08 July 2020

Corporate Service Department **BSE Limited** 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	The Listing Department **National Stock Exchange of India Ltd** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai 400 051
Scrip: Equity 500135. NCDs 957238	**Trading Symbol:** ESSELPACK

Ref.: Essel Propack Limited

Sub.: Annual Report for the FY 2019-20

Dear Sirs,

Please find attached herewith the Annual Report of the Company for the financial year 2019-20 containing audited financial statements, Auditor's reports, Board's report and annexures.

Annual Report is being sent to members of the Company and also available on the Company's website www.esselpropack.com.

The above is pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, applicable statutory provisions, laws, information and record.

Kindly take the above on record and acknowledge receipt.

Thanking you

Yours faithfully
For Essel Propack Limited

ESSEL PROPACK LIMITED MUMBAI

Suresh Savaliya
Head - Legal & Company Secretary

Encl.: A/a

Filed on online

Disciplined. Determined.

Essel Propack Limited | Annual Report 2019-20


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Disciplined.
Determined.

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Seize each moment

...because tough times never last, but tough teams do.

Unpacking *New futures*

SUDHANSHU VATS
MD & CEO
ESSEL PROPACK LIMITED

Dear shareholders, I feel privileged to address you as the new MD & CEO of your company; one that is taking giant strides towards a bigger future.

AFTER THREE DECADES OF SOLID GROWTH IN BOTH BUSINESS AND STATURE, WE STRENGTHENED OUR MANAGEMENT TEAM WITH FIT FOR PURPOSE PROFESSIONALS LED BY BLACKSTONE, WHO HAVE BEEN CHARGED TO LEAD YOUR COMPANY INTO THE NEXT LEG OF ITS JOURNEY.

OUR TEAM NOW BLENDS UNMATCHED EXPERIENCE WITH THE RAW ENERGY OF IDEAS, AND WITH AN ENVIABLE PRODUCT LINE FOR TODAY AND TOMORROW, WE WILL CREATE AN EXCITING JOURNEY FOR EACH SHAREHOLDER.

Even in these early days of transition, your company has demonstrated remarkable resilience to perform strongly in the middle of a global pandemic. This fills me with both a joy for the present and an optimism for the future.

Looking forward, our minds are abuzz with so many opportunities. While some of these will strengthen our core, others will help us build new muscles for the times ahead.

Strengthening the Core

Oral Care has always been our core, and will remain a key engine of growth, profits and reputation. There is still a lot of room to grow market share, particularly in the Americas, Europe and some other key markets; and we will pursue these aggressively to extend our global dominance. We will demonstrate thought leadership, urging our biggest clients to let us lead the development of new packaging solutions on their behalf.

Personal Care and Pharmaceuticals are two categories that excite us tremendously, both because of the immense value we can capture, as well as the attractive margins they promise. We are confidently penetrating these markets with sharp innovations and disruptive business models, not to mention new relationships. We're also actively

learning new ways to succeed in these categories, and building new capabilities along the way.

Staying fit to grow is crucial. Since taking charge, we queried our costs at every level with renewed vigour. And were positively surprised by the savings identified, especially as we were already the most efficient in our industry. These efforts will continue; to help us raise margins, but also to help us ward off threats from local insurgents across markets.

Business excellence with agility is an ongoing obsession. Accelerated automation will significantly reduce lead times, a key pain point in our industry. We will keep inventing newer ways to deliver high quality, zero defect products, on time and in full, creating new benchmarks for the industry to follow.

Nurturing relationships is yet another big priority. We need to leapfrog - beyond making great products to delivering delightful customer experiences. Ours is a business with long relationships, and we are developing new service signatures that will not just make us distinct, but will also provide very sticky experiences for our customers.

Building new muscles

Sustainability is simultaneously the biggest challenge and opportunity facing our industry. We are determined to pioneer sustainable packaging working actively with our customers, creating new possibilities with them. The future of our business is green, and we will be at the forefront of change in our industry.

The future is digital. And we are committed to a digital transformation of our business. E-commerce will increasingly be a key driver of growth. As the world adapts to 'low-touch' realities, we will create new ways to engage our clients and larger ecosystems. Also, as consumers interact more and more virtually with brands, we will find newer opportunities to manage digital assets on behalf of our customers.

Flexible manufacturing is a new imperative. We foresee a rapid disaggregation of demand, driven by several forces - new insurgent brands, multiple channels and more fickle consumers to name a few. We will invest confidently in new capabilities, partnering the winners in this brand new brand world.

Expanding the core will also drive growth. While our laser-sharp focus is on laminated tubes, we will also approach adjacent product opportunities strategically, especially where we can extend our core competencies and deepen our relationships with customers. Inorganic growth can supplement organic efforts here.

Disciplined. Determined.
We look into future with optimism. We will bring in the power of disciplined creativity to find newer and newer ways to grow.

Social responsibility is an area of focus - doing good, even as we do well. We have impacted thousands of lives through our community programs even during the pandemic. Going forward, we will amplify our CSR efforts, using each of our manufacturing units as engines of good, powering their communities through sustainable acts of CSR.

Which leads me back to the theme of this Annual Report. "Disciplined. Determined". We look into future with optimism. We will bring in the power of disciplined creativity to find newer and newer ways to grow. And then seize these opportunities with determination, one day at a time, one relationship at a time.

We appreciate your support as we unpack new futures.

Essel at a *Glance*

Total Sales (₹ mn)

27,601

Sales by user segment

55.2% Oral care category

44.8% Personal care category

Employees

~3,269

Across 17 Nationalities

57.3% Asians

8.1% Africans

15.5% Americans

19.1% Europeans

Sales by region

AMESA 33%

EAP 22%

AMERICAS 21%

EUROPE 24%

About Essel

No.1 global specialty packaging company

One out of every 3 toothpaste packs sold globally.

Operates through its state-of-the-art facilities in the US, Mexico, Colombia, Poland, Germany, Egypt, Russia, China, the Philippines and India

~8bn Largest laminated tubes manufacturer (tubes)

20 Factories. Global footprint

150+ Patents filed. Strong innovation platform

20.3% Best-in-class EBITDA margin

17.8% Best in class ROCE

Essel's Strategic direction

Market leading revenue growth

Capital efficient, Consistent earnings growth

Strengthen Category Portfolio

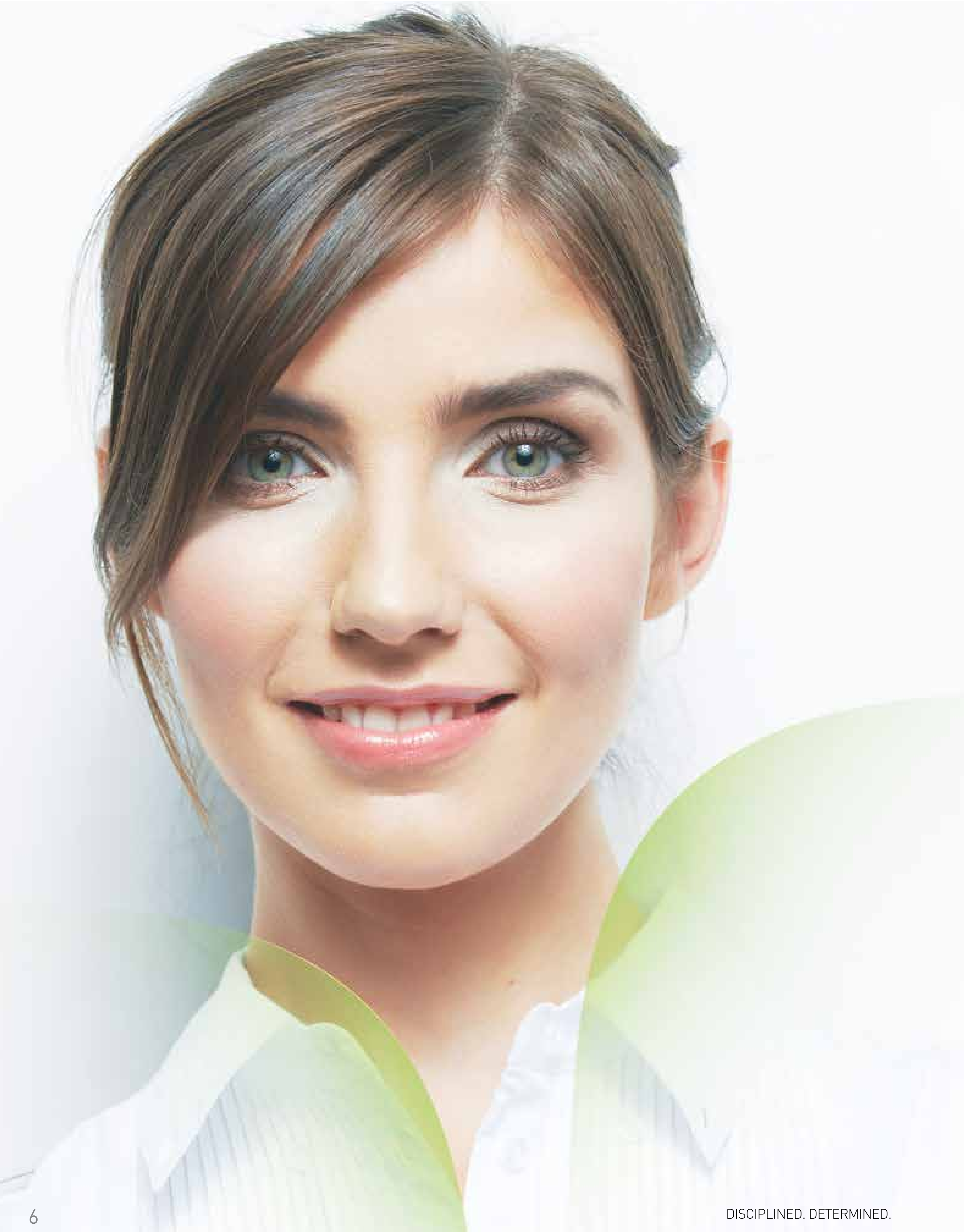
- Grow Aggressively in personal care
- Strengthen Leadership in oral care
- Enhance leadership in eco-friendly solutions

Strengthen Geographical Portfolio

- Grow Aggressively in Americas
- Drive Profitability in Europe
- Build Leadership across categories in India
- Drive Penetration in China and East Asia Pacific

[₹ mn]

		FY19	FY20	Growth
Growth	Revenue	27,069	27,601	2.0%
	EBITDA	5,015	5,600	11.7%
	Earnings per Share [₹]	6.57	6.12	(6.8)%
Capital efficiency	ROCE (%)	17.0	17.8	80 bps
	Net Debt	4,998	2,760	
	Capex	3,040	1,286	



Disciplined.
Determined.

Discipline and creativity are rarely talked about together. That's because while discipline seeks to follow rules, creativity strives to break rules.

But as business get more & competitive, we can win only when disciplined creativity opens up new engines of growth that help us step up to our envisioned future.

At Essel, disciplined creativity is a daily practice. Where we challenge ourselves to not just do things better, but also do things differently. This has guided us in the best of times, but even more so in these crazy times; where despite severe disruptions, your company has thrived by finding new ideas to explore, new opportunities to exploit.

But disciplined creativity is only one part of the story. We need to follow this through with the determination to make things happen. A leader's resolve to extend our leadership everyday. At Essel, we pride ourselves on our bias for action, our ability to be change agents on behalf of our customers every day.

That, in essence is our secret sauce. The discipline to imagine boldly, blended with the determination to drive superior performance.

The recent takeover by Blackstone is the wind beneath our wings and will help us fly away to even greater heights in the years to come.

Disciplined. Determined...
To stretch boundaries.

Against an average industry's growth of 2%, Essel had historically grown at more than 10% annually. This outperformance could have satisfied us, but no. We challenged ourselves to see new possibilities.

Oral Care is our citadel, where we enjoy deep relationships with every major player. But there are still markets like North America and Europe where we can grow share significantly. Premiumisation is another priority, where we can drive both volumes and value through the power of creativity and relevant innovation.

Personal Care is exciting – this large, fast growing and profitable opportunity is over thrice the value of the Oral Care market! With our expertise in laminated tubes, we can deliver brilliant aesthetics, superior barrier properties and great value for money; creating exceptional value for our consumers and shareholders. We also believe we can lead the industry on substitutability, a value which is much valued by personal care consumers.

Pharma is another big bet we're making. This is an industry with stringent standards for safety, barrier properties and vendor accreditation. Our technical prowess, our ability to nurture long-term partnerships and our passion to innovate beyond the ordinary will help us build Pharmaceuticals as the third large pillar of our business.

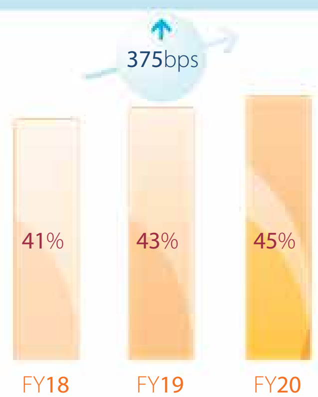
Innovation will be key. We continue to co-create ideas with our top customers; connecting at a pre-concept level, identifying consumer pain points and proactively designing customer-leading solutions. Simultaneously, partnerships with the best OEMs guarantee that our products get processed seamlessly at the client's end. Indeed, our innovation rate, reflected in the share of revenues from products that are less than three years old, is already stunningly high at 80%. We will push this further, with particular emphasis on speed-to-market.

Process innovation is the next big thrust. Essel has always invested ahead of the industry in the very best machines which gives us unmatched capabilities in printing and decoration. These will sharpen our edge as we aggressively foray into beauty & cosmetics, creating pack ideas that exemplify the premium that our clients' brands seek.

Customer experience is the future. We have thrived on customer relationships and believe that compelling experiences offer us the next frontier in innovation. This will include several initiatives; including running global innovation programs for key clients, designing more downstream solutions, leveraging technology to enable speedy global rollouts, offering new ideas of on convenience, and taking the lead on personalisation for our clients.

