Current provisions			
Employee benefits	644	627	628
Total	644	627	628

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
29 Current tax liabilities			
Provision for direct tax (net)	1,667	2,609	3,243
Total	1,667	2,609	3,243

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	2017	2016
30 Revenue from operations		
Sale of products (including excise duty)	234,588	217,337
Other operating revenues		
- Royalty / Service charges	2,775	1,643
- Sale of scrap	1,237	1,367
- Export and other incentives	194	215
Revenue from operations	238,794	220,562

(₹ in lakhs)

	2017	2016
31 Other income		
Grant income	350	112
Liabilities written back	7	206
Net gain on disposal of property, plant and equipment	1,387	-
Miscellaneous income	289	371
Total	2,033	689

(₹ in lakhs)

	2017	2016
32 Interest income		
Interest income on financial assets at amortised cost*	1,314	1,541
Unwinding of discount on security deposits	183	152
Total	1,497	1,693

* includes interest on loans, bank deposits etc.

(₹ in lakhs)

	2017	2016
33 Cost of materials consumed		
Inventories at the beginning of the year	7,572	10,429
Add: Inventories from acquisition during the year	1,462	-
Purchases (net)	101,390	90,054
	110,424	100,483
Less: Inventories at the end of the year	9,211	7,572
Total	101,213	92,911

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	2017	2016
34 Changes in inventories of finished goods and goods-in-process		
Inventories at the end of the year		
Goods-in-process	5,682	5,181
Finished goods	4,376	2,339
Total (A)	10,058	7,520
Inventories from acquisition during the year		
Goods-in-process acquired during the year	269	-
Finished goods acquired during the year	1,845	-
Total (B)	2,114	-
Inventories at the beginning of the year		
Goods-in-process	5,181	4,548
Finished goods	2,339	2,413
Total (C)	7,520	6,961
Total (B+C-A)	(424)	(559)

(₹ in lakhs)

	2017	2016
35 Employee benefits expense		
Salaries, wages and bonus	33,658	30,584
Contribution to provident and other funds	3,409	2,924
Gratuity	151	153
Share based payments to employees (Refer note 56)	28	699
Staff welfare expenses	3,334	3,078
Total	40,580	37,438

(₹ in lakhs)

	2017	2016
36 Finance costs		
Interest expense on financial liabilities at amortised cost		
- Borrowings	4,138	4,665
- Others	16	73
Exchange differences regarded as an adjustment to borrowing costs	180	179
Other borrowing costs	1,419	1,174
Total	5,753	6,091

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	2017	2016
37 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	13,654	11,897
Amortisation of intangible assets	494	419
Total	14,148	12,316

(₹ in lakhs)

	2017	2016
38 Other expenses		
Stores and spares	4,979	5,222
Packing materials	7,596	6,828
Power and fuel	6,884	6,373
Job work / Labour charges	3,828	3,695
Lease rent		
- Buildings	1,543	1,032
- Property, plant and equipments	984	674
Other manufacturing expenses	1,893	1,349
Repairs and maintenance		
- Buildings	226	244
- Plant and machinery	2,298	1,817
- Others	858	843
Rent	916	882
Rates and taxes	986	891
Insurance	375	314
Directors' sitting fees	14	10
Travelling and conveyance expenses	1,442	1,267
Advertisement expenses	31	24
Professional and consultancy charges	1,564	1,122
Communication charges	501	433
Loss on disposal / discard of property, plant and equipment (net)	-	50
Donation	14	22
Exchange difference (net)	294	636
Payments to auditors:		
- Audit fees	27	27
- Tax audit fees	4	4
- Tax representations and others	12	23
- Certifications (including fees for limited review)	13	18
- Reimbursement of expenses	2	2
Freight and forwarding expenses	6,687	6,205
Commission	90	146
Bad and doubtful debts (net of provision)	141	234
Corporate social responsibility expense (Refer note 52)	42	63
Miscellaneous expenses	2,486	2,132
Total	46,730	42,582

Notes forming part of the consolidated financial statements

39 Finance Lease

The group has acquired plant and machinery and equipments under finance lease which are capitalized under property, plant and equipment. 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 2017 and its present value are as follows:

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Minimum lease payment as at			
Not later than one year	974	1,075	1,008
Later than one year but not later than five years	2,291	2,171	2,755
Later than five years	5,454	5,956	5,981
	8,719	9,202	9,744
Less: Amount representing finance charges	3,269	3,506	3,720
Present value of Minimum Lease Payments	5,450	5,696	6,024
Not later than one year	600	706	609
Later than one year but not later than five years	1,211	1,121	1,630
Later than five years	3,639	3,869	3,785

40 Operating Lease

The group has taken premises, residential facilities, plant and machinery (including equipments) and vehicles under cancellable/non-cancellable 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 one hundred and eight months. The rental obligations are as follows:

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Lease rental charges for the year	3,507	1,573	2,490
Future lease rental obligation payable (under non-cancellable leases)			
Not later than one year	2,014	2,225	1,159
Later than one year but not later than five years	4,205	4,729	2,191
Later than five years	2,141	2,785	143
Total	8,360	9,739	3,493

Notes forming part of the consolidated financial statements

41 Contingent liabilities and commitments (to the extent not provided for)

a) Contingent liabilities

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A. Claims against the group not acknowledged as debts			
(i) Unexpired letters of credit (net of liability provided)	25	-	1,236
(ii) Disputed indirect taxes*	2,340	2,463	2,375
(iii) Disputed direct taxes ^	3,023	2,070	1,140
(iv) Claims not acknowledged as debts	50	50	50
(v) Deferred sales tax liability assigned	474	608	686
B Other money for which the group is contingently liable			
Duty benefit availed under EPCG scheme, pending export obligations	3,012	2,377	2,637

* Does not include disputed excise duty of ₹ Nil (31 March 2016 ₹ 1,154 lakhs and 1 April 2015 ₹ 1,154 lakhs) 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 has been set aside by the Hon'ble Supreme Court during the year.

b) Commitments

(i) Capital commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital commitments	2,650	5,007	6,758

(ii) Other commitments

Estimated amount of contracts remaining to be executed on other than capital account, not provided for (net of advances)*

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Other commitments	843	456	603

* Share in Joint venture companies is disclosed under note 58(b)(iv)

Notes forming part of the consolidated financial statements

42 Collateral / security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the group are as under:

	(₹ in lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Property, plant and equipment	74,879	63,869	62,371
Inventories	11,349	11,385	13,428
Other current and non-current assets excluding investments	52,888	56,055	68,705
Total assets charged	139,116	131,309	144,504

43 Amalgamation of Whitehills Advisory Services Private Limited (Whitehills) with the Company

- i) A Scheme of Amalgamation of the holding company Whitehills Advisory Services Private Limited ("transferor company") with Essel Propack Limited ("transferee company") and their respective shareholders (the Scheme) was sanctioned by Hon'ble High Court of Judicature at Mumbai vide its order dated 1 September 2016. The scheme became effective on 6 October 2016 and consequently all assets, liabilities and reserves vested in the Company on the appointed date i.e. 1 November 2015. Accordingly, the consolidated financial statements for the year ended 31 March 2017 includes the transactions of the transferor company.
- ii) The amalgamation is accounted for as per the accounting treatment mentioned in the Scheme approved by Hon'ble High Court i.e. as per the pooling of interest method.
- iii) Pursuant to the Scheme
 - a. All assets and liabilities appearing in the books of the transferor company have been recorded by the transferee company at their respective book values at the appointed date.
 - b. 88,829,014 and 88,829 equity shares of ₹ 2 each fully paid up of the Company have been allotted to the participating preference shareholders and equity shareholders respectively of the transferor company and equivalent number of equity shares of ₹ 2 each fully paid up held by the transferor company have been cancelled. There is no change in the paid up equity share capital of the Company post allotment of the above equity shares.
 - c. The net assets taken over have been credited to capital reserve and expenses incurred in relation to and in connection with the Scheme have been debited to capital reserve as detailed below:

	(₹ in lakhs)	
Assets and Liabilities		
Cash and bank balances	30	
Long term loans and advances	975	
Current assets	2	
Current liabilities	(11)	
Net assets taken over		996
Credited to capital reserve		996
Less: Adjusted against expenses incurred in connection with the Scheme		(996)
		-

- d. The authorised equity share capital of the Company stands increased by 50,050,000 equity shares of ₹ 2 each.
- e. During the period between the appointed date and the effective date, as transferor company has carried on the existing business in "trust" on behalf of the Company, all vouchers, documents etc; for that period are in the name of transferor company.

Notes forming part of the consolidated financial statements

44 This claim is in respect of transit damage to the plant and machinery, which is under litigation before National Consumer Dispute Rederssal Commission, New Delhi (Refer Note 17).