Sub-categories	FY11	FY15	FY20
Face care	✓	✓	✓
Hair care	✗	✗	✓
OTC medication	✗	✓	✓
Prescription medication	✗	✗	✓
Food	✗	✓	✓
Home	✗	✗	✓
Sanitizer	✗	✗	✓
Eye care	✗	✗	ACCELERATING CONVERSION EFFORTS ✓
Hand cream	✗	✗	ACTIVELY PURSUING ✓

Personal care contribution to Tube Revenue



In 2019-20, we opened new opportunity vistas in the personal care and healthcare spaces

Converted a leading Indian anti-fungal ointment brand to lamitubes (earlier using aluminum tubes)

Converted a leading skincare ointment for a French MNC and a leading ophthalmic solution for a domestic major into lamitubes

Converted a leading American and French hair care brands to the tube format

Converted aluminum tubes to lamitubes for mouth ulcer gels

Disciplined. Determined...

To innovate beyond cost.

At Essel, we take great pride in being a competitive producer of laminated tubes globally.

We could have rested on our laurels. But once again, disciplined creativity and our hunger to disrupt ourselves took over. How can we enhance cost competitiveness along multiple fronts? How do we become more capital efficient, not just cost efficient?

Blackstone's arrival not just accelerated, but also sharpened these lines of enquiry. Old assumptions were questioned. Fresh ideas emerged. All in line with our mission of "Capital Efficient, Consistent Earnings Growth."

Project Phoenix was a first step; an organisation wide effort to identify and implement solutions to sweat our assets better. The results were heartening - our margins improved strongly in 2019-2020 even as we successfully reduced additional capital investment.

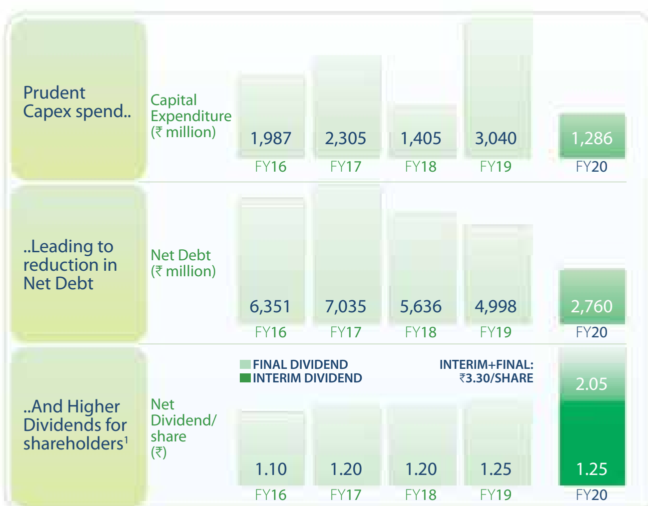
Indeed, we expanded EBITDA margin by 176 bps in the very first phase of this project.

Deleveraging the organisation was the next step, for which we utilized the free cash flow accruing from business operations – the Net Debt reduced by ₹2,239 mn over the previous year level. So, even as the business became more solid, the organisation emerged more liquid. We continue to reward better our shareholders.

Cost leadership is key to our competitiveness and margin aspirations. Our global presence should not make us less competitive against local insurgents. So we will continue to keep a tight leash on costs, even as we remain agile and responsive. Shorter lot sizes, lower product life cycles and reduced brand loyalty will offer us new opportunities to shape profitability in our industry.

Lastly, we will drive manufacturing flexibility to break the traditional linkage of scale to costs. This is a paradigm shift, knowing that demand will become increasingly fragmented with the advent of several e-commerce start-ups, shifting consumer preferences and the availability of capital to new insurgents in all the categories we service.

80bps
Improvement in Return on capital employed – 17.8% in 2019-20 against 17% in 2018-19 (This matrix showcases the efficiency by which the rupee is utilised in business.)



[1] DIVIDEND ADJUSTED FOR BONUS SHARES TO MAKE IT COMPARABLE

Disciplined. Determined...
Beyond successful to sustainable.

Essel is successful judging by most traditional business metrics. But the discipline of thinking differently helped us realise that 'success is fleeting; but sustainability is lasting'.

This realisation is critical. After all, we are in the business of plastic, an increasingly maligned word in tomorrow's world. We believe that, in the future, sustainable packaging will dictate our very right to operate. And as our customers and their consumers demand more sustainable packaging, we could rapidly paint ourselves into a corner.

Instead, we took the issue by the horns, determined to lead the industry in sustainable packaging, passionately working on developing recyclable tubes. In 2019-20, we broke through. Our Platina 250 and Green GML 300 laminated tubes were recognised by the Association of Plastic Recyclers (APR), USA, as meeting or exceeding the strict APR HDPE critical guidance criteria, as being 100% recyclable. We expect to see a global take-off in demand for Platina as we fully productionise it.

In an industry where sustainability standards are yet being formulated globally, our holistic approach on all three areas - Reduce, Reuse and Recycle – gives us the confidence that we will continue to lead customer imagination for times to come. But this is not just about us. Every innovation we pioneer will also help our clients march forward on their sustainability commitments, cementing our inter-dependence even further.

Our strategy encompasses insight generation, collaboration, science, quality, manufacturability and scalability. We also expanded our eco-footprint through a series of initiatives at the printing stage; from digital artwork collaboration and digital printing, to the use of water wash plates and low-footprint inks and print processes. We also collaborated with top customers to create many market-facing solutions; such as recyclable tubes, stiffer tubes with reduced polymer content, HDPE caps as well as new laminate materials. The returns from our decade long efforts have only just begun. We expect to see a very strong demand for these in the years to come.

Sustainability in packaging is an idea whose time has come. We will lead the parade on this.

Strong traction and acceptability of EPL's sustainable offerings by leading global customers

Enabled leading Oral care player ship world's first recycle tube

EPL designed an APR certified laminate for a key client (leading Oral care player) - an industry-first innovation by EPL

Worked actively with the client to test the laminate and helped commercialise the product

Colgate-Palmolive ships world's first tube recognised as Recyclable and freely shares it's breakthrough technology

...making use of the testing standards established by Colgate, one major tube maker, Essel Propack, earned APR recognition...

EPL's sustainable Laminates being commercial globally

Platina laminates launched in India by a major regional brand

Etain tubes commercialised for a major Oral care brand

Green Maple Leaf laminate commercialised for a major Oral care brand in the US

Platina laminates is now ready for cosmetics and hair care segments

EPL's APR recognition for Platina laminates has been further extended to cover the entire tube thickness range, which enables application in various cosmetics segments

Platina laminates is now certified for mechanical recycling and energy recovery as per Bureau of Indian Standards (BIS) guidelines

Disciplined. Determined...
To transform digitally.

Essel has, from its earliest days, been a trendsetter in technology. We had consistently pioneered use of the best and the largest machines before our competitors did. But the future isn't what it used to be.

Spurred on by COVID, we accelerated the digitisation of our manufacturing, with IT enabled tech implementation and shop floor automation. But going forward, we need nothing short of digital transformation.

Building in flexibility and nimbleness in SKU and MOQ management is challenging, but we are determined to be at the forefront of this change. We see a future where our most advanced Flex machines will need to co-exist with the most sophisticated digital printers; enabling us to meet requirements of extreme scale and extreme flexibility at the same time.

We will help brands embrace mass customisation and personalisation, especially in Beauty & Cosmetics, as online sales amongst millennials will shoot up post the pandemic.

The future of business is personal. As more and more consumers buy online, supply chains will eventually reorganise around individuals. Ecosystems will revolve around us as individuals. Printing will be no different, and we need to surf this wave.

Disciplined. Determined...
To seize the moment.

Covid-19 hit the world early this year, changing lives in an instant, forcing the world to a near halt.

As the world arose to the criticality of washing their hands several times a day, our customers faced challenges in rising to meet the meteoric rise in demand. Sanitizers were hitherto only marketed in bottles, and this was a seriously limiting factor.

So, we stepped up, and in just 15 days, made a difference. We developed a tube for packing hand-sanitizers, ideal to carry and use. We were first to market in India, as also in several other countries. This got us sizeable business, not to mention immense respect from our marquee clients, whose brands rode on our innovation. A win-win with the potential for sustainable scale & global deployment. We are now working on more disruptive packaging ideas to democratise access to these critical products for needy masses across the world.

We also fast-tracked regulatory approvals and safety measures to keep our factories running during the lockdowns. Our legacy of being a caring employer ensured that our employees remained engaged. And a company-wide "We Care" program ensured that we embraced flexible and remote working, ready to meet demand as it bounces back across markets.

Covid underlined to us that tough times won't last, but tough people do. Management gestures such as insurance additions and safety protocols were reciprocated by employees' readiness to energetically rise to the occasion. The pandemic has spurred several new ideas, including electronic commerce, low-touch relationship building and new ways of remote working that will keep us leaner.

As we emerge from this pandemic, we anticipate a big surge in demand in areas like PPEs, sanitation, food and pharma. Product and people safety will become more important. These represent exciting opportunities for growth, and we're in a great position to seize them. Supply chains need to be reimagined (especially with more uncertainty to continue in China), and new delivery models explored. Ideas drive growth, and we're buzzing with ideas to emerge even stronger.

In just the last 2 months, we helped over 50 brands go to market with hand sanitizer products globally.

Adversity is, after all, an opportunity in disguise.

150mn
Order pipeline for sanitizer tubes

COVID 2019 food supply (Goa)

COVID 2019 food supply (Dhanoli)

Disciplined. Determined...

COVID 2019 food supply (Vasind)

COVID 2019 food supply (Wada). Gramsevika accepting token of nose masks - 750 Nos.


COVID 2019 food supply (Nalagarh)

To make a difference.


COVID 2019 food supply (Assam)

COVID naturally influenced our CSR activities.

We have been focusing on distribution of food packets, PPE kits, IPA solutions etc. in all our local communities; partnering with local administrators to reach the neediest people around our factories. We also donated to credible programs such as the Rotary Club Million Meals Initiative and Kaushalaya Foundation.

Across last year, we helped local communities through several local initiatives - creating infrastructure in tribal schools, constructing wells in arid areas, training rural children in sports etc.

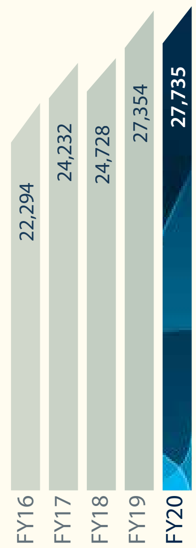
We see the opportunity to create much more sustainable impact through a more central program that can be executed by our teams across the world.

We are working on this, as well as a range of ideas to involve key clients in such social impact initiatives.

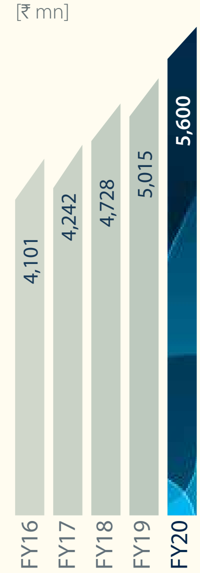
2019-20...

Essel has remained steadfast on its growth journey across key performance metrices despite hurdles posed by the significant headwinds prevailing in the economic and sectoral environment. A comparative, five-year summary of key financial performance indicators highlights the Company's ability to sustain its podium position.

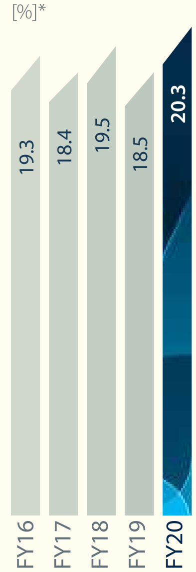
Sales and other income [₹ mn]



EBITDA [₹ mn]

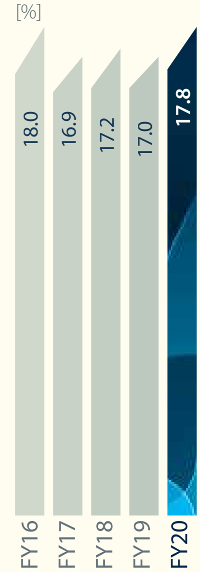


EBITDA margin [%]*



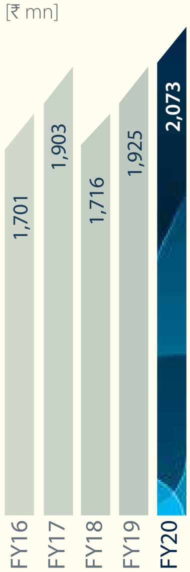
*EBIDTA % for FY16, FY17 and FY18 are made comparable based on Revenue from Operation net of indirect taxes

Return on Capital Employed [%]

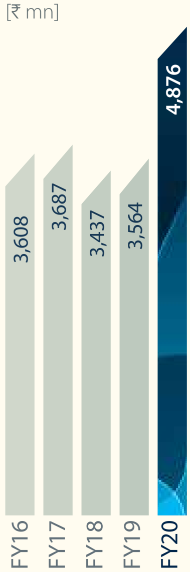


In retrospect.

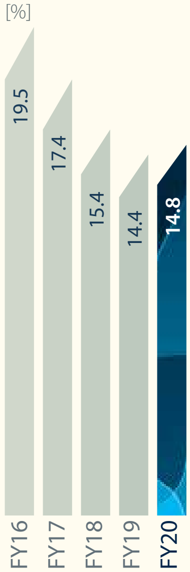
Profit
after tax
[₹ mn]



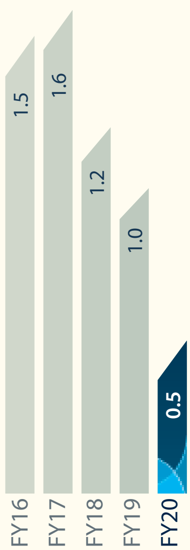
Net cash from
operations
[₹ mn]



Return
on Equity
[%]



Net Debt
to EBITDA
[x]



Inspiring a

Directors

Davinder Singh Brar
Chairman and Independent Director

Uwe Rohrhoff
Independent Director

Sharmila Abhay Karve
Independent Director

Sudhanshu Vats
Managing Director & Chief Executive Officer

Amit Dixit
Director

Alex Yang
Director

Amit Jain
Director

Animesh Agrawal
Director

Aniket Damle
Director

New journey.