45 Additional Information pursuant to Para 2 of General instructions for the preparation of Consolidated Financial Statements

(₹ in lakhs)

Sr. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total comprehensive income	Amount
I	Parent -								
	Essel Propack Limited	60%	62,208	33%	6,510	2%	(119)	53%	6,391
II	Subsidiaries -								
	Foreign								
1	Essel Propack America, LLC	27%	28,310	15%	2,842	9%	(648)	18%	2,195
2	Lamitube Technologies Ltd	50%	51,544	9%	1,691	8%	(614)	9%	1,077
3	Lamitube Technologies Cyprus Ltd	3%	2,647	2%	428	-10%	774	10%	1,202
4	Essel Packaging (Guangzhou) Ltd	36%	37,226	29%	5,643	37%	(2,816)	24%	2,827
5	Essel Propack Philippines, Inc	1%	1,331	2%	480	3%	(225)	2%	255
6	MTL de Panama S.A	2%	2,078	1%	124	0%	6	1%	130
7	Arista Tubes Limited	-2%	(1,940)	0%	18	-4%	341	3%	359
8	Essel Propack UK Limited	1%	874	3%	576	1%	(40)	4%	537
9	Essel de Mexico, S.A. de C.V.	2%	1,827	2%	346	2%	(149)	2%	196
10	Tubopack de Columbia S.A.	1%	1,286	-1%	(160)	-1%	55	-1%	(106)
11	Essel De Colombia, S.A.S.	0%	(116)	-1%	(280)	0%	(0)	-2%	(280)
12	Essel Propack LLC (Russia)	1%	1,270	0%	63	-2%	186	2%	249
13	Essel Propack Polska	12%	12,002	5%	961	11%	(870)	1%	91
14	Arista Tubes Inc	17%	17,775	15%	2,946	-3%	226	27%	3,172
15	Essel Packaging (Jiangsu) Ltd	6%	6,263	1%	220	8%	(574)	-3%	(354)
16	Lamitube Hongkong Trading Company Limited	0%	-	0%	(0)	0%	0	0%	(0)
17	The Egyptian Indian Company for Modern Packaging S.A.E (75%)	0%	498	2%	315	6%	(434)	-1%	(119)
18	Essel Propack Misr for Advanced Packaging S.A.E (75%)	1%	1,460	8%	1,505	16%	(1,218)	2%	287
19	Essel Deutschland Management Gmbh *	5%	5,494	3%	524	15%	(1,106)	-5%	(583)
20	Essel Deutschland Gmbh & Co. KG, Dresden *	0%	45	0%	1	0%	(4)	0%	(3)

Notes forming part of the consolidated financial statements

(₹ in lakhs)

Sr. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total comprehensive income	Amount
III	Minority Interests								
1	The Egyptian Indian Company for Modern Packaging S.A.E (25%)	0%	166	1%	105	2%	(145)	0%	(40)
2	Essel Propack Mistr for Advanced Packaging S.A.E (25%)	0%	487	3%	502	5%	(406)	1%	96
IV	Associate								
	Foreign								
	PT Lamipack Primula (30%)	2%	2,343	0%	(85)	0%	-	0%	

Note:

- Net assets / Share of Profit or Loss of subsidiaries and associate are considered based on the respective audited / unaudited standalone financial statements without considering elimination / consolidation adjustments.
- * Ceased to be joint venture and became wholly owned subsidiary w.e.f. 30 September 2016 (Refer note 3(ii)(d))

46 Exceptional items (net)

Exceptional items includes :

I) For year ended 31 March 2017

- ₹ 338 lakhs exchange loss due to the Government of Egypt moved out of administered exchange rate mechanism to full float of Egyptian pound (EGP) thereby devaluing EGP from 8.8799 to 16.00 per USD on 3 November 2016.
- ₹ 461 lakhs trade tax assessed on German subsidiary on account of change in it's ownership following acquisition of 100% stake by the group.
- Gain of ₹ 2,364 lakhs (net of related costs) determined as difference between the acquisition date fair value of the group's previously held 24.9% equity interest in the joint venture and its related carrying amount in the books, following a acquisition of 100% stake in German joint venture.

II) For year ended 31 March 2016

- ₹ 516 lakhs gain on divestment of wholly owned subsidiary, Packaging India Private Limited
- ₹ 160 lakhs write off of ancillary borrowing costs upon pre-payment of long term borrowings and related charges thereof
- Write off of ₹ 124 lakhs relating to closure of Plastic Tubes manufacturing operations in USA.

Notes forming part of the consolidated financial statements

47 Earnings per share

	2017	2016
Profit for the year (₹. in lakhs)	19,032	17,010
Weighted average number of shares for Basic EPS (Nos.)	157,053,275	157,044,165
Weighted average number of shares for Diluted EPS (Nos.)	157,999,500	157,044,165
Nominal value of equity shares (₹)	2.00	2.00
Earnings per share		
Basic EPS (₹)	12.12	10.83
Diluted EPS (₹)	12.05	10.83

48 Specified bank notes (SBN)

The parent company has no transactions in cash and hence disclosures w.r.t. Specified Bank Notes (SBN) are not applicable.

49 Related Party Disclosures

a. Related parties

i) Ultimate holding company

Rupee Finance and Management Private Limited (ceased to be ultimate holding company w.e.f. 6 October 2016 pursuant to the scheme of amalgamation (Refer note 43)

ii) Holding company

Whitehills Advisory Services Private Limited (ceased to be holding company w.e.f. 6 October 2016 pursuant to the scheme of amalgamation (Refer note 43)

iii) List of parties where control exists is given in note 3A(i)(e)

iv) Joint venture / associate companies

Essel Deutschland GmbH & Co. KG (Dresden), Essel Deutschland Management GmbH, P.T. Lamipak Primula (Refer note 3A(ii)(d))

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

Aqualand (India) Limited, Ayepee Lamitubes Limited, Ganjam Trading Company Private Limited, Pan India Paryatan Private Limited, Rama Associates Limited, Zee Entertainment Enterprises Limited, Sprit Textiles Private Limited, ITZ Cash Card Limited, Shrotra Enterprises Private Limited

b. Key management personnel

Executive Director

Mr. Ashok Goel (Chairman and Managing Director)

Notes forming part of the consolidated financial statements

c. Transactions with related parties

(A) Transactions during the year

(₹ in lakhs)

	2017	2016
a. Sales to and recoveries from		
Joint ventures / Associate	450	1,205
Essel Deutschland GmbH & Co., KG Dresden	436	1,205
P. T Lamipack Primula	14	-
Other related parties	-	23
Shrotra Enterprises Private Limited	-	5
Ganjam Trading Company Private Limited	-	18
b. Royalty / Service income		
Joint ventures / Associate	142	170
Essel Deutschland GmbH & Co., KG Dresden	142	170
c. Purchase of goods and services		
Other related parties	21	24
ITZ Cash Card Limited	21	17
Shrotra Enterprises Private Limited	-	3
Others	-	4
d. Rent expenses		
Other related parties	934	417
Ayeppee Lamitubes Limited	40	39
Ganjam Trading Company Private Limited	875	378
Others	19	-
e. Guarantee commission paid		
Other related parties	513	137
Aqualand (India) Limited	513	137
f. Loans / advances / deposits given		
Other related parties	550	-
Ganjam Trading Company Private Limited	550	-
g. Repayment of loans / advances / deposits taken		
Other related parties	975	-
Ganjam Trading Company Private Limited *	975	-
h. Interest income on loans / advances / deposits given		
Other related parties	1,297	1,445
Ganjam Trading Company Private Limited *	111	-
Sprit Textiles Private Limited	1,186	1,445
i. Remuneration paid / provided	717	712
Key managerial personnel	717	712

Note

* Repayment received of loan taken over pursuant to the scheme of amalgamation (Refer note 43) and interest thereon

Notes forming part of the consolidated financial statements

(B) Balance Outstanding

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
a. Trade Receivables			
Joint ventures / Associate	-	279	291
Essel Deutschland Gmbh & Co., KG Dresden	-	279	291
Other related parties	1	1	24
Shrotra Enterprises Private Limited	1	1	22
Others	-	-	2
b. Loans / advances / deposits given (including interest receivable)			
Other related parties	12,774	13,754	12,454
Ayeppee Lamitubes Limited	1,250	1,250	1,250
Sprit Textiles Private Limited	10,674	12,204	10,904
Others	850	300	300
c. Other receivables			
Joint ventures / Associate	-	0	-
Essel Deutschland Gmbh & Co., KG Dresden	-	0	-
Other related parties	0	0	-
Ayeppee Lamitubes Limited	0	0	-
d. Trade and other payables			
Joint ventures / Associate	-	-	3
Essel Deutschland Gmbh & Co., KG Dresden	-	-	3
Other related parties	-	10	1
Ganjam Trading Company Private Limited	-	9	-
Zee Entertainment Enterprises Limited	-	0	-
Ayeppee Lamitubes Limited	-	-	1
e. Guarantees / security provided on group's behalf by			
Other related party	25,400	25,400	49,725
Aqualand (India) Limited	25,400	25,400	49,725
Loan Outstanding ₹ 15,557 lakhs (31 March 2016 - ₹ 17,928 lakhs; 1 April 2015 - ₹ 35,512 lakhs)			
f. Remuneration payable			
Key management personnel	233	312	270

Notes:

- All transactions with related parties are made on arm's length basis in the ordinary course of business. The outstanding balances at year end are unsecured due to be settled for consideration in cash.
- Transactions with Joint venture has been reported at proportionate value.
- Zero '0' denotes less than a lakh.

Notes forming part of the consolidated financial statements

d. Break up of remuneration of key management personnel of the Company

(₹ in lakhs)

	2017	2016
i. Salaries, allowances and perquisites [^]	448	435
ii. Contribution to provident and other funds	36	35
iii. Performance bonus [*]	233	242
Total	717	712

[^] Excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis. Further the Essel Employee Stock Option Scheme 2014 does not extend to chairman and managing director, hence there is no share based compensation benefit.

^{*} The performance bonus for the current year has been provided in the accounts as recommended by the nomination and remuneration committee and approved by the Board of Directors. The total remuneration to Managing Director on this basis as computed as per the Companies Act, 2013 is within limits prescribed u/s 197 of the Companies Act, 2013.

50 Dividend of ₹ 2 lakhs (March 2016 ₹ 7 lakhs; March 2015 ₹ Nil) unclaimed for a period of more than seven years is transferred to Investor Education and Protection Fund during the year. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2017.

51 Dividends paid and proposed

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
a. Cash dividends on equity shares declared and paid		
Final dividend paid for the year ended 31 March 2016 ₹ 2.20 per share (31 March 2015: ₹ 1.60 per share)	3,455	2,513
Dividend distribution tax on above	703	512
b. Proposed dividends on equity shares		
Final dividend proposed for the year ended 31 March 2017 ₹ 2.40 per share (31 March 2016: ₹ 2.20 per share)	3,770	3,455
Dividend distribution tax on above	768	703

Proposed dividends on equity shares are subject to approval of shareholders at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at the reporting date.