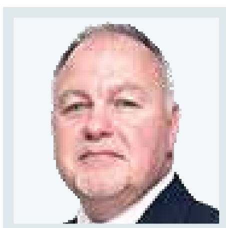
Management team

Sudhanshu Vats
Managing Director & Chief Executive Officer

Ram Ramasamy
Chief Operating Officer

Parag Shah
Chief Financial Officer

Dileep Joshi
Director - Human Capital



Alan Corner
Regional Vice President - Europe

Kelvin Wang
Regional Vice President - East Asia Pacific

Mauro Catopodis
Regional Vice President - Americas

Deepak Ganjoo
Regional Vice President - Africa, Middle East and South Asia

Prakash Dharmani
Chief Information Officer

Suresh Savaliya
Head - Legal, Company Secretary & Compliance Officer

Hariharan K Nair
Head – Creativity & Innovation

Amit Jain
Head - Corporate Finance

Shrihari Rao
Head - Printing Technology

Rajesh Bhogavalli
Head - Global Supply Chain

Rajiv Verma
Head - Manufacturing Technology

Pramod Menon
Head - Quality & Process

Corporate Information

BOARD OF DIRECTORS

Davinder Singh Brar	Chairman
Sharmila Abhay Karve	Independent Director
Uwe Ferdinand Rohrhoff	Independent Director
Sudhanshu Vats	Managing Director & CEO
Amit Dixit	Director
Amit Jain	Director
Qi Yang	Director
Animesh Agrawal	Director
Aniket Damle	Director
Parag Shah	Chief Financial Officer
Suresh Savaliya	Head – Legal & Company Secretary

AUDITORS
Ford Rhodes Parks & Co. LLP,
Chartered Accountants

BANKERS
Axis Bank Limited
Kotak Mahindra Bank Limited
Yes Bank Limited
DBS Bank Limited
ICICI Bank Limited
RBL Bank Limited
Citi Bank, N.A.
The Hongkong and Shanghai Banking Corporation Limited

DEBENTURE TRUSTEE
Axis Trustee Services Limited

REGISTRAR & SHARE TRANSFER AGENT
Bigshare Services Private Limited,
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana road, Marol, Andheri (E),
Mumbai-400059, Maharashtra,
Tel No. 022-62638200, Fax: 022-62638299,
investor@bigshareonline.com

REGISTERED OFFICE
P.O. Vasind, *Taluka*: Shahapur, District: Thane,
Maharashtra - 421 604, India. Tel: +91 9673333971

CORPORATE OFFICE
Top Floor, Times Tower, Kamala City,
Senapati Bapat Marg, Lower Parel,
Mumbai 400013, India.
Tel: 022-24819000 Fax: 022-24963137
complianceofficer@eplglobal.com
www.esselpropack.com
CIN: L74950MH1982PLC028947

UNITS - INDIA
Vasind and Wada (Maharashtra), Dhanoli (Gujarat), Nalagarh (Himachal Pradesh), Goa and Katenipara (Assam)

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 2020.

The highlights of the financial results are set out below.

CONSOLIDATED GLOBAL RESULTS

The summary results are set out below.

(₹ in lakhs)

Particular	Year ended 31.03.2020	Year ended 31.03.2019
Total Income	**2,77,346**	2,73,544
Profit Before Depreciation, Finance and Tax (PBDIT) inclusive of other income	**57,083**	52,763
Finance cost	**(5,565)**	(6,131)
Depreciation	**(22,979)**	(18,611)
Profit before share of profit/ (loss) from Associate and exceptional items	**28,539**	28,021
Share of profit /(loss) from Associate	**(63)**	532
Profit before exceptional items and tax	**28,476**	28,553
Exceptional items net (loss)/gain	**(939)**	305
Tax expense	**6,379**	9,319
Net Profit for the year attributable to owners of the parent	**20,725**	19,253

The Consolidated Total Income grew year over year by 1.4%, with the Sales and Operating income growing by 2%.

While, Europe and Americas Region have had a good year in terms of revenue and margins, India and China faced a difficult macroeconomic environment. Our strategy of growing personal care category share in revenue has yielded good results. Our EBIDTA margin improved by 1.8% to 20.3% versus last year, on the back of favourable revenue mix, cost optimization and productivity gains.

Consolidated operating profit margin improved by 0.31% to 12%. The Company decided to opt for the reduced corporate tax rate in India. The net profit attributable to the equity holders excluding exceptional items of ₹ 21,664 lakhs for the year grew by 14.3%.

INDIA STANDALONE RESULTS

The summary results are set out below.

(₹ in lakhs)

Particular	Year ended 31.03.2020	Year ended 31.03.2019
Total Income	**88,230**	86,371
Profit Before Depreciation, Interest and Tax (PBDIT) inclusive of other income	**25,190**	19,528
Finance cost	**(1,996)**	(2,283)
Depreciation	**(9,725)**	(7,510)
Profit before Tax and exceptional items	**13,469**	9,735
Exceptional items net (loss)/ gain	**(939)**	-
Tax Expense	**(1,953)**	(3,331)
Net Profit for the year	**10,577**	6,404

The Total income for the year has grown by 2.2% over the previous year. The Company decided to opt for the reduced corporate tax rate, resulting into favorable tax expense. Consequently, in a challenging external environment, India standalone Net profit is higher by 65.2% at ₹ 10,577 lakhs, compared to ₹ 6,404 lakhs in the previous year. The Company has received Dividend amounting to ₹ 6,635 lakhs from foreign subsidiaries.

REVIEW OF MARKET, BUSINESS AND OPERATIONS

Your Company is the world's leader in manufacturer of Laminated Plastic tubes. Its operations are spread across the globe in 11 countries and 20 manufacturing units.

The wide range of laminates coupled with innovative decoration, closures, dispensers and innovative features are in great demand in the FMCG sector as well as in the Pharma sector the world over.

Your Company was the first in the industry to obtain the certification from the Association of Plastics Recycler (APR, USA) for a 100% recyclable laminate, christened as Platina. Sustainability is a goal of all global majors in the FMCG and pharma industry. We are well poised to take advantage of this with our 100% recyclable laminates that help reduce plastics in packaging and thus contribute to our customers' progress to achieve their goal on sustainability.

Non - Oral category has been renamed as Personal Care, consisting of Beauty & Cosmetics, Pharmaceuticals, Food, and Home categories. Focused efforts on growing the Personal Care category business has paid good dividends. Personal Care now accounts for 44.9% of tube revenue and this reflects an improvement of 223 basis points in the share of total tube revenue. Beauty & Cosmetics and Pharma categories have been the key drivers of Personal Care. We continue to sustain & strengthen our leadership position in Oral Care.

All regions continue to build a robust business pipeline across all key categories and specific segments within the categories such as Hair Care, Eye Care, Hand Creams, Face Care and OTC ointments / gels and Prescription Medicine.

In the current adverse Covid-19 environment, your company has capitalized on a new segment of hand sanitizers. The company expects the change in behavior of consumers towards hygiene products to persist and thus see sustainable business in this segment. The Company has launched the hand sanitizer tubes, leveraging its innovation capabilities in a very short time frame and thus demonstrating speed to market. The Company has already secured large orders from leading companies globally and has a healthy pipeline.

Prudent capital allocation & spend across the regions has been a key driver in the improvement of pre tax ROCE by 17.0% to 17.8% versus last year. Net Debt to EBIDTA has declined to 0.5x.

India Standalone

India accounts for around 29.1% of your Company's Consolidated Sales. In addition to addressing and overcoming the challenges of the previous year, your Company continues to cus on new customer and new product development efforts targeting the pharma and cosmetics categories, as a result of which we have a strong business pipeline.

Business in India passed thru tough macroeconomic environment during the year and was also impacted by Covid-19 in the last quarter of the fiscal year.

Exports to markets in South Asia, Middle East and Africa continue to be pursued as a strategy to grow and gain share in the smaller markets which are not viable for a full-fledged manufacturing set up.

Your Board is of the view that India growth story remains intact and your Company is well positioned to post healthy growth in the months and years to come.

Subsidiaries and Associate

Your Company operates out of 10 other countries, besides India, through direct and step-down subsidiaries and one associate. They are divided into 3 regions – EAP, Europe and the Americas. All the 3 regions are now poised to perform well. EAP region was the first to be impacted by Covid-19 in January 2020. Despite the difficult environment, it has grown in the Personal Care Category and compensated with tight cost control measures over its operating expense. Consequently, there is an improvement in its EBIDTA margin by 1.7%.

Americas there are new customer wins across categories and cross selling Personal Care products to existing Oral care customers. Region also gained wallet share in the leading oral care brand. Consequently, region grew by 5% and improved its EBIDTA margin by 1.6% to 20.3%. Strong Personal Care growth coupled with cost optimization drove the EBIDTA margin expansion. New customer acquisition and building a strong business pipeline has been the area of focus for the region.

Europe delivered excellent results with 15.7% revenue growth and EBIDTA margin expansion of 2.5%. Both Personal and Oral Care segments delivered strong growth coupled with operating leverage drove the EBIDTA margin expansion. New business was won in both the categories with large customers. Europe continues to have a strong business pipeline which should bodes well for its future growth.

Business Development Pipeline across regions is very strong with focus on subcategories of personal care by applications.

The World Health Organization declared the outbreak of Covid-19, a novel strain of Coronavirus, a pandemic. The Coronavirus is disrupting supply chains and affecting production and sales across a range of industries.

The management is monitoring the developments and are taking necessary measures to mitigate the impact on the Company. We have been classified under "essential services" category.

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 and the associate in the prescribed format is attached as a part of the audited financial statements.

During the year, Arista Tubes Limited, a wholly owned step down subsidiary registered in UK (Subsidiary) has been dissolved voluntarily which was as a part of internal reorganization.

Details about the subsidiaries, associate etc are given in the annexure / MGT 9.

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 all of its subsidiaries and associate, have been prepared for the year under report. The audited Consolidated financial statements along with the auditors' report thereon forms part of this Annual report. The consolidated financial statements presented by the Company include the financial results of all its subsidiaries and associate. The audited standalone financial statements of these entities have been reviewed by the Audit Committee and the Board.

CHANGE IN CONTROL

During the Financial year, Epsilon Bidco Pte. Ltd., an entity controlled and managed by Blackstone (Acquirer / Epsilon), acquired 154495022 equity shares in the company from Ashok Goel Trust on 22 August 2019 pursuant to the share purchase agreement dated 22 April 2019. The acquirer has also acquired 82058934 equity shares from the public shareholders pursuant to open offer in terms of SEBI (Substantial acquisition of shares and Takeovers) Regulations, 2011. Accordingly, the Acquirer has acquired control and controlling stake in the company approx. 75% and the company has become subsidiary of Epsilon Bidco Pte. Ltd. wef 22 August 2019.

Pursuant to the share purchase agreement and change in control, erstwhile promoters and promoters group viz Ashok Kumar Goel (Trustee of Ashok Goel Trust), Goel Ashok Kumar, Kavita Goel, Vyoman Tradelink India Private Limited, Pan India Paryatan Private Limited and Nandkishore had submitted requests for reclassification of their status to public category and the Board has approved the same on 22 August 2019 followed by approval of shareholders of the Company. The Company had applied to the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for approval to reclassify aforesaid persons from promoter to public category and accordingly BSE and NSE had approved the same pursuant to applicable laws and regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the above mentioned persons ceased as promoters and promoters group of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MDA) report for the year under review, of the operations and state of the affairs of your Company and all of its subsidiaries or associate 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 Obligations 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 Company continues to be on the path of profitable growth. The Company's cash flows and financial position continue to be strong.

Considering the business growth and debt servicing, the Board believe that appropriate progressive dividend will best serve the interests of the Company and of the shareholders. During the year under review, the Board of Directors of the Company in its meeting held on 8 November 2019 declared an interim dividend of ₹ 1.25 per equity share of face value of ₹ 2 each which is paid to the shareholders whose name appear on the register of members as on 20 November 2019.

In Addition, your Directors recommend a final dividend of ₹ 2.05 per equity share of face value of ₹ 2 each, for the financial year ending on 31 March 2020 (previous financial year: ₹ 1.25 per share of face value of ₹ 2 each). If approved, the total divided (Interim and Final dividend) for the financial year will be ₹ 3.30 per equity 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: https:// www.esselpropack.com/corporate-governance/

TRANSFER TO RESERVES

There is also no specific statutory requirement to transfer any sum to General reserve in relation to the payment of dividend. Your Directors therefore have not proposed any sum for transfer to Reserves during this year.

FINANCE AND ACCOUNTS

Your Company continued to reduce its financial leverage. The consolidated net debt as at end of FY20 was ₹ 27,416 lakhs lower by ₹ 22,394 lakhs compared to previous year end. Financial parameters such as Debt Service Coverage Ratio, Interest Coverage Ratio and Debt Equity Ratio are all at healthy levels both on Standalone and Consolidated basis.

Your Directors are pleased to inform that your Company continues to enjoy CARE AA rating for its NCDs and various long term bank facilities and CARE A1+ rating for its 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 its Commercial Paper rating at IND A1+. The rating reflects the outlook as positive from stable earlier.

During the year, your Company continued to make successful issues of Commercial papers at competitive interest rates commensurate with its short-term top credit rating and also raise long term debt at competitive rate of interest.

Forex exposures continued to be closely reviewed and appropriately hedged in order to minimize risk to the results.

STATUTORY AUDITORS

The observation made in the Auditors Report on the Company's financial statements for the financial year ended on 31 March 2020 are self-explanatory and therefore do not call for any further comments or information.