52 Corporate Social Responsibility (CSR)

During the year, the Company has towards various CSR initiatives spent ₹ 42 lakhs (31 March 2016 ₹ 63 lakhs) as against ₹ 165 lakhs (31 March 2016 ₹ 141 lakhs) as required by Section 135 read with Schedule VII of the Companies Act 2013. CSR spend has been charged to the statement of profit and loss under "Other Expenses" in line with ICAI guidance note issued in May 2015.

Notes forming part of the consolidated financial statements

53 Research & Development Expenditure (R & D)

During the year, the Parent Company has incurred total R&D expenditure of ₹ 562 lakhs (31 March 2016 ₹ 634 lakhs) including capital expenditure of ₹ 66 lakhs (31 March 2016 ₹ 125 lakhs), out of which the Company has claimed weighted tax deduction on eligible R&D expenditure of ₹ 470 lakhs (31 March 2016 ₹ 373 lakhs) including Capital expenditure of ₹ 66 lakhs (31 March 2016 ₹ 125 lakhs) under Section 35(2AB) of the Income Tax Act 1961.

54 Prior period comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classifications / disclosures.

55 Gratuity and other post employment benefit plans

The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below:

- 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.
- Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.
- Details of post retirement gratuity plan for India are as follows:-

i. Expenses recognised during the year in the statement of profit and loss

(₹ in lakhs)

	2017	2016
Current service cost	65	57
Interest cost	59	47
Benefits paid by employer	1	29
Net expenses	125	133

ii Expenses recognised during the year in other comprehensive income (OCI)

(₹ in lakhs)

	2017	2016
Actuarial (gains) / losses arising from changes in demographic assumptions	1	-
Actuarial (gains) / losses arising from changes in financial assumptions	101	5
Actuarial (gains) / losses arising from changes in experience assumptions	86	66
Expected return on plan assets excluding interest	(6)	7
Net expenses	182	78

Notes forming part of the consolidated financial statements

iii Net liability recognised in the balance sheet

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fair value of plan assets	324	353	387
Present value of obligation	1,304	1,105	996
Liability recognized in balance sheet	980	752	609

iv. Reconciliation of opening and closing balances of defined benefit obligation

(₹ in lakhs)

	2017	2016
Defined benefit obligation as at the beginning of the year	1,105	996
Current service cost	65	57
Interest cost	87	78
Actuarial (gain) / loss on obligation	188	69
Liability transferred in/ (paid)	(17)	12
Benefits paid	(124)	(107)
Defined benefit obligation at the end of the year	1,304	1,105

v Reconciliation of opening and closing balance of fair value of plan assets

(₹ in lakhs)

	2017	2016
Fair values of plan assets at the beginning of the year	353	387
Interest income	28	31
Return on plan assets, excluding interest income	6	(7)
Employer contribution	60	12
Benefits paid	(124)	(70)
Fair value of plan assets at year end	323	353

vi Reconciliation of opening and closing balance of net defined benefit obligation

(₹ in lakhs)

	2017	2016
Defined benefit obligation as at the beginning of the year	752	609
Current service cost	65	57
Interest cost (net)	59	47
Actuarial (gain) / loss on obligation	188	69
Liability transferred in/ (paid)	(17)	12
Return on plan assets, excluding interest income	(6)	7
Employer contribution	(60)	(12)
Benefits paid	-	(37)
Defined benefit obligation at the end of the year	981	752

Notes forming part of the consolidated financial statements

vii. Investment details

	(₹ in lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Insurer Managed Funds	324	353	387

viii. Actuarial assumptions

Mortality Table	As at 31 March 2017 Indian Assured Lives mortality (2006-08) Ultimate	As at 31 March 2016 Indian Assured Lives mortality (2006-08) Ultimate	As at 1 April 2015 Indian Assured Lives mortality (2006-08) Ultimate
Discount rate (per annum)	7.71%	7.96%	8.03%
Expected rate of return on plan assets (per annum)	7.71%	7.96%	8.03%
Rate of escalation in salary (per annum)	5.00%	4.00%	4.00%
Attrition rate	Service 4 years and below - 5%, others - 1%	Service 4 years and below - 6%, others - 1%	Service 4 years and below - 6%, others - 1%

ix Quantitative sensitivity analysis

	(₹ in lakhs)	
	As at 31 March 2017	As at 31 March 2016
Projected benefit obligation on current assumptions	1,304	1,105
Increase by 0.5% in discount rate	(41)	(32)
Decrease by 0.5% in discount rate	45	34
Increase by 0.5% in rate of salary increase	45	35
Decrease by 0.5% in rate of salary increase	(43)	(33)
Increase by 0.5% in rate of employee turnover	10	11
Decrease by 0.5% in rate of employee turnover	(10)	(12)

x Maturity analysis of projected benefit obligation: from the fund

	(₹ in lakhs)	
	As at 31 March 2017	As at 31 March 2016
Projected benefits payable in future years from the date of reporting		
1st following year	221	204
2nd following year	26	68
3rd following year	30	31
4th following year	505	28
5th following year	43	463
Sum of years 6 to 10	350	284

Notes:

- Amounts recognized as an expense and included in the Note 35 "Employee benefits expense" are gratuity ₹ 125 lakhs (31 March 2016 ₹ 133 lakhs) and leave encashment ₹ 241 lakhs (31 March 2016 ₹ 120 lakhs)

Notes forming part of the consolidated financial statements

- 2 The estimate of future salary increases considered in the actuarial valuation takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- 3 "Contribution to provident and other funds" which is a defined plan is recognized as an expense in Note 35 of the financial statements.

d. Details of post retirement gratuity plan for Philippines are as follows:

The Company has a funded, noncontributory defined benefit pension plan covering substantially all its regular employees (main plan) and an unfunded, noncontributory defined benefit pension plan covering officers (supplemental plan). The benefits are based on the years of service and compensation of the employees. The tables below summarize the components of net pension benefits cost recognized in profit or loss and the funding status and amounts recognized in the balance sheets for the respective pension plans.

i. Expenses recognised during the year in the statement of profit and loss

(₹ in lakhs)

	2017	2016
Current service cost	23	18
Interest cost	13	10
Benefits paid by employer	(10)	(8)
Net expenses	26	20

ii. Expenses recognised during the year in other comprehensive income (OCI)

(₹ in lakhs)

	2017	2016
Net actuarial loss transferred to OCI	43	5

iii. Net liability recognised in the balance sheet

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fair value of plan assets	128	198	162
Present value of obligation	202	224	189
Liability recognized in balance sheet	74	26	27

iv. Reconciliation of opening and closing balances of defined benefit obligation

(₹ in lakhs)

	2017	2016
Defined benefit obligation as at the beginning of the year	224	189
Current service cost	23	18
Interest cost	13	10
Actuarial (gain) / loss on obligation	(2)	-
Liability transferred in/ (paid)	40	-
Benefits paid	(76)	-
Exchange Adjustments	(20)	7
Defined benefit obligation at the end of the year	202	224

Notes forming part of the consolidated financial statements

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

(₹ in lakhs)

	2017	2016
Fair values of plan assets at the beginning of the year	198	162
Interest income	-	-
Return on plan assets, excluding interest income	10	8
Employer contribution	13	29
Benefits paid	(77)	(5)
Exchange Adjustments	(16)	4
Fair value of plan assets at year end	128	198

vi. Reconciliation of opening and closing balance of net defined benefit obligation

(₹ in lakhs)

	2017	2016
Defined benefit obligation as at the beginning of the year	26	27
Current service cost	23	18
Interest cost (net)	13	10
Actuarial (gain) / loss on obligation	(2)	-
Liability transferred in/ (paid)	40	-
Return on plan assets, excluding interest income	(10)	(8)
Employer contribution	(13)	(29)
Benefits paid	1	5
Exchange Adjustments	(4)	3
Defined benefit obligation at the end of the year	74	26

vii. Actuarial assumptions

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
Discount rate (per annum)	5.44%	4.85%
Expected rate of return on plan assets (per annum)	5.00%	5.00%
Rate of escalation in salary (per annum)	6.00%	6.00%

Notes forming part of the consolidated financial statements

viii. Quantitative sensitivity analysis

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
Projected benefit obligation on current assumptions	202	256
Increase by 0.5% in discount rate	189	243
Decrease by 0.5% in discount rate	217	271
Increase by 0.5% in rate of salary increase	217	272
Decrease by 0.5% in rate of salary increase	188	243
Increase by 0.5% in rate of employee turnover	200	255
Decrease by 0.5% in rate of employee turnover	204	258

Notes:

- 1 Amounts recognized as an expense and included in the Note 35 "Employee benefits expense" ₹ 26 lakhs (31 March 2016 ₹ 21 lakhs)
- 2 The estimate of future salary increases considered in the actuarial valuation, taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

56 Share-based payments

Employee stock option plan

- a) During the year 2014-15, the parent company had instituted an Essel Employee Stock Option Scheme 2014 ("the Scheme") as approved by the Board of Directors for issuance of stock options to the eligible employees of the Company and of its subsidiaries, other than directors, promoters or person belonging to promoter group.

Subject to terms and conditions of the Scheme, the said options will vest on each of 1 July 2016, 1 July 2017 and 1 July 2018 to the extent mentioned in the letter of grant and can be exercised within a maximum period of four years from the date of vesting. When exercisable, each option is convertible into one equity share of ₹ 2 each fully paid up.

b) Summary of options granted under the Scheme

	As at 31 March 2017		As at 31 March 2016	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	123.97	2,992,535	121.65	2,953,000
Granted during the year	203.56	152,507	161.00	176,535
Exercised during the year *	121.65	(57,333)	-	-
Forfeited during the year	126.06	(1,166,867)	121.65	(137,000)
Closing balance		1,920,842		2,992,535
Vested and exercisable	121.65	881,333	-	-

*The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2017 was ₹ 249.39.