At the AGM held in the year 2017, M/s. Ford Rhodes Parks & Co. LLP, Chartered Accountants, were appointed as Statutory Auditor of the Company. However they have tendered their resignation as statutory auditors. The Audit Committee has considered the same and noted that the auditors do not have any concern or issue with the management and the proposed resignation is not due to non-availability of information.

It is therefore proposed to appoint M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm registration no. 001076N/N500013) as Statutory Auditor of the Company for a term of five years as mentioned in AGM Notice. The Company has received letter from it to the effect that its appointment if made would be within the prescribed limits and confirming that they are not disqualified for such appointment pursuant to the Act and applicable statutory provisions.

Accordingly, the Audit Committee and the Board of the Company has considered and recommends to the members for their appointment as a statutory auditor of the Company at the ensuing Annual General Meeting. Necessary details are given in the resolution and explanatory statement in the AGM Notice.

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 2020. The secretarial audit report forms a part of this Report and is annexed as **Annexure 2**. The said report does not contain any qualification, adverse remarks or disclaimer.

Company has complied with the Secretarial Standards as applicable to the Company pursuant to the provisions of the Companies Act 2013.

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 2021. 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 2021. Remuneration payable to the Cost Auditor is subject to ratification by the members of the Company. Accordingly, a resolution seeking members' ratification 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. The Company has maintained cost accounts and records as per applicable provisions of section 148 of the Act.

DIRECTORS AND KMP

The Board has appointed Mr. Amit Dixit, Mr. Amit Jain, Mr. Qi Yang, Mr. Animesh Agrawal and Mr. Aniket Damle as Additional Directors on the Board of the Company wef 22 August 2019 who shall hold office up to the date of ensuing Annual General Meeting. Aforesaid appointment was made by virtue of change in control and promoter of the Company. Accordingly, Directors recommend their appointment as a Director of the Company in the ensuing Annual General Meeting and recommend the members to pass resolution in this respect. Relevant details are given in the AGM Notice and in corporate governance report.

The Company has appointed Mr. Davinder Singh Brar, Mr. Uwe Ferdinand Rohrhoff and Mrs. Sharmila Abhay Karve as Independent Directors of the Company for the term of five years. The Board in its meeting held on 22 August 2019 appointed Mr. Davinder Singh Brar, as a Chairman of the Board. In opinion of the Board, the Independent Directors appointed during the year are having high integrity, relevant expertise, experience and proficiency.

As all the Non-executive (Non-Independent) directors are additional directors, there are no directors liable to retire by rotation in ensuing annual general meeting, under applicable provisions of the Companies Act 2013. The additional directors are being proposed for the appointment as directors under the Companies Act 2013 in the ensuing Annual General Meeting.

The Nomination and Remuneration Committee and Board of Directors of the Company have appointed Mr. Sudhanshu Vats as Chief Executive Officer (CEO) and Managing Director (MD) of the Company wef 16 April 2020 for the term upto five years as mentioned in the resolution seeking Member's approval at the ensuing Annual General Meeting. Necessary information including the applicable terms and conditions and the proposed remuneration is given in the resolution and the explanatory statement included in the Notice convening the ensuing AGM.

The members of the Company through Postal Ballot notice dated 22 August 2019 have approved appointment of Mr. Vinay Mokashi as Whole-time Director of the Company for the period of one year with effect from 22 August 2019. During the year, Mr. Vinay Mokashi, retired from the position of Chief Financial Officer wef 24 November 2019 and continued as Whole-time Director of the Company. From close of business on 15 April 2020 Mr. Vinay Mokashi resigned from the post of Whole-time Director of the Company due to his personal commitments. The Board places on record its appreciation for the valuable contributions made by Mr. Vinay Mokashi as Whole-time Director and long association with the Company.

During Period under review Mr. Ashok Goel, Mr. Boman Moradian, Mr. Mukund Chitale Ms. Radhika Pereira, Mr. Atul Goel and Mr. Ramesh Gupta have resigned from Board of Directors wef 22 August 2019 pursuant to acquisition and close of the open offer made by Epsilon Bidco Pte Ltd. to shareholders of the Company. The Board places on record its deep appreciation for the valuable contributions made by Mr. Ashok Goel, Mr. Boman Moradian, Mr. Mukund Chitale, Ms. Radhika Pereira, Mr. Atul Goel and Mr. Ramesh Chander Gupta.

All the Independent Directors have given declaration that they meet the criteria of independence laid down under Section 149 of the Companies Act, 2013 and the Listing Regulations. Every Independent Director of the Company have affirmed that they have registered themselves under Independent Director Database and they will pass online proficiency test as may be required or applicable to them individually.

Further details of Directors including remuneration, remuneration policy, criteria for qualification, independence; performance evaluation of the Board, Committees and Directors; meetings, committees and other details are given in the Corporate Governance Report, which is integral part of this Annual and Board's Report. Remuneration policy is posted in investors, corporate governance section on the Company's website or link: www.esselpropack.com and salient features of the same are mentioned in the Corporate Governance Report.

Six meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance included in this Annual Report.

Pursuant to the provisions of Section 203 of the Companies Act 2013, as on the date of this report, the Key Managerial Personnel of the Company are Mr. Sudhanshu Vats, Managing Director and CEO, Mr. Parag Shah, Chief Financial Officer and Mr. Suresh Savaliya, Head – Legal, Company Secretary and Compliance Officer.

During the year, Mr. Parag Shah, was appointed as a Chief Financial Officer and KMP of the company with effect from 25 November 2019.

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 2020, 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 2 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 2020 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

Nomination and Remuneration Committee and the Board adopted performance evaluation policy for Board, Committees and Directors with intents to set out criteria, manners and process for the performance evaluation. The policy provides manners to evaluate performance of the Board, committees, independent directors, non-independent directors and chairman. Criteria in this respect includes; Board composition, mix of skill, experience, members' participation and role, attendance, suggestions for effective functioning, board process, policies and others. The evaluation process includes review, discussion and feedback from directors and rating on questioners through online software based system.

Evaluation of Performance of the Board, its committees, every Director and Chairperson, for the financial year 2019-20 has been done following the manner and process as per the policy which includes discussion, feedback, assessment and rating on questioners. The manner in which the evaluation has been carried out has also been explained 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, functionaries, 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, drinking water project, promoting of sports in rural areas. 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 amount 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 give back to the society in their respective geographies through various initiatives on the health, education and other fronts.

The Company is extending all possible support to the affected people during Covid-19 crisis. The Company is distributing ration, food and in-kind support to the needy families. Keeping in view the necessity, the Company has launched the "CSR – Covid-19 Program" to meet the basic needs of the needy who are affected and deprived of the essentials during this lockdown. The Company has distributed food and ration bags to the needy in the vicinity area of its factories located in Gujarat, Maharashtra, Himachal Pradesh, Goa and Assam. The ration bags distributed to the needy are mainly the migrated labour, daily wage workers, tribals and villagers and those who have been affected the most because of the lockdown. We at Essel Propack have tried to reach them and help them to the extent we can. The Company has also contributed to relief funds and NGOs to help the needy who have been affected due to "pandemic" and lockdown.

LOANS, GUARANTEES AND INVESTMENTS

The Company mainly gives guarantee for its subsidiaries to meet their business needs. Details of loans, guarantees and investments covered under applicable provisions of section 186 of the Act are given in the note 51 to the standalone financial statements.

RELATED PARTY TRANSACTIONS

Arrangements or 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 AOC-2.

Details of the related party transactions during the year as required under Listing Regulations and Indian 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: https://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 1168 permanent employees as on 31 March 2020.

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.

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: https://www.esselpropack.com/corporate-governance/. This Scheme does not extend to any of the Directors and Promoters of the Company.

No stock options were granted or vested during the year under report. Out of the stock options vested in the earlier years, 207321 options were exercised during the year and equal number of equity shares of face value ₹ 2 each was issued as fully paid up against payment of the stipulated exercise price as per the terms and conditions of the Scheme and the Grant letter.

The relevant details on the options granted and the accounting of their costs are set out in the Notes to the Standalone accounts.

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 operations.

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 2020 in Form MGT-9 forms part of this Report as **Annexure 6**.

Annual Return pursuant to applicable provisions of the Act is posted in section of investors, corporate governance on the Company's website or link: https:// www.esselpropack.com.

As per applicable provisions of the Listing Regulations, business responsibility report is given herewith and forms 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 a policy against sexual harassment at work place and constituted Internal Complaints Committee and complied with provisions in this respect as applicable under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. There was no complaint received from any employee during the year, nor any complaint remains outstanding for redressal as on 31 March 2020. There was no complaint pending to resolve as at 31 March 2019.

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 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 issued 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. Exercise is being carried out to identify, evaluate, manage and monitor the principal risks that can impact the Company's ability to achieve its strategic and financial objectives. Whenever necessary, the Board reviews the risks and suggests steps to be taken to control and mitigate the same through appropriate 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 framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public and there are no outstanding deposits as on 31 March 2020.

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 including Covid-19.

APPRECIATION

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 time 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

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

22 May 2020, Mumbai

Your Directors are pleased to present the Management Discussion and Analysis for the year ended 31 March 2020

BUSINESS OVERVIEW

Europe and Americas Region have had a good year in terms of revenue and margins. Our strategy of growing personal care category share in revenue has yielded good results. Our EBIDTA margin continues to improve on the back of favorable revenue mix, cost optimization and productivity gains.

The year for India and China has been challenging in terms of tough macroeconomic environment. Offtake for our customers was impacted. Our wallet share with key customers remains intact. In addition, we have been able to drive conversion to laminated tubes across categories. Notably, the conversion of a leading ophthalmic solution for a domestic major opens up new opportunities for us in the pharmaceutical segment.

However, we have a sticky & high wallet share business with global MNCs and emerging local leaders.

Sustainability is a key goal for all global majors in the FMCG and pharma industry. Your Company was the first in the industry to obtain the certification from the Association of Plastics Recycler (APR, USA) for a 100% recyclable laminate, christened as Platina. Within packaging, lami tube is a winning packing format over rigids and plastics. Your company is the global leader with end to end capability in lami tube manufacturing, which is well positioned to capitalize on the above trend. We partner with marquee global companies on sustainability initiatives. Our commitment to sustainability is reflected in offering innovative solutions across product categories. In the fully recyclable category we have Platina which is suitable for oral, hair and food products. Green Maple leaf is another fully recyclable solution that maintains product freshness and is suitable for beauty & cosmetics, toiletries and food products. Our tube laminates are designed to reduce plastic consumption. We also offer post-consumer recycled (PCR) tubes through our Etain format. These are made using a percentage of recycled plastic and is used in skin care, hair and oral products.

The World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees and vendors, and governmental, regulatory and private sector responses.

Employee safety measures have been adopted across all plants. These include use of personal protective gear, temperature checks, hands and machine sanitation and social distancing protocols.

The management is monitoring the developments and are taking necessary measures to mitigate the impact on the Company. We have been classified under "essential services" category.

We see ourselves as a play on growing consumerism across the world. We remain confident and are well poised to grow profitably and consistently.

We remain committed to our mission to deliver capital efficient, consistent earnings growth.

OPERATIONAL PERFORMANCE REVIEW

During FY20 your Company's consolidated revenue was ₹ 276007 lakhs, higher by 2% over previous year. EBIDTA at ₹ 55997 lakhs grew by 11.7% and margin expanded by 176 bps to 20.3%, mainly on account of revenue mix, cost optimization and productivity improvements. Operating profit before interest and tax (EBIT) grew by 4.7%. to ₹ 33018 lakhs with the EBIT margin improving by 31 bps to 12%.

- The personal care category revenue share improved by 223 bps to 44.8%.
- Revenue in India and China was impacted due to tough macroeconomic environment during the year and also due to Covid-19 in the last quarter of FY20. Europe has posted robust revenue growth contributed by both oral care and personal care categories and also new customer wins.
- In Americas, there are new customer wins across categories and cross selling Personal Care products to existing Oral care customers. Region also gained wallet share in the leading oral care brand.
- Prudent capital allocation & spend across the regions.
- Business Development Pipeline across regions is very strong with focus on sub segments of personal care by applications.
- Healthy EBITDA growth driven by revenue mix, cost optimization and productivity improvement initiatives.

The operational performance has been analyzed by business segments below.

SEGMENT PERFORMANCE REVIEW

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)

SEGMENT FINANCIAL HIGHLIGHTS

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

(₹ in lakhs)

Particulars	FY ended 31 March 2020	FY ended 31 March 2019	Growth
Revenue:			
Americas	**61,837**	58,888	+5.0%
Europe	**67,714**	58,517	+15.7%
AMESA	**93,518**	95,963	-2.5%
EAP	**62,300**	66,730	-6.6%
Profit Before Interest and Tax (PBIT)			
Americas	**8,880**	8,180	+8.6%
Europe	**3,826**	1,790	+113.7%
AMESA	**10,756**	12,721	-15.4%
EAP	**9,978**	10,473	-4.7%

Developments in each of the regions are set out below:

AMERICAS

Your Company has a strong market presence in both North and South America, through its wholly owned subsidiaries in USA, Mexico and Colombia.

The region's revenue growth is contributed by robust Personal Care Category growth of 17.1%. There are new customer wins across categories and cross selling Personal Care products to existing Oral care customers. Region also gained wallet share in the leading oral care brand. The Personal Care Category share of revenue improved by 240 bps.

The favorable revenue mix, productivity improvement and cost control measures ensured that the EBIDTA grew by 13.8% and the EBIDTA margin improved by 1.6% to 20.3%.

EUROPE

Your Company has units in Poland, Russia and Germany, from where laminated tubes and extruded plastic tubes are manufactured and sold.

Europe delivered a strong revenue growth, contributed by both oral care and personal care categories. New business was won in both the categories with large customers.

EBIDTA growth was 43.6% and EBIDTA margin at 12.8% improved by 2.5% versus last year, largely due to fixed cost leverage on the back of strong revenue growth.

Europe continues to have a strong business pipeline for future growth.

The key drivers for revenue growth are strengthening of the front end organization, high customer engagement focused on delivering best-in-class service and new business projects. Personal Care grew by 17% also reflecting increased share of "premium" revenue. Personal Care Category revenue share improved by 162 bps. Europe also won new business in the Oral category.

AMESA (Africa, Middle East and South Asia)

This Region is serviced by your Company from its six units across India and its subsidiary in Egypt.

AMESA revenue at ₹ 93518 lakhs declined by 2.5% due to tough macroeconomic conditions in India during the year and also on account of the Covid-19 pandemic impact in India during last quarter of the year. The decline in India revenue (₹ 80327 lakhs) by 5.1% was offset by strong revenue growth of 16.7% in Egypt. The Personal Care category revenue share improved by 105 bps.

We have been classified under "essential services" category. All our plants in India have largely remained operational, at varying capacity utilization, ever since the lockdown was announced in late March 2020. We already see significant improvement in capacity utilization post the balance sheet date.

Despite, the tough macroeconomic conditions in India, Covid-19 pandemic impact on revenue, the region EBIDTA margin improved by 92 bps to 22.2%, reflecting the cost optimization and efficiencies implemented across the plants.

Egypt continued to post robust revenue growth on account of both oral and personal care category.

EAP (East Asia Pacific)

Your Company operates out of 5 units in China and 1 unit in Philippines.

EAP revenue at ₹ 62300 lakhs declined by 6.6% on account of the Covid-19 pandemic impact in China and also lower offtake in oral care category by MNC customers. The decline in China revenue (₹ 59246 lakhs) by 7.3% was offset by strong revenue growth of 15.8% in Philippines. The personal care category revenue share improved by 261 bps.

All plants in China are operational and working with all safety measures and protocols in place. In March 2020 we saw significant improvement in operations and revenue compared to February 2020, the month in which the pandemic peaked in China.

EBIDTA margins of EAP improved by 1.7% to 23%, reflecting the revenue mix, cost optimization and productivity improvement implemented across the plants.

Philippines continued to grow consistently with a large part of its revenue arising from personal care category and further the share of personal care category improved by 12.2%.

CONSOLIDATED FINANCIAL PERFORMANCE OVERVIEW

(₹ in lakhs)

Particulars	FY ended 31 March 2020	FY ended 31 March 2019	Increase/ (Decrease)
Net Sales/Income from operations	**2,76,007**	2,70,693	+2.0%
Profit from Operations before Other Income, Interest and Exceptional items	**33,018**	31,535	+4.7%
Finance Cost	**5,565**	6,131	-9.2%
Profit before tax and exceptional item	**28,476**	28,553	-0.3%
Net Profit for the year to equity holders	**20,725**	19,253	+7.6%
Net Profit for the year to equity holders (excl. Exceptional Item)	**21,664**	18,948	+14.3%

Sales growth at 2% was mainly due to tough macroeconomic conditions during the year and also Covid-19 pandemic impact during last quarter of the year in India & China. Finance cost was lower by 9.2% due to prudent capex spend coupled with lower cost of borrowing negotiated. Profit before tax and exceptional items declined marginally by 0.3% on account of one-time insurance claim income in the share of associate company in the previous year. The net profit attributable to the equity holders excluding exceptional items for the year grew by 14.3%.

CREATIVITY AND INNOVATION (C&I)

The Research and Development (R&D) function (a.k.a. Creativity and Innovation within the Company) as always, has been one of the key drivers of your Company's growth as a leading global player. Your Company's C&I Team has successfully amalgamated its deep knowledge of the polymer science, conversion process and engineering to focus on developing sustainable tubes. Sustainability is a key trend driving / enabling our industry growth. As a responsible company, your company has always strived hard towards delivering solutions for better sustainability.

Continuing our lineage your company has made a major breakthrough innovation in recyclable barrier tubes. This innovation is recognized by Association of Plastic Recyclers (APR), USA and is a major step forward in delivering on Company's Essel's sustainability commitments. Cross sections of the latest innovated products of your Company are presented in the Features section of the Annual Report. The R&D facility of your Company has been recognized and certified by the Department of Scientific & Industrial Research, Government of India.

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 154 patent applications in the different geographies in respect of the various inventions by its R&D and has already been granted 59 patents.

Your Company's research and development efforts continue to win accolades in several forums and among customers across the globe. Your C&I team will continually partner with customers and other stake holders in rolling out new products globally. The structured C&I development process ensures a healthy innovation pipeline and will continue contributing to the sales and profitability of your Company.

TECHNOLOGY

In the journey of developing sustainable tube packaging solutions, your company is focusing on incremental improvements each year. Increasing the Sustainability Aspect Ratio is one of the important part which has been achieved recently. Your company is focusing on scaling up this solution in near future.

Your company is moving towards lean manufacturing, online shop floors enabling framework of disciplined quality control that is easily demonstrable to customers and creates a platform for process improvements. This is an extension of vision set forth by your company for delivering defect free tubes to customers. Increasing raw material yield by identifying reasons for waste, ensuring end-to-end traceability and increasing performance of machines, while providing on demand data for quick turnaround time.

Developing and adding SMART (better connected, more efficient, more flexible, and safer) and high speed technological innovations in tube producing assets are key areas of focus.

Customer Delight with Printing @ EPL:

Digital transformation & High end decoration…

While the 4 types of **digital transformation** in an organization relates to business process, business model, business domain, and cultural/ organizational transformation, we at EPL have embraced it in all parts of our business including Printing technology.

For many years, your company has been in the forefront and a trendsetter in each of its process and technological advancement. 3 decades ago printing on laminates was mastered on letterpress technology which is still our backbone. With changing market dynamics and need, new opportunities in Beauty & Cosmetics, Food & OTC Pharma started to take shape. It was a natural move to offer customer high quality, high decoration tubes printed on high end combination technology and making it available in all our regions. We also ensured ease of operation of the front line operators with best in class investments in automation. Over the last few years, our customer needs have changed as they offered the market a range/ variety of products on the shelf addressing the breadth and the length of the consumer needs. For us, it resulted in more variations of the same product (more SKU's) and shorter run length (reduced MOQ). This generally creates bottleneck in the print shop floor.

Your company has quickly adapted to Digital PRINT technology which helped in delivering smaller quantities quickly. This also debottlenecked the conventional printing at our major locations across the globe. Today, we offer high end decoration and smaller quantity apart from continuing to service the large volume/ demands in the oral care market segment. With our decoration/ printing offering across the regions, we have built both capability and capacity to serve any customer requirement, which has further improved our customer engagement and speed to market.

Zero defect ...

Your company is working in past few years to develop various technologies to ensure customers receive defect free supplies from Essel

1) Pre-press Area: Your company established in 2019-20 seamless for artwork collaboration – on-line. Essel's Artwork Collaboration Tool (e-ACT) was implemented in all 4 regions (India, America, China and Europe). This was the first step to ensure a Zero Defect workflow.

   With increased SKU/Artwork and frequent changeovers in the shop floor, it was EPL's commitment to ensure no mistakes/defects due to human error reaches customer's hand. Hence a well thought of / unique ZERO DEFECT workflow was finalized and investments were made both OFFLINE and ONLINE on the printing machines.

2) After successful proto type developments, major print lines are installed with zero defect inspection systems, which will tag faulty print impressions to make ejections easier in next process steps. Meanwhile process improvements team across globe is working to reduce such defects in the process.

3) Similar prototyping of auto inspection and ejection systems combined with process improvements to reduce defects are being implemented globally.

4) This entire program will be completed in six major tubing locations by FY 21 and rest of the locations by FY22.

We have already seen the benefits of Zero Defect workflow with decreased internal and external rejections and we have gained the trust of each and every customer by delivering ERROR FREE Packaging solutions from EPL

FINANCE

Prudent capital allocation and capex spends with productivity improvements, led to a healthy cash flows. Average rate of interest declined by 38 bps due to appropriate mix of various forms of debt, market conditions and better negotiations. Prudent exchange risk management has helped contain exchange loss in the consolidated financial statement at ₹ 253 lakhs. The consolidated net debt as at end of FY20 was ₹ 27416 lakhs, which is lower by ₹ 22394 lakhs compared to previous year end, representing a healthy debt (equity ratio of 0.42 and a DSCR of 4.55). Company continues to enjoy CARE AA rating for its NCDs and various long term bank facilities, and CARE A1+ rating for its short term bank facilities. The consolidated ROE and ROCE is at 14.8% and 17.8% respectively as compared to 14.4% and 17.0% in March 2019.

HUMAN CAPITAL

This year your company has focused on **Leadership and Talent Pipeline Development.** Each regional Talent Council nominated prospective 'High Potential' employees. Out of those eligible 22% were offered an opportunity to undergo an external talent assessment by leading global consultancy organisation and Career Plans have been charted for selected Talent.

One of the parameters to assess the success of our talent development process is to monitor the number of managerial vacancies filled internally. We are pleased to inform you that during the FY 2019-20, *51% of vacancies were filled internally.*

Your company focused on employee communication as part of **Employee Engagement** to keep employees abreast of developments in the company, including change of ownership. Efforts were made to address any possible employee concerns. For this, we leveraged *town hall meetings* in each plant, quarterly *global town hall meetings,* our *in-house e-magazine,* wE-sPeak and plant-level *'Focus Group Discussions'.* Our internal *social media platform* (namely JAM) was also used.

We reviewed and modified our existing policies, practices and made necessary improvements in our IT systems in order to fulfil the provisions of the **Personal Data Protection** Regulation Bill **(PDPB)** in India which was presented in the Parliament in December 2019. Using this opportunity, we enhanced our data protection process standards and systems in such a way that it complies with the data security acts that apply in all the countries where EP operates or has subsidiaries.

Employee Health is even more of a priority after COVID-19 became a global pandemic. Your management constituted a *Global Crisis Management Committee* of executives to oversee the work of the regional/unit committees in safeguarding employee health and business operations. The Regional and Unit Leadership teams, assisted by local HR, are ensuring stringent safety measures are followed, in accordance with local laws and statutes, whilst ensuring business continuity. Colleagues in EP China did an excellent job of maintaining safety of employees in China and resuming business operations in an optimal manner. The health situation in each of the countries that we operate in is being closely monitored and appropriate measures are being taken.

The Human Capital function continues to be focused on improving employee productivity, reducing employee cost and building necessary skillsets whilst building employee motivation through varied employee engagement initiatives.

INFORMATION TECHNOLOGY (IT)

You may be aware that last year your company has defined an IT Vision and Mission statement that crystalizes how IT will better enable business success by collaborating with each function in the organisation. Just to reiterate, IT Vision and Mission statements have been articulated as below:

IT Vision:

- Deliver sustainable innovative technology solutions enabling our business to:
- Simplify, automate and digitize processes; thereby
- Reduce turnaround time to meet customers' demands; and
- Make our organisation future ready

IT Mission: 'SPRINT' -- **S**implify, **P**redictive, **R**obust, **I**nnovate, **N**imble & **T**ransform

- Simplify processes by Value stream mapping across all business functions to enhance efficacy and sustain our competitive edge
- Predictive approach via Data Mining techniques and driving Artificial Intelligence (AI) based decision making processes
- Robust, reliable and secure technology systems and infrastructure for seamless access to information.
- Innovate & implement solutions that empowers and engages end users in productive manner.
- Nimble & responsive service oriented architecture to deliver agile and cost efficient solutions.
- Transform into knowledge based organisation via continual learning, IT skill upgrade and create knowledge-sharing platform.

Your company strongly believes in the power of IT and it continues to invest in new technologies and thrives on processes automation which enables us to move on Digital Transformation and Business Intelligence journey. Our previous investments in Digitization's & Automation of processes has paid off and enabled our employees to work from home and carry out key business processes in a secured manner during this difficult period of national lockdown due to Covid-19 pandemic.

Your company has taken major step towards Industry 4.0 by initiating automation project ePAD viz. 'Essel Process Automation and Digitization' to completely digitize its shop floor manufacturing processes at one of its major manufacturing location at Baddi. Once tested and proven, solution would be rolled out in all other units. Your company under took major initiative to consolidate and standardize various master codes in the system which will yield in better management of materials.

While undertaking IT implementation we take reasonable care about IT security as part of "must do" activity. Your company already has taken initiative to be compliant in accordance with Indian Personal Data Protection Bill. Your company continues to invest in state of art Disaster Recovery systems, redundant networking system and processes which ensures business continuity in case of any unforeseen events. 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 firmly in place robust internal control systems and a structured internal audit process – both for financial controls and systems and processes to ensure not only the accuracy and reliability of the accounting process, but also to safeguard the assets of your Company.

Your Company follows a system of monthly business reviews, separately for each of the regions as a key operational control.

Your Company has in place a capital expenditure control system for authorizing investments on new assets and projects. Accountability is established for meeting timelines and achieving deliverables promised with the investment. This process 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 standardize our processes globally as well as to ensure control and safety of our data. Your Company also uses I.T extensively for customized Business information as a tool to facilitate analysis and taking corrective action.

Internal audits of systems and processes are conducted every year in all our units across the globe. The Audit Committee, the Statutory Auditors and the top management are apprised of the internal audit findings; updates of action taken on the internal audit observations are also given to the Audit Committee every quarter.

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 units. The findings were satisfactory.

You Company proactively updates Policy guidelines and SOPs in keeping with the constantly evolving needs of Business and Compliances.

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 CEO and 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 incorporated raw material cost escalation pass through clauses in its long term customer contracts which enable the product prices to be revised periodically to reflect any variation in material costs.
- Where possible, your Company continues to identify and establish alternate supply sources and/ or alternative 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 has major share in your Company's product range albeit to a much lesser extent than before. However, it also tends to have a stable demand during adverse economic environment. Your Company's engagement with all major brands in this category further fortifies its position.
- Your Company now has ~45% 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 a packaging format is being increasingly preferred for products in paste/ gel/ cream and even viscous liquid form for reasons of ease of dispensing, 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 partner 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 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 as means to keep the customer satisfaction high. It also invests in technology driven innovation, Sustainability driven products/ process to sustain its competitive edge. Besides, its ability to support the customer across the globe and focus on efficiency and value 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 has embarked on a journey to achieve its mission for Capital efficient, consistent earnings growth.