Notes forming part of the consolidated financial statements

c) Expiry date and exercise prices of the share options outstanding at the end of the year:

Grant date	Expiry date	Exercise price (₹)	Share options As at 31 March 2017	Share options As at 31 March 2016	Share options As at 1 April 2015
19 March 2015	30 June 2020	121.65	881,328	938,661	984,327
19 March 2015	30 June 2021	121.65	-	938,661	984,327
19 March 2015	30 June 2022	121.65	841,339	938,678	984,346
29 October 2015	30 June 2021	161.00	-	108,033	-
29 October 2015	30 June 2022	161.00	45,668	68,502	-
17 June 2016	30 June 2022	196.40	113,096	-	-
1 September 2016	30 June 2022	224.10	39,411	-	-
Total			1,920,842	2,992,535	2,953,000
Weighted average remaining contractual life of options outstanding at end of period			4.33	5.27	6.25

d) The fair value of each option granted is estimated on the date of grant using the black scholes model with the following assumptions

Scheme	A	B	C	D
Grant date	19 Mar 2015	29 Oct 2015	17 Jun 2016	1 Sep 2016
Weighted average fair value of options granted	49.20	59.58	75.34	81.78
Exercise price (₹)	121.65	161.00	196.40	224.10
Share price at the grant date (₹)	116.50	160.00	194.75	222.70
Expected volatility	47.55%	37.90%	40.24%	39.46%
Risk free interest rate	7.64%	7.52%	7.28%	6.87%
Dividend yield	1.28%	1.28%	0.93%	0.93%
Expected life of the options (years)	3.29 to 5.29	3.67 to 4.67	4.04	3.83

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

e) Expense arising from share based payments transactions

	(₹ in lakhs)	
	2017	2016
Gross expense arising from share based payments	28	699

57 Business combinations

A Summary of acquisition

- On 30 September 2016, Lamitube Technologies Limited, wholly owned subsidiary of the Company, acquired the balance 75.1% of the issued capital of joint ventures i.e. Essel Deutschland Management GmbH and Essel Deutschland GmbH & Co. KG, Dresden engaged in manufacture of plastic packaging material in the form of multilayer collapsible tubes and laminates for packaging of beauty & cosmetics, pharmaceuticals, food, household, industrial and oral care products.

This acquisition raised the group's ownership in above companies to 100%.

Notes forming part of the consolidated financial statements

Summary of assets acquired and liabilities assumed:

The fair values of the identifiable assets and liabilities of the above joint ventures at the date of acquisition are as under:

			(₹ in lakhs)
	Essel Deutschland Management GmbH	Essel Deutschland GmbH & Co. KG, Dresden	Total
Assets			
Trade and other receivables (Current)	-	2,086	2,086
Inventories	-	3,640	3,640
Cash and bank balances	52	2,099	2,151
Other assets	1	983	984
Intangible assets - customer contract / concessions	-	45	45
Property, plant and equipments	-	16,934	16,934
Total assets (A)	53	25,787	25,840
Less: Liabilities			
Borrowings	-	3,711	3,711
Current liabilities	6	4,831	4,837
Non-current liabilities	-	1,989	1,989
Total liabilities (B)	6	10,531	10,537
Net identifiable assets acquired (A-B)	47	15,256	15,303

ii) Purchase consideration

			(₹ in lakhs)
	Essel Deutschland Management GmbH	Essel Deutschland GmbH & Co. KG, Dresden	Total
Cash paid	28	12,880	12,908
Total purchase consideration	28	12,880	12,908

iii) Acquisition date fair value of the previously held equity interest

			(₹ in lakhs)
	Essel Deutschland Management GmbH	Essel Deutschland GmbH & Co. KG, Dresden	Total
Fair value of the previously held equity interest	12	3,799	3,811
Acquisition date fair value of the previously held equity interest	12	3,799	3,811

Notes forming part of the consolidated financial statements

iv) Computation of goodwill

	(₹ in lakhs)	
	Essel Deutschland Management GmbH	Essel Deutschland GmbH & Co. KG, Dresden
Consideration transferred	28	12,880
Acquisition date fair value of the previously held equity interest	12	3,799
Less: Net assets acquired	(47)	(15,256)
Goodwill / (capital reserve) arising on acquisition	(7)	1,423

- v) The group previously held 24.9% in both the joint ventures. The same was accounted as per equity method till 30 September 2016. Gain recognised as a result of remeasuring this equity interest in the acquiree at fair value is transferred to the statement of profit and loss as detailed in (vi) below.

vi) Gain recognised as a result of remeasuring the equity interest in the acquiree at fair value

	(₹ in lakhs)		
	Essel Deutschland Management GmbH	Essel Deutschland GmbH & Co. KG, Dresden	Total
Acquisition date fair value of the previously held equity interest	12	3,799	3,811
Add: Foreign currency translation reserve	-	142	142
Less: Carrying value of the previously held equity interest	(12)	(1,423)	(1,435)
Gain recognised as exceptional item	-	2,518	2,518

There were no acquisitions in the year ending 31 March 2016.

B Purchase consideration - cash outflow

	(₹ in lakhs)
	31 March 2017
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	12,908
Less: Acquired on acquisition	
Cash and bank balances	2,151
Net outflow of cash - investing activities	10,757

Notes forming part of the consolidated financial statements

58 Interest in associate and joint ventures

a) Interest in associate

The group has 30% interest in PT Lamipack Primula (associate) having its operations in Indonesia. The group's interest in the associate is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the group's investment in the associate is as under :

i) Summarised balance sheet is as under:

	(₹ in lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current assets	9,643	8,251	7,487
Non-current assets*	7,896	6,967	4,732
Current liabilities	(8,018)	(6,582)	(6,008)
Non-current liabilities	(6,143)	(5,422)	(3,765)
Equity	3,378	3,214	2,446
Proportion of the Company's ownership (%)	30%	30%	30%
Proportion of the Company's ownership (₹)	1,012	964	733
Add: Goodwill	514	514	514
Carrying amount of the investments	1,526	1,478	1,247

*Non-current assets is net of adjustment for policy difference and is after excluding the effect of revaluation of property, plant and equipment done by the associate amounting to Rs 2723 lakhs as at 31 March 2017 and Rs 3245 lakhs as 31 March 2016 to align with the Group's policy.

ii) Summarised statement of profit and loss is as under:

	(₹ in lakhs)	
	2017	2016
Total revenue	16,585	14,243
Profit for the year	193	915
Other comprehensive income for the year	(32)	130
Total comprehensive income	161	1,045
Group's share of profit for the year (30%)	58	275
Group's share of Other comprehensive income (30%)	(10)	39

iii) Dividend received

	(₹ in lakhs)	
	2017	2016
Dividend received from Associate	-	83

b) Interest in joint ventures

- i) The group had interest in following joint ventures which was accounted for using the equity method in the consolidated financial statements.

Name of entity	Place of business	% of ownership interest	Relationship
Essel Deutschland Management GmbH**	Germany	24.9%	Joint venture
Essel Deutschland GmbH & Co. KG, Dresden**	Germany	24.9%	Joint venture

** Ceased to be joint venture and became wholly owned subsidiary w.e.f. 30 September 2016 (Refer note 3(ii)(d))

Notes forming part of the consolidated financial statements

ii) Summarised balance sheet is as under:

	(₹ in lakhs)		
	As at 30 Sept 2016	As at 31 March 2016	As at 1 April 2015
Current assets			
Cash and cash equivalents	910	185	589
Other assets	5,282	5,910	4,880
Total Current assets	6,192	6,095	5,469
Total non-current assets	9,113	7,919	8,037
Current liabilities			
Financial liabilities (excluding trade payables)	(2,418)	(1,127)	(1,171)
Other liabilities	(4,171)	(5,174)	(4,699)
Total current liabilities	(6,589)	(6,301)	(5,870)
Non-current liabilities			
Financial liabilities (excluding trade payables)	(3,521)	(1,439)	(2,153)
Other liabilities	(54)	(57)	(53)
Total non-current liabilities	(3,575)	(1,496)	(2,206)
Equity	5,141	6,217	5,430
Proportion of the Company's ownership	24.9%	24.9%	24.9%
Carrying amount of the investment	1,280	1,548	1,352
Less: Transferred on Acquisition	(1,280)		
Net amount	-		

	(₹ in lakhs)		
	As at 30 Sept 2016	As at 31 March 2016	As at 1 April 2015
Essel Deutschland Management GmbH			
Current assets			
Cash and cash equivalents	52	14	5
Other assets	1	43	47
Total current assets	53	57	52
Total non-current assets	-	-	-
Current liabilities			
Financial liabilities (excluding trade payables)	-	-	-
Other liabilities	(5)	(9)	(9)
Total current liabilities	(5)	(9)	(9)
Non-current liabilities			
Financial liabilities (excluding trade payables)	-	-	-
Other liabilities	-	-	-
Total non-current liabilities	-	-	-
Equity	48	48	43
Proportion of the Company's ownership	24.9%	24.9%	24.9%
Carrying amount of the investment	12	12	11
Less: Transferred on Acquisition	(12)		
Net amount	-		

Notes forming part of the consolidated financial statements

iii) Summarised statement of profit and loss is as under:

(₹ in lakhs)

	Half year ended 30 Sep 2016	2016
Essel Deutschland GmbH & Co. KG, Dresden *		
Revenue from operations	12,228	24,325
Other income	237	471
Cost of raw material and components	(7,051)	(14,301)
Depreciation	(829)	(1,623)
Finance costs	(52)	(124)
Other expenses	(4,304)	(7,768)
Profit before tax	229	980
Less: Income tax expense	(39)	(127)
Profit / (loss) for the year	190	853
Add: Other comprehensive income	-	-
Total comprehensive income	190	853
Group's share of profit for the year (24.9%)	47	212
Group's share of Other comprehensive income (24.9%)	-	-

(₹ in lakhs)

	Half year ended 30 Sep 2016	2016
Essel Deutschland Management GmbH *		
Revenue from operations	44	113
Other income	-	0
Cost of raw material and components	-	-
Depreciation	-	-
Finance costs	-	-
Other expenses	(43)	(112)
Profit before tax	1	1
Less: Income tax expense	1	-
Profit / (loss) for the year	-	1
Add: Other comprehensive income	-	-
Total comprehensive income	-	1
Group's share of profit for the year (24.9%)	-	1
Group's share of Other comprehensive income (24.9%)	-	-