From a leadership point of view, the Board has been revamped with fit-for-purpose professionals, management strengthened and leveraging its global advisory network is underway. Focus on strengthening the front end organization and engaging our customers through best-in-class products and services will be a continuing goal. With our winning laminate format and strong R&D foundation, which drives innovative and sustainable solutions for our customers, coupled with a global scale of operations, we remain confident of our growth.

SIGNIFICANT CHANGE OF KEY FINANCIAL RATIOS:

There is no significant change in key financial ratios as compared to the ratios of previous financial year

CHANGE IN RETURN ON NET WORTH

The return on Net worth for the financial year 2019-20 has gone up marginally by about 0.4% to 14.8% as compared to preceding financial year return of 14.4% on account of higher profitability during the year.

MEDIUM AND LONG TERM STRATEGY

Growing the top line with superior margins and delivering capital efficient consistent earnings growth is the objective.

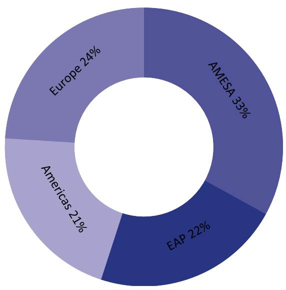
The strategy to achieve this is focus on executing on the following levers:

- Accelerated Personal care growth
- Continued Oral care leadership
- Innovation & sustainability that provides superior products & solutions
- Prudent capital allocation across regions

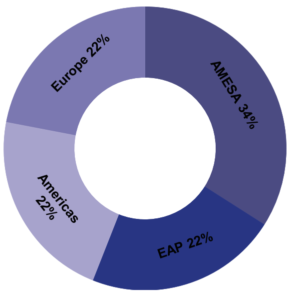
CAUTIONARY STATEMENT

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* 2020



Revenue* 2019



***Net of GST recovered.**

EPL'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 EPL 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 www.esselpropack.com

Company has received a declaration of compliance with the Code of Conduct from Directors and Senior Management Personnel. The declaration by the CEO & 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 Designated Persons ("PIT Code") pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all Directors and such Designated Persons, their immediate relatives and Insiders / other persons as defined in the PIT Code.

The detailed report on Corporate Governance for the year ended on 31 March 2020 along with the status of significant developments after the end of the financial year, 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 of 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 is 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 area and operations of the Company and other matters as requested by members. 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 committees 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 such period as possible. Meetings are largely held in attendance of Chief Operating Officer, Chief Financial Officer 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 Nine (9) Directors as on 31 March 2020 with an optimum combination of executive and non-executive directors, of which three are Independent Directors, five are Non-executive Directors and one is Whole-time 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 2020 are as below. Details and development after end of the year but as on the date of this report is given wherever material or relevant.

Mr. Sudhanshu Vats was appointed as Chief Executive Officer and Managing Director wef 16 April 2020 and Mr. Vinay Mokashi had resigned wef 15 April 2020 from the post of Whole-time Director.

Name of Director	Category	No. of Directorship in other companies[1]	Position in outside Committees[2]	
			Chairperson	Member
Mr. Davinder Singh Brar	Independent Director – Chairperson	13	2	5
Mr. Uwe Ferdinand Rohrhoff	Independent Director	0	0	0
Mrs. Sharmila Abhay Karve	Independent Director	2	1	1
Mr. Vinay Mokashi*	Whole-time Director	0	0	0
Mr. Amit Dixit	Additional Director (Non-executive Director)	8	0	2
Mr. Amit Jain	Additional Director (Non-executive Director)	7	0	3
Mr. Qi Yang	Additional Director (Non-executive Director)	0	0	0
Mr. Animesh Agrawal	Additional Director (Non-executive Director)	0	0	0
Mr. Aniket Damle	Additional Director (Non-executive Director)	0	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 Committees and Stakeholders Relationship Committees of other companies.

* Mr. Vinay Mokashi, Whole-time Director of the company resigned wef close of business hours of 15 April 2020.

Details of directorship in other listed companies are as under.

Name of Director	Name of other listed entities	Category of Directorship
Mr. Davinder Singh Brar	Wockhardt Limited	Independent Director
	Mphasis Limited	Independent Director
	Maruti Suzuki India Limited	Independent Director
Mr. Uwe Ferdinand Rohrhoff	Nil	N.A.
Mrs. Sharmila Abhay Karve	Syngene International Limited	Independent Director
Mr. Amit Dixit	Jagran Prakashan Limited	Non-Executive - Non Independent Director
	Mphasis Limited	Non-Executive - Non Independent Director
Mr. Amit Jain	Nil	N.A.
Mr. Qi Yang	Nil	N.A.
Mr. Animesh Agrawal	Nil	N.A.
Mr. Aniket Damle	Nil	N.A.
Mr. Vinay Mokashi	Nil	N.A.

None of the Directors on the Board are related to each other.

None of the directors are holding any share in the Company, except Mr. Vinay Mokashi who held 17328 shares.

Directors of the Company do not hold any options or instruments convertible into equity shares of the Company.

The Board is of the opinion that the independent directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management. Every Independent Director has confirmed and given declaration in this respect.

1.4 Board Meetings and attendance

During the year under review, the Board of Directors of the Company met six times i.e. 7 May 2019, 13 August 2019, 22 August 2019, 8 November 2019, 7 February 2020 and 20 March 2020. The agenda papers along with notes and other supportings 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.

Details of Directors appointed wef 22 August 2019

Name of Directors	No. of Board Meetings		Attendance at Last Annual General Meeting
	Held	Attended	
Mr. Davinder Singh Brar	4	3	N.A.
Mr. Uwe Ferdinand Rohrhoff	4	3	N.A.
Mrs. Sharmila Abhay Karve	4	4	N.A.
Mr. Vinay Mokashi	4	4	N.A.
Mr. Amit Dixit	4	3	N.A.
Mr. Amit Jain	4	4	N.A.
Mr. Qi Yang	4	3	N.A.
Mr. Animesh Agrawal	4	4	N.A.
Mr. Aniket Damle	4	3	N.A.

Details of Directors resigned wef 22 August 2019			
Name of Directors	**No. of Board Meetings**		**Attendance at Last Annual General Meeting**
	Held	**Attended**	
Mr. Mukund Chitale	3	3	No
Mr. Boman Moradian	3	3	Yes
Ms. Radhika Pereira	3	2	Yes
Mr. Ashok Goel	3	3	Yes
Mr. Atul Goel	3	2	Yes
Mr. Ramesh Gupta	3	3	No

1.5 Matrix of expertise and skill of Directors

Present Directors of the Company (including directors seeking appointment) having different skill and expertise in respective domain area viz. One director is having expertise in sales and marketing, technology and business management. One director is having expertise in accounting, finance and taxation, two Directors are having expertise in pharmaceutical and healthcare, three directors are having skillset about overall business and management, other two directors having competence of engineering, technology and business development. Following is the qualification, expertise and skill of the Directors of the Company. The Board is of the opinion that the skill or competence required for the Directors in relation to the present business of the Company includes finance, accounts, taxation, technology, legal, operation, business development and compliance.

Director	Qualification	Skills/expertise/competence/experience
Mr. Sudhanshu Vats	B.Tech in Mechanical Engineering from NIT, Kurukshetra and M.B.A. from IIM Ahmedabad	• Expertise in FMCG and Media Sector. • Key skills are in Business strategy, Marketing strategy, P&L Management, Business development, Marketing and Product Management, Competitive Analysis, Key Account Management, Supply Chain Management, Brand equity and Team management. • Having worked with Unilever for more than 20 years and last stint with Viacom18 as Managing Director and CEO for 8 years.
Mr. Davinder Singh Brar	BE in electrical engineering from Thapar Institute of Engineering and Technology, Patiala; and a master's degree in management from Faculty of Management Studies from the University of Delhi (gold medalist – 1974)	• Expertise in Pharmaceutical Industry. • Member of the Advisory Board of the USA-India Chamber of Commerce (USAIC). Mr. Brar was also the Director of the Reserve Bank of India (RBI) during 2000-2007. • Having worked with Ranbaxy Laboratories Limited, where he rose to the position of Chief Executive Officer (CEO) and Managing Director.
Mrs. Sharmila Abhay Karve	Fellow member of Institute of Chartered Accountants of India	• Expertise in accounts, audit, finance, risk management and taxation. • Retired as an audit partner from PWC. • Has vast experience in Indian GAAP, Ind AS and IFRS.
Mr. Uwe Ferdinand Rohrhoff	Diploma in Business Studies from University of Cologne, Germany	• Experience in the Pharma and Healthcare Industry at global level. • Having worked in various capacities and consistently grown in stature and responsibility at Gerresheimer (German company) and worked with Perrigo Company, as President, CEO and Director.
Mr. Amit Dixit	MBA from Harvard Business School, MS in Engineering from Stanford University and B.Tech from IIT Mumbai.	• Expertise in Technology, Finance and Management • Currently works as Senior Managing Director, Co-Head of Asia Acquisitions and Head of India for Blackstone Private Equity. Prior to joining Blackstone, he was a Principal at Warburg Pincus.
Mr. Amit Jain	B. Tech from IIT Kharagpur and done PGP (equivalent to an MBA) from ISB, Hyderabad	• Expertise in Technology, Finance, Supply Chain and Management. • Currently works as Senior Managing Director with Blackstone, PE in India and prior to joining Blackstone he worked with McKinsey & Company, HUL at key role.
Mr. Qi Yang	MBA from University of Chicago Booth school of business, JD from University of Minnesota Law School and a LLB from Peking University Law School in China	• Expertise in Technology, Finance, Supply Chain and Management. • Currently works as Senior Managing Director with Blackstone, PE based in Hong Kong. Prior to joining Blackstone he was a Principal at TPG Capital Asia in Beijing and worked at key position with Olympus Capital Asia in Hong Kong, Morgan Stanley's Industrial Investment Banking Group in New York.
Mr. Animesh Agrawal	BE from IIT Delhi and MBA from Stanford Graduate School of Business	• Expertise in Finance, Investing and Technology. • Currently works with Blackstone, PE in India at key role and prior to joining Blackstone worked with McKinsey & Company
Mr. Aniket Damle	BE from IIT Mumbai	• Expertise in Finance and Technology. • Currently works with Blackstone, PE in India at key role and prior to joining Blackstone worked with McKinsey & Company

1.6 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, functionaries, business model and other matters. The Company's Policy and other details in this respect is posted in investors section on the Company's website or link: https://www.esselpropack.com

2 PERFORMANCE EVALUATION

During the year, the Board conducted annual evaluation for evaluating its performance as well as that of its Committees and individual Directors, including the 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 includes; a) Board Composition, size, mix of skill, experience and role, participation, suggestions, 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 has provided, *inter alia*, relating to the 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 the Listing Regulations and Section 177 of the Act.

The Audit Committee comprises of three directors. Two-thirds of the members of the Audit Committee are independent directors. The Committee met five times during the year on 18 April 2019, 7 May 2019, 13 August 2019, 8 November 2019 and 7 February 2020.

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mrs. Sharmila Abhay Karve, Chairperson#	Independent Director	2	2
Mr. Davinder Singh Brar#	Independent Director	2	2
Mr. Amit Jain#	Non-Executive Director	2	2
Mr. Mukund Chitale, Chairman*	Independent Director	3	3
Mr. Boman Moradian*	Independent Director	3	3
Ms. Radhika Pereira *	Independent Director	3	2

*resigned wef 22 August 2019. #appointed wef 22 August 2019

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

Audit Committee meetings are also attended by chief financial officer, chief operating officer, 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 the 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, review compliance relating to insider trading regulations, appointment and payments to statutory auditors, reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary.

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 four Directors. There is an optimum combination of directors in the Nomination and remuneration committee in compliance with applicable laws.

During the year under review, the Nomination & Remuneration Committee met thrice i.e. on 7 May 2019, 22 August 2019 and 8 November 2019.

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

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Uwe Ferdinand Rohrhoff, Chairman#	Independent Director	1	1
Mr. Davinder Singh Brar#	Independent Director	1	1
Mr. Amit Dixit#	Non-Executive Director	1	1
Mr. Amit Jain#	Non-Executive Director	1	1
Mr. Boman Moradian, Chairman*	Independent Director	2	2
Mr. Mukund Chitale*	Independent Director	2	2
Ms. Radhika Pereira*	Independent Director	2	2

*resigned wef 22 August 2019. #appointed wef 22 August 2019

Terms of reference of the NRC includes the matters specified under the Act and the Listing Regulations. Broad terms of reference include; 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 and recommendation to the Board, all remuneration payable to 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 2020 are as under.

Name of Director	Category	₹ in lakhs		
		Commission or annual remuneration	Sitting fees	Total
Mr. Davinder Singh Brar#	Independent Director	21.83	1.50	23.33
Mr. Uwe Rohrhoff#	Independent Director	15.67	1.00	16.67
Mrs. Sharmila Abhay Karve#	Independent Director	14.92	1.75	16.67
Mr. Amit Dixit#	Non-executive Director	Nil	Nil	Nil
Mr. Amit Jain#	Non-executive Director	Nil	Nil	Nil
Mr. Qi Yang#	Non-executive Director	Nil	Nil	Nil
Mr. Animesh Agrawal#	Non-executive Director	Nil	Nil	Nil
Mr. Aniket Damle#	Non-executive Director	Nil	Nil	Nil
Mr. Mukund Chitale*	Independent Director	5.00	2.50	7.50
Mr. Boman Moradian*	Independent Director	5.00	3.00	8.00
Ms. Radhika Pereira*	Independent Director	5.00	1.75	6.75
Mr. Atul Goel *	Non-executive Director	Nil	Nil	Nil
Mr. Ramesh Gupta*	Non-executive Director	Nil	Nil	Nil

*Resigned wef 22 August 2019. #appointed wef 22 August 2019.