* accounted as wholly owned subsidiary effective from 30 September 2016.

iv) Joint Venture's share of other commitments is as under:

(₹ in lakhs)

	As at 31 March 2016	As at 01 April 2015
Essel Deutschland GmbH & Co. KG, Dresden		
Other commitments (@24.9%)	456	603

Notes forming part of the consolidated financial statements

59 Income Tax

a) The major components of income tax for the year ended 31 March 2017 are as under:

i) Income tax related to items recognised directly in the Statement of profit and loss during the year

(₹ in lakhs)

	2017	2016
Current Tax		
Current tax on profits for the year	7,175	7,630
Adjustments for Current tax of prior periods	(91)	63
Total Current tax expense	7,084	7,693
Deferred tax		
Relating to origination and reversal of temporary differences	785	64
Income tax expense reported in the consolidated statement of profit and loss	7,869	7,757

ii) Deferred tax related to items recognized in other comprehensive income (OCI) during the year

(₹ in lakhs)

	2017	2016
Deferred tax on remeasurements of the defined benefit plans	75	27
Deferred tax on share of OCI of associate	3	1
Deferred tax charged to OCI	78	28

b) Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in lakhs)

	2017	2016
Profit before tax	27,429	25,069
Income tax expense calculated at corporate tax rate*	9,493	8,676
Adjustments in respect of current income tax in respect of previous years	13	-
Prior years tax loss carry forwards utilised	(241)	(24)
Tax effect on non-deductible expenses	684	2,663
Additional allowance for tax purpose	(463)	(314)
Other allowances for tax purpose	418	287
Exceptional item	-	(1,577)
Deferred tax asset on Inventory profit margin	(246)	(223)
Deferred tax on undistributed profits	(47)	84
Effect of income that is exempted from tax	(342)	(728)
Effect of different tax rates	(1,327)	(809)
Other temporary differences	(73)	(278)
Income tax expense reported in the consolidated statement of profit and loss	7,869	7,757

* The tax rate used for reconciliation above is the corporate tax rate of 34.608% payable by parent entity in India on taxable profits under Indian tax law.

Notes forming part of the consolidated financial statements

c) Deferred tax relates to the following:

(₹ in lakhs)

	Balance sheet			Recognized in statement of profit and loss		Recognized in OCI	
	As at 31 Mar 17	As at 31 Mar 16	As at 1 Apr 15	2017	2016	2017	2016
Deferred tax liabilities (net)							
i) Deferred tax liabilities							
Depreciation on property, plant and equipment and Intangible assets	4,381	3,550	3,514	831	36	-	-
Outside basis tax	744	766	683	(22)	83	-	-
Unamortised ancillary borrowing costs	33	42	109	(9)	(67)	-	-
	5,158	4,358	4,306				
Less: Deferred tax assets							
Employee benefits / expenses allowable on payment basis	671	549	487	122	62	-	-
Allowance for doubtful debts	194	191	606	3	(415)	-	-
Other deductible temporary differences	217	160	394	57	(234)	-	-
	1,082	900	1,487				
Less: MAT credit entitlement	-	411	571	-	-	-	-
Total (a)	4,076	3,047	2,248	618	639	-	-
ii) Deferred tax assets (net)							
Deferred tax assets							
Employee benefits / expenses allowable on payment basis	405	508	94	(181)	386	(78)	(28)
Unrealised profit on Inter company transactions	196	233	211	(37)	22	-	-
Unused tax losses	315	356	-	(41)	356	-	-
	916	1,097	305				
Less: Deferred tax liabilities							
Depreciation on property, plant and equipment and Intangible assets	-	1	-	(1)	1	-	-
Other deductible temporary differences	12	14	-	(2)	14	-	-
	12	15	-				
Total (b)	904	1,082	305	(256)	749		
Sub-total (a-b)				874	(110)		
Add: Foreign currency translation				98	174		
Less: Deferred tax movement on acquisition of joint ventures				(187)	-		
Deferred tax charge / (credit)				785	64	(78)	(28)

Notes forming part of the consolidated financial statements

- d) The parent company and its subsidiaries have the following unused tax losses which arose on incurrance of capital losses and business losses under the Income Tax for which no deferred tax asset (DTA) has been recognised

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Business loss	4,425	6,252	6,317
DTA on business loss	854	1,162	1,167
Capital loss	2,714	2,714	-
DTA on capital loss	615	615	-

60 Financial risk management

A Credit risk

The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the group periodically assesses the financial reliability of customer, taking into account the financial condition, current economic trends, and the analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

i) Trade receivables

The group extends credit to customers in normal course of business. The group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The group has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

ii) Financial instruments and cash deposits

The group considers factors such as track record, size of the institution, market reputation, financial strength / rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the group has also availed borrowings.

iii) The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016
Up to 3 months	36,541	32,664
3 to 6 months	786	251
More than 6 months	335	207
Total	37,662	33,122

Notes forming part of the consolidated financial statements

The following table summarizes the change in the loss allowances measured using expected credit loss model:

	(₹ in lakhs)
As at 1 April 2015	632
Provided during the year	306
Amounts written off	235
As at 31 March 2016	703
Provided during the year	88
Amounts written off	141
As at 31 March 2017	650

B Liquidity risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at a reasonable price. For the group, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables, derivative instruments and other financial liabilities.

The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. The group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The group regularly monitors liquidity position through rolling forecast based on estimated free cash flow generated from business.

As at 31 March 2017

Maturities of non – derivative financial liabilities

	(₹ in lakhs)			
	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long term borrowings	10,644	46,486	14,823	71,953
Short term borrowings	8,685	-	-	8,685
Interest Payable	3,362	7,497	2,351	13,210
Trade payables	14,732	-	-	14,732
Other financial liabilities	14,845	-	-	14,845
Total	52,268	53,983	17,174	123,425

Maturities of derivative financial liabilities

	(₹ in lakhs)			
	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Forward contracts	440	-	-	440
Interest rate swap contract	8	-	-	8
Total	448	-	-	448

Notes forming part of the consolidated financial statements

As at 31 March 2016

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long term borrowings	8,932	39,316	17,015	65,263
Short term borrowings	6,694	-	-	6,694
Interest Payable	3,032	8,049	2,394	13,475
Trade payables	12,821	-	-	12,821
Other financial liabilities	11,010	-	-	11,010
Total	42,489	47,365	19,409	109,263

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Forward contracts	128	-	-	128
Interest rate swap contract	66	-	-	66
Total	194	-	-	194

As at 01 April 2015

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long term borrowings	17,520	50,910	12,897	81,327
Short term borrowings	13,850	-	-	13,850
Interest Payable (including IRS Swap payable)	5,049	9,512	2,642	17,203
Trade payables	15,738	-	-	15,738
Other financial liabilities	9,816	-	-	9,816
Total	61,973	60,422	15,539	137,934

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Forward contracts	105	-	-	105
Interest rate swap contract	203	-	-	203
Total	308	-	-	308

Notes forming part of the consolidated financial statements

C Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

The group's activities expose it to risks on account of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

I Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. The Company and its subsidiaries are exposed to currency risk on their receivables, payables and foreign currency loans and advances held other than in their respective functional currencies. Such exposure is with respect to the United State Dollar ("USD"), the Euro ("EUR"), the Swiss Franc ("CHF"), Chinese Yuan ("CNY") and the Pound Sterling ("GBP"). Consequently, the Company and its subsidiaries are exposed primarily to the risk that the exchange rate of the functional currency relative to the USD, the EUR, the CHF, the CNY and the GBP may change in a manner that has a material effect on the reported values of the Company and its subsidiaries' assets and liabilities that are denominated in these foreign currencies.

The group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including minimising cross currency transactions, using natural hedge and derivatives like foreign exchange forward contracts in order to minimise the impact to results on account of exchange movements. The unhedged exposures are monitored and kept to minimum feasible.

Exchange differences arising on translation are accumulated in the Foreign Currency Translation Reserve (FCTR) until the disposal of non-integral operations.

a) Foreign currency risk exposure

The above table exclude foreign currency exposures (financial liabilities) of ₹ 11,860 lakhs (31 March 2016: ₹ 15,676 lakhs, 1 April 2015: ₹ 14,092 lakhs) denominated primarily in USD, EUR and CHF currencies for which the exchange differences (net) are being capitalised to cost of property, plant and equipment. Accordingly the corresponding forward contracts against these financial liabilities amounting to ₹ 4,828 lakhs (31 March 2016 ₹ 3,646, April 2015 ₹ 1,648 lakhs) have been excluded.

The following table demonstrates the sensitivity in the USD, EUR, CHF, CNY, GBP and other currencies with all other variables held constant. The below impact on the group's profit before tax and equity is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

Currencies / Sensitivity	2017		2016	
	Increase by 5% (Loss) / Gain	Decrease by 5% (Loss) / Gain	Increase by 5% (Loss) / Gain	Decrease by 5% (Loss) / Gain
USD	94.88	(94.88)	66.22	(66.22)
EUR	9.13	(9.13)	36.80	(36.80)
CHF	(26.20)	26.20	(7.34)	7.34
GBP	2.26	(2.26)	21.72	(21.72)
Others	6.76	(6.76)	14.70	(14.70)

Notes forming part of the consolidated financial statements

II Interest rate risk

This refers to risk to group's cash flow and profits on account of movement in market interest rates.

For the group the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the group closely monitors market interest and as appropriate make use of hedge products such as interest rate swaps.

a) Interest rate risk exposure

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Variable rate borrowings	74,049	64,686	87,025
Fixed rate borrowings	6,589	7,272	8,151
Total borrowings	80,638	71,958	95,176

b) Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rate of 50 basis point increase or decrease. The calculations are based on the variable rate borrowings outstanding at balance sheet date. All other parameters are held constant.

(₹ in lakhs)

	Impact on profit after tax	
	2017	2016
Interest rates - (increase) by 50 basis points	(375)	(334)
Interest rates - decrease by 50 basis points	375	334

61 Capital Management

a) Risk management

The group manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or raise / retire debt. The primary objective of the group's capital management is to maximise the shareholders' value.