Name of Director	Category	Remuneration components ₹ in lakhs				
		Salary	Allowance, perquisites	Cont. to PF	Performance bonus	Total
Mr. Ashok Goel*	Chairman & Managing Director	123.90	61.95	14.87	63.00	263.72
Mr. Vinay Mokashi@	Whole-time Director	18.79	27.86	2.25	8.50	57.40

*Resigned wef 22 August 2019. @ appointed wef 22 August 2019.

Retirement benefits viz. gratuity, leave encashment etc. of ₹ 642.86 lakhs was paid to Mr. Ashok Goel as per his entitlement and policy of the Company.

Mr. Vinay Mokashi held the position of Chief Financial Officer till 24 November 2019 and appointed as a Whole-time Director of the Company from 22 August 2019 till close of business hours of 15 April 2020. Mr. Vinay has resigned as he wishes to retire from service on personal reason. The Company has appointed Mr. Sudhanshu Vats as Managing Director and CEO wef 16 April 2020 and details in this regard has been given in the explanatory statement attached to the AGM Notice.

Remuneration to Executive 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 Executive Directors is recommended by the Nomination & Remuneration Committee based on criteria including achievement of performance standards as mutually set out from time to time and as per Remuneration policy of the Company and approved by the Board of Directors of the Company.

Commission and Performance bonus payable to Directors as mentioned above is provided for the financial year 2019-20 and will be paid subsequent to the approval of the financial statements.

There was 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.

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 Independent Directors is paid as per the provisions of the Act and the rules framed thereunder.

e) The Commission will be distributed among the independent directors as per criteria mentioned in this Report.

5.3 Criteria for payment to Non-executive / Independent Directors

Independent Directors are paid sitting fees of ₹ 25,000 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 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 Stakeholders relationship Committee comprises of three Directors. The Chairperson of the committee is a non-executive director. During the year under review, the Stakeholders Relationship Committee met three times on 7 May 2019, 13 August 2019 and 8 November 2019.

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

Name of Member	Category	No. of Meetings	
		Held	Attended
Mr. Amit Jain, Chairman#	Non-executive Director	1	1
Mrs. Sharmila Abhay Karve#	Independent Director	1	1
Mr. Animesh Agrawal#	Non-executive Director	1	1
Mr. Boman Moradian, Chairman*	Independent Director	2	2
Mr. Ashok Goel*	Chairman & Managing Director	2	2
Mr. Atul Goel *	Non-executive Director	2	1

*Resigned wef 22 August 2019. #appointed wef 22 August 2019

During the year, Nil investor complaints were received. No investors' complaints were pending as on 31 March 2020.

Terms of Reference and role of the Stakeholders Relationship Committee includes the matters specified under the Act and the Listing Regulations. Broad terms of reference includes; to consider and resolve the grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards in respect of various services being rendered by the Registrar and Share Transfer Agent and review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports, notices etc. by the shareholders of the Company.

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@eplglobal.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, security committee 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
2016-17	12.07.2017	11.00 a.m	Registered office at P.O. Vasind, *Taluka*: Shahapur, District: Thane, Maharashtra - 421604, India
2017-18	13.06.2018	11.00 a.m.	
2018-19	26.06.2019	11.00 a.m	

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

Date of AGM	Summary of special resolutions passed
12.07.2017	Redesignate Mr. Ashok Goel as Chairman and Managing Director
13.06.2018	Private placement of NCDs and/or Debt Securities
13.06.2018	Re-appointment of Mr. Ashok Goel as Managing Director
26.06.2019	To re-appoint Mr. Boman Moradian as an Independent Director
26.06.2019	To re-appoint Mr. Mukund Chitale as an Independent Director
26.06.2019	To re-appoint Ms. Radhika Pereira as an Independent Director
26.06.2019	To approve private placement of NCDs and / or Debt Securities

Resolutions passed through postal ballot: The Company has passed following resolutions through postal ballot during the financial year i.e. from 1 April 2019 to 31 March 2020 as detailed below.

1. **Special Resolutions** (a) Approval of alteration or amendment in Articles of Association of the Company; (b) Approval for appointment of Mr. Vinay Mokashi as a Whole-time Director; (c) Approval for Remuneration to Directors; **Ordinary Resolutions** (a) approval for appointment of Mr. Davinder Singh Brar as an Independent Director (b) Approval for appointment of Mr. Uwe Ferdinand Rohrhoff as an Independent Director (c) Approval for appointment of Mrs.

Sharmila Abhay Karve as an Independent Director under the applicable provisions of the Companies Act 2013 and rules made thereunder and Listing regulations.

a) 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.

b) The Company had completed the dispatch of the Postal Ballot Notice dated 22 August 2019 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 23 August 2019.

c) The voting period under the postal ballot was kept open from 9:00 a.m. on Sunday, 1 September 2019 to 5:00 p.m. on Monday, 30 September 2019 (either physically or through electronic mode).

d) All postal ballot forms received on or before of close of working hours i.e. 5:00 p.m. on Monday, 30 September 2019, the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny or voting purpose.

e) On 1 October 2019 the results of the postal ballot as per the Scrutinizer's Report was announced and declared that the above resolutions was passed with requisite majority.

2. Ordinary Resolution under Regulation 31A and applicable provisions of the Listing Regulations for approval of Reclassification of Promoter and Promoter Group to Public Shareholders.

a) 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.

b) The Company had completed the dispatch of the Postal Ballot Notice dated 1 November 2019 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 1 November 2019.

c) The voting period under the postal ballot was kept open from 9:00 a.m. on Tuesday, 12 November 2019 to 5:00 p.m. on Wednesday, 11 December 2019 (either physically or through electronic mode).

d) All postal ballot forms received on or before of close of working hours i.e. 5:00 p.m. on Wednesday, 11 December 2019, the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny or voting purpose.

e) On 12 December 2019, 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

a) 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 the financial statements and in Board's Report. Policy on dealing with related party transactions is posted on the website of the Company and can be accessible by following the link: https://www.esselpropack.com/wp-content/uploads/2015/03/Related-Party-Transaction-Policy.pdf

b) 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.

c) The Company has a Whistle-Blower Policy for establishing a vigil mechanism to report genuine concerns regarding unethical behavior 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.

d) 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 on the website and can be accessible by following the link: https://www.esselpropack.com/wp-content/uploads/2015/03/Policy-for-determining-material-subsidiary.pdf

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.

h) Certificate from practicing company secretary: The Company has obtained a certificate from practicing company secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

i) Fees paid to statutory auditor and network firm or entity: Details relating to fees paid to statutory auditor is given in note 37 of the standalone financial statements. Neither Company nor its subsidiary has paid fees to network firm or entity of the statutory auditor.

j) Disclosures relating to sexual harassment complaints: In relation to complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, during the financial year 2019-20, no complaint filed and no complaint pending at end of the year. There was no complaint filed during the previous financial year. Additional details in this respect are given in the Board's report.

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, 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.esselpropack.com.

c) **Website:** The Company's website www.esselpropack.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 Thursday, 6 August 2020 at 11:30 a.m. through video conferencing or as indicated in the AGM Notice.

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 the 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:** As may be recommended, 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.

Scrip Code: 957238, ISIN: INE255A08AV3

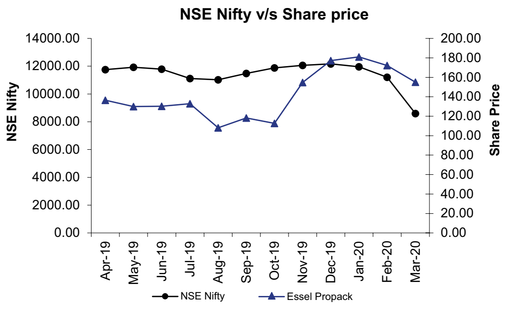
Debenture Trustees: Axis Trustee Services Limited, Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025. Tel: +91 22 43255231

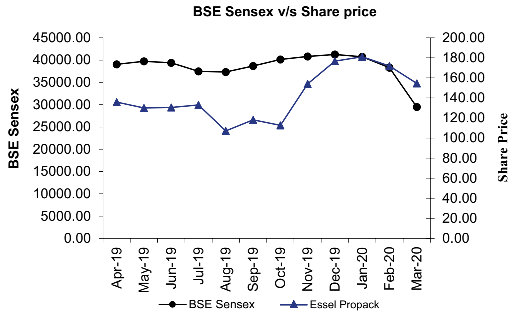
f) **Payment of Listing Fees:** The Company has paid annual listing fee for the year 2020-21 to BSE and NSE within time.

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 2019	138.00	110.55	138.40	103.75
May 2019	137.00	126.50	136.95	126.60
June 2019	132.10	128.00	131.45	128.15
July 2019	133.80	129.45	133.50	129.20
August 2019	133.40	78.85	133.15	78.75
September 2019	119.05	101.20	120.45	100.95
October 2019	121.70	105.25	122.90	105.15
November 2019	163.85	110.55	163.90	109.10
December 2019	185.45	142.95	185.70	139.50
January 2020	197.00	159.80	197.00	160.00
February 2020	203.60	168.00	225.90	166.30
March 2020	185.80	130.05	185.90	130.05

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





i) **Share Transfer /transmission System**

Applications for transmission of shares in physical form are minimal and processed through the Company's Registrar & Transfer Agent. The Stakeholders Relationship Committee constituted for transmission of shares, issue of new/duplicate shares and allied matters. The transmission 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 2020**

No. of equity shares	No. of share holders	% of share holders	No. of Shares Held	% of share Holding
1 – 500	24146	79.00	2534431	0.80
501 – 1000	2524	8.26	2031520	0.64
1001 – 5000	3105	10.16	7112282	2.26
5001 – 10000	412	1.35	2963634	0.94
10001 and above	379	1.23	300809074	95.36
Total	**30566**	**100.00**	**315450941**	**100.00**

k) **Dematerialization of equity shares and liquidity**

As on 31 March 2020, 99.43% 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 Acceptance, Trade Payables, Trade Buyer's Credit, Interest Payable, CAPEX Buyer's Credit etc. and export exposure includes trade receivables, royalty receivable etc.

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

m) **Plant Locations:** The Company has plants/units at Vasind, Wada, Dhanoli (Vapi), Nalagarh (HP), Goa and Katenipara (Assam) as at the end of the financial year.

n) **List of Credit rating obtained during the financial year**

During the financial year, the company has been affirmed / reaffirmed credit rating from below listed credit rating agencies:

Name of Credit Rating Agency	Instrument	Rating
India Rating & Research Private Limited (a Fitch Group Company)	Issue of Commercial Papers	IND A1+ (Off RWE)
Credit Analysis & Research Limited (CARE)	Long Term Bank facilities and Short Term Bank facilities	CARE AA / CARE A1+
Credit Analysis & Research Limited (CARE)	Non-convertible debenture	CARE AA

o) **Registrar & Transfer Agent and Address for Communication**

Registrar & Share Transfer Agent: Bigshare Services Private Limited, 1st Floor, Bharat Tin works Building, Opp Vasant Oasis, Makwana road, Marol, Andheri (E), Mumbai- 400059. Tel: 022 62638261, Fax: 022 62638299, investor@bigshareonline.com

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@eplglobal.com, www.esselpropack.com

Corporate and Investors contact: Mr. Suresh Savaliya, Head – Legal, Company Secretary and Compliance Officer, at corporate office.

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

p) **Shares in suspense account**

The details of unclaimed equity shares and shareholders of the Company in unclaimed suspense account as on 31 March 2020 is mentioned below:

As on 1 April 2019		Shareholder who approached RTA & shares transferred in their favor		Balance as on 31 March 2020	
No. of Records	No. of Shares	No. of Records	No. of Shares	No. of Records	No. of Shares
1073	6314	0	0	1073	6314

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.

q) **Corporate benefits**

Details of corporate benefits issued by the Company are given below.

Dividend

Year	%	Year	%	Year	%
1990-91	10%	2000-01	54%	2011-12	32.50%
1991-92	15%	2001	55%	2012-13	37.50%
1992-93	20%	2002	65%	2013-14	62.50%
1993-94	27%	2003 (Interim)	70%	2014-15	80.00%
1994-95	27%	2003 (Final)	10%	2015-16	110%
1995-96	32%	2004 (Interim)	80%	2016-17	120%
1996-97 (Interim)	15%	2004 (Final)	10%	2017-18	120%
1996-97 (Final)	30%	2005 (Interim)	100%	2018-19	62.50%
1997-98 (Interim)	20%	2005 (Special)	120%	2019-20 (Interim)	62.50%
1997-98 (Final)	32%	2006 (Interim)*	100%		
1998-99 (Interim)	20%	2007	60%		
1998-99 (Final)	34%	2008	15%		
1999-00 (Special)	150%	2009-10	20%		
1999-00 (Interim)	54%	2010-11	30%		

* 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
2018	2	1:1

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

22 May 2020, 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 2020.

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

22 May 2020, Mumbai

CERTIFICATE UNDER REGULATION 34(3) OF SEBI LISTING REGULATIONS

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Essel Propack Limited
Top Floor, Times Tower, Kamla City, Senapati Bapat
Marg, Lower Parel, Mumbai 400013

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Essel Propack Limited** having CIN L74950MH1982PLC028947 and having registered office at P.O. Vasind, Taluka Shahpur, Dist. Thane 421 604, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Davinder Singh Brar	00068502	22nd August 2019
2.	Amit Dixit	01798942	22nd August 2019
3.	Sharmila Abhay Karve	05018751	22nd August 2019
4.	Uwe Ferdinand Rohrhoff	05225437	22nd August 2019
5.	Amit Jain	06917608	22nd August 2019
6.	Aniket Damle	08538557	22nd August 2019
7.	Qi Yang	08538615	22nd August 2019
8.	Animesh Agrawal	08538625	22nd August 2019
9.	Vinay Mokashi	02006912	22nd August 2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D. M. Zaveri & Co.**
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418. CP No.: 4363
ICSI UDIN: F005418B000268661

Place: Mumbai. Date: 22 May 2020

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Essel Propack Limited

We have examined the compliance of conditions of Corporate Governance by **Essel Propack Limited** ('the Company'), for the year ended on 31 March 2020, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

Opinion

Based on our examination, as above, and to the best of our information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance 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 Listing Regulations during the year ended 31 March 2020.