For the purpose of the group's capital management, equity includes issued capital, securities premium and other reserves. Net Debt includes loans less cash and bank balances. The group manages capital by monitoring gearing ratio which is net debt divided by equity.

The capital composition is as follows:

(₹ in lakhs)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Gross debt (inclusive of long term and short term borrowing)	80,638	71,957	95,176
Less: Cash and bank balances	10,284	8,442	11,495
Net debt	70,354	63,515	83,681
Total equity	104,471	97,292	76,840
Total capital	174,825	160,807	160,521
Gearing ratio	40%	39%	52%

Notes forming part of the consolidated financial statements

b) Loan covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, debt to EBITDA ratio, interest service coverage ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended once the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of adoption of the financial statements. The Company has also satisfied all other debt covenants prescribed in the respective sanction of bank loan. The deferred sales tax loans and finance leases do not carry any debt covenant.

62 Fair value measurements

i) Financial instruments by category:

(₹ in lakhs)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Non current assets						
Non-current investments	-	-	-	-	10	-
Non-current loans	-	2,453	-	2,360	-	2,199
Other non-current financial assets	-	29	-	2	-	29
Current assets						
Trade receivables	-	37,662	-	33,122	-	37,117
Cash and bank balances	-	10,284	-	8,442	-	11,495
Current loans	-	11,198	-	12,527	-	11,239
Derivative instruments	2	-	101	-	66	-
Other current financial assets	-	198	-	207	-	19
Total financial assets	2	61,824	101	56,660	76	62,098
Financial liabilities						
Non-current liabilities						
Non-current borrowings	-	60,496	-	55,344	-	62,980
Current liabilities						
Current borrowings	-	8,688	-	6,684	-	13,820
Trade payables	-	14,732	-	12,819	-	15,748
Derivative instruments	448	-	194	-	308	-
Other financial liabilities	-	25,496	-	19,910	-	27,401
Total financial liabilities	448	109,412	194	94,757	308	119,949

ii) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

Notes forming part of the consolidated financial statements

- b) **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the group include interest rate swaps and forward exchange contract derivatives.
- c) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

iii) Financial assets and liabilities measured at fair value at each reporting date

(₹ in lakhs)

	As at 31 March 2017			As at 31 March 2016			As at 1 April 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at FVTPL									
Non-current investments	-	-	-	-	-	-	10	-	-
Derivative instruments	-	2	-	-	101	-	-	66	-
Total	-	2	-	-	101	-	10	66	-
Financial liabilities measured at FVTPL									
Derivative instruments	-	448	-	-	194	-	-	308	-
Total	-	448	-	-	194	-	-	308	-

iv) Fair value for assets / liabilities measured at amortised cost

(₹ in lakhs)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets						
Non-current loans	2,500	2,453	2,392	2,360	2,202	2,199
Other non-current financial assets	24	29	2	2	25	29
Financial liabilities						
Non-current borrowings	60,496	60,496	55,344	55,344	62,980	62,980

- a) During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.
- b) The fair values have been determined basis level 3 fair value hierarchy.
- c) The carrying amounts of trade receivables, cash and bank balances, current loans, other current financial assets, current borrowings, trade payables and other financial liabilities are considered to be approximately equal to fair value due to the short-term maturities of these financial assets / liabilities.
- d) The fair values of non-current loans, other non-current financial assets and non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
- v) **Valuation techniques used to determine fair value and significant estimates and judgements made in:**
The fair value of foreign exchange forward contracts and principal swap is determined using forward exchange rates at the balance sheet date

Notes forming part of the consolidated financial statements

63 (a) Segment information

The Company for evaluating group performance and for allocating resources based on analysis of various performance indicators, has identified four operative segments by geography.

Geographical segmentation:

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

Segment reporting as at and for the year ended 31 March 2017

	(₹ in lakhs)						
	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
Revenue							
External sales and services	96,096	50,917	48,277	43,504	-	-	238,794
Inter-segment sales and services	1,984	4,368	-	21	83	(6,456)	
Total revenue	98,080	55,285	48,277	43,525	83	(6,456)	238,794
Segment Results	12,823	7,808	5,265	2,447	(415)	390	28,318
Add / (Less) :							
Other income (including interest income of ₹ 1,497 lakhs)							3,530
Exchange difference (net)							(294)
Finance costs							(5,753)
Corporate social responsibility expense							(42)
Share of profit from associate and joint ventures							105
Profit before tax and exceptional items							25,864
Add : Exceptional items (net)							1,565
Profit before tax							27,429
Less: Tax expense							
Current tax							7,084
Deferred tax							785
Profit after tax before non-controlling interests							19,560
Less: Non-controlling interests							528
Profit for the year							19,032

Other segment information:

	(₹ in lakhs)						
	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. Segment assets *	67,003	46,732	37,944	52,049	26,057	(3,915)	225,870
2. Segment liabilities	13,171	7,550	7,406	10,144	85,754	(2,626)	121,399
3. Non current assets **	40,120	24,833	22,222	32,740	5,269	(624)	124,560
4. Capital expenditure	11,131	1,992	8,364	1,648	1,362	(1,445)	23,052
5. Depreciation and amortisation expense	6,379	3,295	1,786	2,727	39	(78)	14,148

* Segment assets - unallocated includes investments in associate and joint ventures of ₹ 1,526 lakhs.

** Non-current assets are excluding financial assets, deferred tax assets and investment in associate and joint ventures.

Notes forming part of the consolidated financial statements

Segment reporting as at and for the year ended 31 March 2016

(₹ in lakhs)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
Revenue							
External sales and services	92,963	45,991	47,190	34,418	-	-	220,562
Inter-segment sales and services	3,269	8,601	-	324	77	(12,271)	
Total revenue	96,232	54,592	47,190	34,742	77	(12,271)	220,562
Segment Results	12,929	8,554	5,831	2,096	(492)	(156)	28,762
Add / (Less) :							
Other income (including interest income of ₹ 1,497 lakhs)							2,382
Exchange difference (net)							(637)
Finance costs							(6,091)
Corporate social responsibility expense							(63)
Share of profit from associate and joint ventures							484
Profit before tax and exceptional items							24,837
Add : Exceptional items (net)							232
Profit before tax							25,069
Less: Tax expense							
Current tax							7,693
Deferred tax							64
Profit after tax before non-controlling interests							17,312
Less: Non-controlling interests							302
Profit for the year							17,010

Other segment information:

(₹ in lakhs)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. Segment assets *	64,438	50,472	31,931	30,030	30,297	(5,277)	201,891
2. Segment liabilities	12,355	8,110	6,063	4,900	76,771	(3,600)	104,599
3. Non current assets **	37,784	27,962	15,917	19,072	3,031	(523)	103,243
4. Capital expenditure	6,970	4,928	3,602	5,087	16	(734)	19,869
5. Depreciation and amortisation expense	5,792	3,064	2,005	1,515	-	(60)	12,316

* Segment assets - unallocated includes investments in associate and joint ventures of ₹ 3,038 lakhs.

** Non-current assets are excluding financial assets, deferred tax assets and investment in associate and joint ventures.

63 (b) Information about major customers

There is one customer accounting for more than 10% of revenue, amounting to ₹ 25,878 lakhs (31 March 2016 ₹ 26,475 lakhs).

Notes forming part of the consolidated financial statements

64 First time adoption of Ind AS

A First Ind AS Financial statements

These are the group's first consolidated financial statements (CFS) prepared in accordance with Ind AS applicable for the year ended 31 March 2017.

The accounting policies set out in note 3 have been applied in preparing the CFS for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in CFS prepared in accordance with the accounting standards notified under Companies (Accounts) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP) so as to comply in all material aspects with Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is as follows:

i) Optional exemptions availed

a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption is also applicable for intangible assets covered by Ind AS 38 and investment property covered by Ind AS 40.

Accordingly, the group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b) Business combinations

The group has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations.

The group applies the requirements of Ind AS 103 to business combinations occurring after the date of transition to Ind AS.

c) Joint ventures

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity should recognise its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

The group has elected to apply this exemption for its joint venture.

d) Long term foreign currency monetary items

A first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Accordingly, the group has elected to continue the current accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items.

Notes forming part of the consolidated financial statements

e) Cumulative translation differences

Ind AS 21 requires translation differences arising on translation of foreign operations to be accumulated in a separate reserve within equity. Applying these requirements retrospectively would require an entity to determine the cumulative translation differences at the date of transition and separately classify these within equity. A first-time adopter has the option not to comply with this requirement at the date of transition and can reset the cumulative translation differences to zero at the date of transition.

Accordingly, the group has elected to reset the cumulative translation differences to zero at the date of transition.

ii) Mandatory exceptions applied

a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

b) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The group has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

d) Government loans

As per Ind AS 101, if a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind ASs as the carrying amount of the loan in the opening Ind AS Balance Sheet. An entity shall apply Ind AS 109 to the measurement of such loans after the date of transition to Ind AS.

Under the previous GAAP, these loans are carried at an amount which the loan will be repaid. Accordingly, the group applies this exception and does not make any changes to the interest free deferred sales tax loans outstanding as at the date of transition.

Notes forming part of the consolidated financial statements

B. Reconciliation of equity as at 1 April 2015

(₹ in lakhs)				
	Note	Previous GAAP *	Ind AS adjustments	Ind AS
I Assets				
1 Non-current assets				
(a) Property, plant and equipment		85,240	-	85,240
(b) Capital work-in-progress		8,434	-	8,434
(c) Other intangible assets		1,675	-	1,675
(d) Intangible assets under development		385	-	385
(e) Investments in associates and joint ventures	B.6 & B.7	5,930	(3,320)	2,610
(f) Financial assets				
(i) Investments	B.15	7	3	10
(ii) Loans	B.1	2,696	(497)	2,199
(iii) Others		29	-	29
(g) Deferred tax assets (net)	B.3	761	(456)	305
(h) Non-current tax assets (net)		2,648	-	2,648
(i) Other non-current assets	B.1 & B.14	1,935	45	1,980
2 Current assets				
(a) Inventories		22,511	-	22,511
(b) Financial assets				
(i) Trade receivables		37,117	-	37,117
(ii) Cash and cash equivalents		7,339	-	7,339
(iii) Bank balances other than (ii) above		4,156	-	4,156
(iv) Loans		11,239	-	11,239
(v) Others		86	-	86
(c) Current tax assets (net)		151	-	151
(d) Other current assets	B.1	17,690	150	17,840
Total assets		210,029	(4,075)	205,954
II Equity and liabilities				
1 Equity				
a) Equity share capital		3,142	-	3,142
b) Other equity		74,856	(1,967)	72,889
c) Non-controlling interests		808	-	808

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	Note	Previous GAAP *	Ind AS adjustments	Ind AS
2 Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings		62,980	-	62,980
(b) Provisions		1,314	-	1,314
(c) Deferred tax liabilities (net)	B.3	1,564	684	2,248
(d) Others	B.8	117	(117)	-
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		13,820	-	13,820
(ii) Trade payables		15,749	-	15,749
(iii) Others	B.5 & B.13	27,370	340	27,710
(b) Other current liabilities		1,423	-	1,423
(c) Provisions	B.2	3,643	(3,015)	628
(d) Current tax liabilities (net)		3,243	-	3,243
Total equity and liabilities		210,029	(4,075)	205,954

* Excludes figures of Group's Joint ventures (Refer note B.10)

C Reconciliation of equity as at 31 March 2016

I Assets				
1 Non-current assets				
(a) Property, plant and equipment	B.8 & B.13	90,962	316	91,278
(b) Capital work-in-progress	B.13	5,115	2	5,117
(c) Other intangible assets		1,139	-	1,139
(d) Intangible assets under development		593	-	593
(e) Investments in associates and joint ventures	B.6 & B.7	6,319	(3,281)	3,038
(f) Financial assets				
(i) Loans	B.1	2,738	(378)	2,360
(ii) Others		2	-	2
(g) Deferred tax assets (net)	B.3	1,532	(450)	1,082
(h) Non-current tax assets (net)		2,585	-	2,585
(i) Other non-current assets	B.1 & B.14	2,577	(46)	2,531

Notes forming part of the consolidated financial statements

			(₹ in lakhs)	
	Note	Previous GAAP *	Ind AS adjustments	Ind AS
2 Current assets				
(a) Inventories		19,867	-	19,867
(b) Financial assets				
(i) Trade receivables		33,122	-	33,122
(ii) Cash and cash equivalents		6,873	-	6,873
(iii) Bank balances other than (ii) above		1,569		1,569
(iv) Loans		12,527	-	12,527
(v) Others	B.8 & B.13	503	(195)	308
(c) Current tax assets (net)		167	-	167
(d) Other current assets	B.1	17,584	149	17,733
Total assets		205,774	(3,883)	201,891
II Equity and liabilities				
1 Equity				
a) Equity share capital		3,142	-	3,142
b) Other equity		93,986	(650)	93,336
c) Non-controlling interests		814	-	814
2 Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings		55,344	-	55,344
(b) Provisions		1,940	-	1,940
(c) Deferred tax liabilities (net)	B.3	2,282	765	3,047
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		6,684	-	6,684
(ii) Trade payables		12,819	-	12,819
(iii) Others	B.13	19,944	160	20,104
(b) Other current liabilities		1,425	-	1,425
(c) Provisions	B.2	4,785	(4,158)	627
(d) Current tax liabilities (net)		2,609	-	2,609
Total equity and liabilities		205,774	(3,883)	201,891

* Excludes figures of Group's Joint ventures (Refer note B.10).

Notes forming part of the consolidated financial statements

D. Reconciliation of total comprehensive income for the year ended 31 March 2016

(₹ in lakhs)

	Note	Previous GAAP *	Ind AS adjustments	Ind AS
Income				
Revenue from operations	B.11	212,750	7,812	220,562
Other income		689	-	689
Interest income	B.1	1,541	152	1,693
Total income		214,980	7,964	222,944
Expenses				
Cost of materials consumed		92,911	-	92,911
Changes in inventories of finished goods and goods-in-process		(559)	-	(559)
Excise duty on sale of goods	B.11	-	7,812	7,812
Employee benefits expense	B.4 & B.12	36,821	617	37,438
Finance costs		6,203	(112)	6,091
Depreciation and amortization expense		12,294	22	12,316
Other expenses	B.1	42,401	181	42,582
Total expenses		190,071	8,520	198,591
Profit before share of profit/(loss) of associate/joint ventures and exceptional items		24,909	(556)	24,353
Share of profit /(loss) from associate/joint ventures	B.10	484	-	484
Profit before exceptional items and tax		25,393	(556)	24,837
Exceptional items (net)	B.15	(235)	3	(232)
Profit before tax		25,628	(559)	25,069
Tax expense				
Current tax	B.3	7,152	541	7,693
Deferred tax charge/(credit)	B.3	(33)	97	64
Total tax expense		7,119	638	7,757
Profit for the year		18,509	(1,197)	17,312
Attributable to:				
Equity holders of the parent		18,207	(1,197)	17,010
Non-controlling interests		302	-	302

Notes forming part of the consolidated financial statements

(₹ in lakhs)

	Note	Previous GAAP *	Ind AS adjustments	Ind AS
Other comprehensive income	B.9			
Items that will not be reclassified to profit or loss				
- Remeasurement gains/(losses) on defined benefit plan	B.4	-	(82)	(82)
Income tax effect on above		-	28	28
- Capital reserve on bargain purchase		-	-	
- Share of OCI of associate	B.4	-	(3)	(3)
Income tax effect on above		-	1	1
		-	(56)	(56)
Items that will be reclassified to profit or loss		-		
- Exchange differences on translation of foreign operations	B.9	-	110	110
- Share of OCI of associate and joint ventures	B.9	-	183	183
		-	293	293
Other comprehensive income for the year		-	237	237
Total comprehensive income for the year		18,509	(960)	17,549
Attributable to:				
Equity holders of the parent		18,207	(1,156)	17,151
Non-controlling interests		302	96	398

* Excludes figures of Group's Joint ventures (Refer note B.10)

E Reconciliations of equity and total comprehensive income

i) Reconciliations of total equity as at 31 March 2016 and 1 April 2015

(₹ in lakhs)

	Note	As at 31 March 2016	As at 1 April 2015
Equity as per previous Indian GAAP		98,391	79,105
a) Financial assets measured at amortised cost	B.1	(52)	(49)
b) Discontinuance of hedge accounting	B.8	117	117
c) Forward contracts measured at fair value through profit or loss	B.13	(75)	(148)
d) Proposed dividends and tax thereon	B.2	4,235	3,079
e) Impairment of Goodwill of investment in associate	B.6	(2,686)	(2,686)
f) Expected credit loss	B.14	(253)	(253)
g) Grant reclassified to liability	B.5	(103)	(191)
h) Foreign currency translation of associate	B.7	(595)	(634)
i) Adjustments relating to joint ventures	B.10	(471)	(363)
j) Deferred tax impact on unrealised inter company profits, undistributed earnings of subsidiaries, joint ventures and associate and other GAAP adjustments	B.3	(1,216)	(1,138)
Equity as per Ind AS		97,292	76,839

Notes forming part of the consolidated financial statements

ii) Reconciliation of total comprehensive income for the year ended 31 March 2016

(₹ in lakhs)

	Note	2016
Net profit as per previous Indian GAAP		18,509
a) ESOPs accounted at fair value	B.12	(699)
b) Remeasurements of defined benefit plans	B.4	80
c) Financial assets measured at amortised cost	B.1	(3)
d) Forward contracts measured at fair value through profit or loss	B.13	88
e) Deferred tax impact on unrealised inter company profits, undistributed earnings of subsidiaries, joint ventures and associate and other GAAP adjustments	B.3	(640)
f) Others		(23)
Profit after tax as per Ind AS		17,312
Other comprehensive income (net of tax)	B.9	237
Total comprehensive income as per Ind AS		17,549

F Impact of Ind AS adoption on the consolidated statement of cash flows for the year ended 31 March 2016:

All the adjustments on account of Ind AS are non-cash in nature and hence there is no material impact on the net cash flows in the consolidated statement of cash flows other than to reflect the change in the accounting of group's joint ventures from proportionate consolidation to equity accounting as required under Ind AS.

Explanation to reconciliation:

B.1 Security deposits

Under the previous GAAP, interest free lease security deposits given (that are refundable in cash on expiry/termination of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be measured at fair value. Accordingly, the Company has fair valued lease security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid expenses. Consequent to this change, security deposits decreased by ₹ 378 lakhs as at 31 March 2016 (1 April 2015: ₹ 497 lakhs) and prepaid expenses increased by ₹ 326 lakhs as at March 2016 (1 April 2015: ₹ 448 lakhs). Total equity decreased by ₹ 49 lakhs as at 1 April 2015. The profit for the year ended on 31 March 2016 decreased by ₹ 3 lakhs due to recognition of prepaid expenses over the lease term amounting to ₹ 155 lakhs which is partially offset by notional interest income of ₹ 152 lakhs recognised on security deposits.

B.2 Proposed dividend

Under the previous GAAP, proposed dividend including tax thereon was recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the company i.e. as and when approved by the shareholders. Therefore the proposed dividends and tax thereon amounting to ₹ 4,158 lakhs and ₹ 3,015 lakhs for the year ended 31 March 2016 and 1 April 2015 respectively have been credited to retained earnings and in relation to one of the subsidiary tax on dividend declared amounting to ₹ 77 lakhs and ₹ 64 lakhs for the year ended 31 March 2016 and 1 April 2015 respectively have been credited to retained earnings.

Notes forming part of the consolidated financial statements

B.3 Tax adjustments

Deferred tax adjustments primarily include impact of unrealised inter company profits, undistributed earnings of subsidiaries, joint ventures and associate and other GAAP adjustments.

B.4 Remeasurements of defined benefit plans

Under the previous GAAP, remeasurements i.e. actuarial gains and losses on the net defined benefit liability were recognised in the consolidated statement of profit and loss. Under Ind AS, these remeasurements are recognised in other comprehensive income instead of the consolidated statement of profit and loss. As a result of this change, the profit for the year ended 31 March 2016 increased by ₹ 56 lakhs (net of deferred tax of ₹ 29 lakhs). There is no impact on the total equity as at 31 March 2016.

B.5 Government grant

Under the previous GAAP, grants in the nature of promoters contributions were directly credited to reserves. Under Ind AS, grants are required to be recognised as income to match with related expenses for income related grant or deferred income if related to assets. Government grants of ₹ 103 lakhs as at 31 March 2016 (1 April 2015: ₹ 191 lakhs) relating to the purchase of property, plant and equipment have been reclassified from "Other equity" to "Grant payable" under liabilities and will be credited to the consolidated statement of profit and loss on a straight-line basis over the expected lives of the related assets.

B.6 Impairment of goodwill of investment in associate

Under the previous GAAP, only the decline other than temporary in the value of investments in associate was required to be assessed. Associate's business was growing and was also generating dividend. However, under Ind AS, regardless of any indication an entity is mandatorily required to test the goodwill for impairment on the date of transition and recognise any resulting loss to retained earnings. The group accordingly assessed goodwill for impairment w.r.t its investments in associate and accordingly goodwill of ₹ 2,686 lakhs adjusted against retained earnings as on the date of transition in the manner prescribed by Ind AS 36.

B.7 Other comprehensive income of associate

Under previous GAAP, the Company was not required to consider and consolidate other comprehensive income (OCI) of associate accounted under equity method. Under Ind AS, the group is also required to consolidate OCI. Accordingly, the group has accounted for the accumulated share of OCI of ₹ 634 lakhs (being share of foreign currency translation loss) as at the date of transition and share of OCI (being share of foreign currency translation gain) of ₹ 39 lakhs for the year ended 31 March 2016.

B.8 Discontinuation of hedge accounting

Hedge accounting under Indian GAAP was not meeting Ind AS requirement and accordingly -

- i) Accumulated exchange gain as on the date of transition of ₹ 117 lakhs is credited to retained earnings.
- ii) Exchange loss of ₹ 191 lakhs for the year ended 31 March 2016 accumulated under "Other current assets" has been reversed and ₹ 293 lakhs has been added to property, plant and equipment (PPE) as foreign currency exposure for acquisition of depreciable PPE.

Notes forming part of the consolidated financial statements

B.9 Other comprehensive income (OCI)

Under the previous GAAP, the Company was not required to present other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Ind-AS profit or loss is reconciled to total comprehensive income as per Ind AS.

B.10 Investment in joint ventures

Under the previous GAAP, Essel Deutschland Management GmbH and Essel Deutschland GmbH & Co. KG, Dresden were classified as a jointly controlled entity and accounted for using the proportionate consolidation method. On transition to Ind AS the group has assessed and determined that above to entities are joint ventures under Ind AS 111 "Joint Arrangements". Therefore, they will be accounted using the equity method as against the proportionate consolidation. For the purposes of applying the equity method, the investment in the above joint ventures, as at the date of transition, has been measured as the aggregate of the Ind AS amounts of the assets and liabilities that the group had previously proportionately consolidated. Derecognition of proportionately consolidated joint ventures have resulted in change in consolidated balance sheet, consolidated statement of profit and loss and consolidated statement cash flows. Refer note 58 for its impact on financial statements.

B.11 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the consolidated statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by ₹ 7,812 lakhs. There is no impact on total equity.

B.12 Employee stock options

Under the previous GAAP, the cost of employee stock option plan was recognised using the intrinsic value method. Under Ind AS, employee stock option plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share options outstanding account increased by ₹ 699 lakhs as at 31 March 2016 (1 April 2015: ₹ 23 lakhs). The profit for the year ended 31 March 2016 decreased by ₹ 699 lakhs. There is no impact on total equity.

B.13 Fair valuation of forward contracts and interest rate swaps (IRS)

- a) Under the previous GAAP, the premium or discount arising at the inception of Foreign Exchange Forward Contracts (except on contracts related to long term monetary item) entered into to hedge an existing asset / liability, were amortised as expense or income over the life of the contract. Exchange differences on such contracts were recognized in the statement of profit and loss in the reporting period in which the exchange rate changes. Under the Ind AS 109, Foreign Exchange Forward Contracts are carried at fair value and the resultant gains / losses are recorded in the statement of Profit and Loss. Accordingly, the same has been fair valued resulting in decrease in equity by ₹ 25 lakhs as at 31 March 2016 (increase ₹ 20 lakhs as at 1 April 2015).
- b) Under the previous GAAP, net settlement of interest rates under Interest Rate Swap Contracts taken for hedging of fluctuation in floating rate of interest on borrowings has been recognized in the statement of profit and loss on accrual basis. Under the Ind AS 109, Interest Rate Swap Contracts are carried at fair value and the resultant gains / losses are recorded in the statement of profit and loss. Accordingly, the same has been fair valued resulting in increase of in equity by ₹ 112 lakhs as at 31 March 2016 (decrease of ₹ 169 lakhs as at 1 April 2015).

Notes forming part of the consolidated financial statements

B.14 Expected credit loss

One of the overseas subsidiaries determined impairment allowance of its other receivables by ₹ 253 lakhs, which has been recognised in retained earnings by the group based on expected credit loss model as on the transition date.

B.15 Equity investments at fair value through profit or loss

Under the previous GAAP, long-term equity investments were stated at cost less provision for diminution other than temporary in the value of investments. Under Ind AS such investments are required to be valued at fair value. Accordingly, the group has fair valued such investments as at the date of transition and gain of ₹ 3 lakhs has been credited to retained earnings as at that date. Subsequently the gain was reversed on divestment of investments during the year ended 31 March 2016 .

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
Chairman & Managing Director

Boman Moradian
Mukund M. Chitale
Radhika Pereira
Atul Goel

} Directors

A.V. Ganapathy
Chief Financial Officer

Suresh Savaliya
Head - Legal & Company Secretary

Consolidated Statement of cash flows for the year ended 31 March 2017

(₹ In lakhs)

	2017	2016
A. Cash flow from operating activities		
Profit before tax	27,429	25,069
Adjustments for:		
Depreciation and amortisation expense	14,148	12,316
Share-based payments to employees	28	699
Interest expense	4,154	4,738
Interest income	(1,314)	(1,541)
Unwinding of discount on security deposits	(183)	(152)
Net (gain)/loss on disposal of property, plant and equipment	(1,387)	50
Loss / (gain) on sale of current investments		
- Long-term investments	-	7
- Current investments	(3)	-
Gain recognised on measuring equity interest in joint venture on acquisition of 100% stake (Refer Note 57)	(2,518)	-
Gain on divestment of subsidiary (net off provision for contingencies)	-	(516)
Share of profit from associate and joint ventures	(105)	(484)
Allowance for doubtful debts/ (written back) (net)	(53)	71
Notional rent of discount on security deposits	179	155
Amortisation of ancillary borrowing costs	360	596
Exchange adjustments (net)	(1,372)	(1,351)
Operating profit before working capital changes	39,363	39,657
Adjustments for:		
Decrease in trade and other receivables	2,652	4,119
(Increase) / decrease in inventories	(1,091)	2,644
Decrease/(increase) in trade and other payables	3,352	(2,011)
Cash generated from operations	44,276	44,409
Direct taxes paid (net of refunds)	(7,408)	(8,326)
Net cash from operating activities (A)	36,868	36,083
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(23,052)	(19,869)
Sale of property, plant and equipment	2,366	282
(Increase) / decrease in other bank balances	(539)	2,614
Repayment received of loan taken over pursuant to the scheme of amalgamation (Refer note 43)	975	-
Purchase of current investments	(4,551)	-
Sale of current investments	4,554	-
(Acquisition) / divestment of subsidiary	(12,908)	11,717
Government grant and capital subsidies received	-	224
Interest received	2,887	238
Dividend received from associate and joint ventures	172	241
Net cash used in investing activities (B)	(30,096)	(4,553)

Consolidated Statement of cash flows for the year ended 31 March 2017

(₹ In lakhs)

	2017	2016
C. Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium of Rs. 69 lakhs)	70	-
Proceeds from long-term borrowings	18,351	36,207
Repayment of long-term borrowings	(11,416)	(51,942)
Proceeds from short-term borrowings	11,951	1,320
Repayment of short-term borrowings	(12,622)	(2,857)
Decrease in other borrowings (net)	(3,508)	(5,596)
Principal payment under finance lease	(809)	(328)
Ancillary borrowing costs incurred	(360)	(556)
Expenses incurred pursuant to the scheme of amalgamation (Refer note 43)	(996)	-
Contribution from non-controlling interests	-	149
Dividend paid (including tax)	(4,142)	(3,018)
Dividend paid to non-controlling interests	(219)	(392)
Interest paid	(3,923)	(4,983)
Net cash used in financing activities (C)	(7,623)	(31,996)
Net changes in cash and cash equivalents(A+B+C)	(851)	(466)
Cash and cash equivalents at the beginning of the year	6,873	7,339
Cash and cash equivalents acquired pursuant to the scheme of amalgamation (Refer note 43)	30	-
Cash and cash equivalents taken over on acquisition of subsidiary (Refer note 57)	2,151	-
Cash and cash equivalents at the end of the year	8,203	6,873

Note : Previous year figures are regrouped / reclassified wherever necessary.

As per our attached report of even date
For **MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: 23 May 2017

For and on behalf of the Board

Ashok Goel
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Head - Legal & Company Secretary

Notes

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a guide for handwriting or typing. The paper itself is a clean, off-white color.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

“A man is but the product of his thoughts.
What he thinks, he becomes.”

- Mahatma Gandhi





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 **PHARMA & HEALTH**

 **FOOD**

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