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

Restriction on Use

This certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number: 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059
UDIN: 20016059AAAAAN4292

Chennai, 22 May 2020

Annexure 1

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 exiting 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 varsa 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

Form No. MR-3:
For the Financial year ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 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 2020 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 2020 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, 2018; (Not applicable during the year)

 (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, 2018; (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, there were following major actions which have been done in compliance with applicable statutory provisions;

1. Acquisition of a majority stake in Essel Propack Limited by Epsilon Bidco Pte. Ltd, pursuant to Share purchase agreement with erstwhile

promoters and open offer. Persons who were Promoters and Promoters group before acquisition have been reclassified to public category pursuant to applicable provisions of SEBI LODR.

2. Change in the Promoters and reconstitution of the Board of the company took placed effective from 22nd August, 2019 in view of acquisition of a majority stake in Essel Propack Limited (the Company) by Epsilon Bidco Pte. Ltd. (Acquirer). From the aforesaid date, the Company became subsidiary of Epsilon Bidco Pte Ltd.

3. Pursuant to the Essel Employee Stock Option Scheme 2014 (ESOS 2014)1,61,655 and 45,666 Equity shares of face value of ₹ 2 each for cash at exercise price of ₹ 60.83 per Share of the Company was allotted on 17th June 2019 and 20th December 2019 respectively to the grantees who had exercised their vested Options.

4. The Board of Directors of the Company in their meeting held on 8th November 2019 had declared interim dividend at ₹1.25 per equity share of face value of ₹ 2 each.

For **D. M. Zaveri & Co.**
Company Secretaries

Dharmesh Zaveri
(Proprietor)
M. No.: 5418
CP. No.: 4363
Place: Mumbai
ICSI UDIN: F005418B000268604
Peer Review Cer. No.: 294/2015

Date: 22nd May 2020

Annexure 3

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 web link: https://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. Davinder Singh Brar, Chairman, Independent Director Mr. Amit Jain, Non-Executive Director Mr. Animesh Agrawal, Non-Executive Director
3.	Average net profit of the Company (Standalone) for preceding three financial years.	₹ 1,02,65,20,008
4.	Prescribed CSR Expenditure spent (2% of the amount at Sr. 3 above).	₹ 2,05,30,400
5.	Details of CSR spent during the financial year:	
	a) Total amount spent for the financial year;	₹ 27,97,000
	b) Amount unspent, if any;	₹ 1,77,33,400
	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)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementation agency
1	Promoting education by providing benches and improving sanitation facilities by providing toilets to various schools in the vicinity of units of the Company	Promoting Education & Health Care	State: Maharashtra Dist. Thane	10,00,000	10,00,000	10,00,000	Implementing Agency –Vidya Vikas Mandal
2	Construction of wells and to overcome various water related problems.	Promoting Health Care	State: Maharashtra Dist. Thane	15,67,000	15,67,000	25,67,000	Direct project
3	Training to promote rural Sports	Promoting rural sports	State: Himachal Pradesh Dist. Nalagarh	80,000	80,000	26,47,000	Implementing Agency – Gurmat Prachar trust
4	Construction of School cultural Hall	Promoting Education & Cultural facility	State: Gujarat Prathamik Shala Dhanoli, Dist. Valsad	150,000	150,000	27,97,000	Implementing Agency – Prathamik Shala, Dhanoli
Total				**27,97,000**	**27,97,000**		

The Company has already spent sizable amount towards various CSR activities during last few years. The Company is evaluating more CSR programmes, activities and initiatives for further CSR spending. The Company couldn't spend towards due 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 planning for some direct projection towards rural and education development wherein the Company wish to spend amount going forward. 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.

Vidya Vikas Mandal was set up in 1961, the trust runs a school to provide development of society through proper education to the tribal class children living in the village and remote area. Said education activities and school located nearby area of the Company's factory in Village Vasind, Ta; Sahapur, Dist Palghar.

Gurmat Prachar Trust was set up in 1999, the trusts runs various Sports and Educational activites for development of people living in the village.

Prathamik Shala is located near our factory unit at Dhanoli promoting education to the tribal people living in the village. The Company has contributed to the School towards construction of cultural hall in the School premises which will be useful for students for prayer, gathering and various other educational activities and upliftment of students.

The Company has carried direct Water Project in vicinity area of the Company's factory located at Village Vadawali, Ta: Wada, Dist Palghar, Maharashtra. In this Project, the Company has tied up with expert agency who carried our construction of wells and other water irrigation related activities where under, drinking water have been made available to villagers and tribal class people.

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.

Davinder Singh Brar
Independent Director
Chairman – CSR Committee

Animesh Agrawal
Non-Executive Director
Member – CSR Committee

22 May 2020, 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 2020

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

Sr.	Name	Designation-Nature of Duties	Qualification	Age	Date of Joining	Remuneration Received (₹)	Experience (in years)	Particulars of last employment held - Organisation & Designation
1	M R Ramasamy	Chief Operating Officer	BE, Exe. MBA	62	09-03-1985	3,19,627,33	39	Venlon Polyster Ltd., Project Engineer
2	Dileep Joshi	Director - Human Capital	Post-Graduation in Management (HR)	55	12-10-2009	16,063,091	32	Essar Shipping Ports & Logistics Ltd., Head HR - ESPL Business Group
3	Prakash Dharmani	Chief Information Officer	BE (Chemical), Executive MBA	49	24-09-2012	11,746,558	29	Essar Power Ltd., VP CIO
4	Deepak Ganjoo	Regional Vice President-AMESA Region	Bachelor of Engineering (B.E.), Exec. MBA	46	01-07-2005	8,966,789	26	TVS Motors Ltd. - Unit Manager - Transmission Shop
5	Vinay Mokashi	Executive Director	AICWA & ACS	61	01-03-1997	8,865,472	41	Coral Cosmetics Ltd - Finance Manager & Company Secretary
6	Amit Jain	Head – Corporate Finance	ACA	46	26-10-2012	8,084,591	26	Cadila Pharmaceuticals Ltd. General Manager
7	Ashok Kumar Vashisht	Regional Finance Controller – AMESA Region	FCMA (ICAI), FCMA (CIMA, UK), CGMA (UK & US), FCPA (Australia), DIP IFR (ACC, UK), CS, B.Com	49	26-03-2013	7,397,197	28	SMA Solar India Pvt. Ltd, Head – Finance and compliance.
8	Hariharan K Nair	Vice President-Creativity &Innovation	Master's Degree in Polymers, Master's Degree in Chemistry	46	27/03/2017	7,337,358	22	E I DuPont India Pvt. Ltd.- Application Development Manager
9	Rajesh Bhogavalli	Head Supply Chain	M.Sc, MBA	45	28/07/2014	6,970,617	14	BASF-Head - Supply Chain (Coatings)
10	Kamlesh Jain	Global Head–Applications	CA	47	3/12/2013	5,840,812	22	PRISM Informatics Limited-Principal Strategy Consultant/ Solution Architect

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	Ashok Goel*	Chairman & M.D.	B. Com	57	1-7-1988	51,732,210	38	-
2	Parag Kirtikumar Shah@	Chief Financial Officer	CA, CWA & B. Com	51	25-11-2019	6,478,840	28	Group Chief Financial Officer, ACG Worldwide

*resigned wef 22 August 2019; @appointed wef 25 November 2019

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. None of the employees mentioned above is related to any Director of the Company.

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

22 May 2020, 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 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Ashok Goel - Chairman & Managing Director*	1%	171.69
2.	Mr. Atul Goel – Non Executive Director*	Nil	N.A.
3.	Mr. Ramesh Gupta – Non Executive Director*	Nil	N.A.
4.	Mr. Mukund Chitale – Independent Director	Nil	2.49
5.	Mr. Boman Moradian – Independent Director*	Nil	2.66
6.	Mrs. Radhika Pereira – Independent Director*	Nil	2.24
7.	Mr. Vinay Mokashi – Whole-time Director[€]	Nil	29.42
8.	Mr. Davinder Singh Brar – Independent Director[#]	Nil	7.74
9.	Mrs. Sharmila Abhay Karve – Independent Director[#]	Nil	5.53
10.	Mr. Uwe Ferdinand – Independent Director[#]	Nil	5.53
11.	Mr. Amit Dixit – Non Executive Director[#]	Nil	N.A.
12.	Mr. Amit Jain – Non Executive Director[#]	Nil	N.A.
13.	Mr. Qi Yang – Non Executive Director[#]	Nil	N.A.__
14.	Mr. Animesh Agrawal – Non Executive Director[#]	Nil	N.A.
15.	Mr. Aniket Damle – Non Executive Director[#]	Nil	N.A.
16.	Mr. Parag Shah – Chief Financial Officer[$]	N.A.	N.A.
17.	Mr. Suresh Savaliya - Head- Legal & Company Secretary	17.6%	N.A.

* resigned wef 22 August 2019
[€] appointed as Whole Time Director wef 22 August 2019 and retired as CFO wef 24 November 2019
[#] appointed wef 22 August 2019
[$] appointed wef 25 November 2019

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. 17.70% as compared of the immediate preceding financial years. Median remuneration for the year under review is approx. ₹ 3.01 lakhs
2.	The Number of permanent employees on the rolls of the Company	1168 employees on payroll as on 31 March 2020.
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

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

22 May 2020, Mumbai

Annexure 5

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 2020 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.

- At Vasind unit, BT-2 Air ventilation all exhaust blower shuts off and utilized roof top turbo fans and air washer usage 4 to 2 which retain cool air on shop floor potential energy saving would be 15000 kwh per month.
- At Wada unit, optimization of AHU power consumption by installing VFD potential power shaving would be 6000 kwh per month. In continuation of last year 3 more TET hydraulic motor replaced with lower HP motor reducing the energy consumption by appx 60%. Energy consumption reduced from 11 KW to 3.5 KW. Apr. saving would be 9000 kwh per month.
- At Goa unit, optimization of Compressed Air by arresting leakages. Air audit was done on monthly basis & points were closed accordingly. Also replaced old Comp Air make Air Compressor with Energy Efficient Atlas Copco Compressor. Has resulted in approx. savings of 12500 KWH per month. Also, optimization of 400 KVA UPS by reduction in loading on UPS Has resulted in approx. savings of 14000 KWH per Month.
- At Nalagarh unit, optimization of compressed air consumption by arresting leakage which has resulted energy saving approx. 12900 kwh per month. MTH 1 & 2 Chiller interlock and auto packer vacuum blower interlock with Machine which ensure ancillary units will on as & when Machine approx. energy saving would be 5500 kwh per month
- At Vapi unit, optimization of entire plant power conservation which help the unit reduce Contact Demand by 400 kva (160000 INR per month).

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

- We are exploring the possibility of installing solar power panels at PAN India all units. Project is in advanced stage and expected to be implemented this year.

(c) The capital investment on energy conservation equipment:

- Water cooled to Air Cooled lamp conversion on 2 printing lines with an investment of INR 40 lakh.

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

a) Worked with a global polymer manufacturer and co-developed special blends of polymer grades that provide higher chemical product resistance and higher output in blown film productivity.

b) Worked with major global polymer manufacturer and co-developed special laminate grades of higher densities enabling thickness reduction and enabling recycling in Code 2 (HDPE) recycle stream.

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

a) As sustainability is taking center stage globally, we have successfully commercialized laminates with biogenic carbon content up to 50% in the tube sleeve and up to 50% biogenic carbon content in the tube shoulders.

b) Evaluated next generation lamination resins from newer sources that provides consistence interlayer bond between among various multilayer substrates and also helps in cost reduction of barrier laminates.

c) Successfully commercialized a new inner barrier laminate (IBL) to be used with HDPE based shoulder (replacing PET based IBL) enabling recyclability of tubes in Code 2 Polyethylene steam.

(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	377.90
b)	Recurring	1181.00
c)	Total expenditure	1558.90
d)	Total expenditure as a % of total turnover	1.94%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In lakhs)

Particular	Year 2019-20	Year 2018-19
Foreign Exchange earned	**19,439**	**14,924**
Foreign Exchange used / outgo	**18,185**	**30,569**

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

22 May 2020, Mumbai

Annexure 6

EXTRACT OF ANNUAL RETURN as on financial year ended on 31 March 2020

[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/ Sub-Category of the Company	Company limited by shares 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 9673333971/9882
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. Tel No. 022-62638200, Fax: 022-62638299.

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%

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	Epsilon Bidco Pte. Ltd.	Foreign Company	Holding	74.99	2(46)
DIRECT SUBSIDIARIES					
1.	Lamitube Technologies Limited, Mauritius 2nd Floor, Hennessy Tower, Suite 205, Pope Hennessy Street, Republic of Mauritius	Foreign Subsidiary	Wholly owned Subsidiary	100	2(87)
2.	Lamitube Technologies (Cyprus) Limited, Cyprus Totalserve House, 17, Gr., Xenopoulou Street, 3106, Limassol, Cyprus	Foreign Subsidiary	Wholly owned Subsidiary	100	2(87)
3.	Arista Tubes Inc., USA 187 Cane Creek Blvd, Danville, VA – 24540	Foreign Subsidiary	Wholly owned Subsidiary	100	2(87)
STEP DOWN SUBSIDIARIES					
1.	Essel Propack America LLC, USA, 187 Cane Creek Blvd, Danville, VA – 24540.	Foreign Subsidiary	Subsidiary	100	2(87)
2.	Essel Packaging (Guangzhou) Limited, China No. 9, Yongshun Avenue, M., Yonghe Zone, GETDD, Guangzhou P.R.China	Foreign Subsidiary	Subsidiary	100	2(87)
3.	Essel Propack Philippines, Inc., Philippines Building 11, Phase II, Vita Comp, 108 Marcos Alvarez Avenue, Bo. Talon 1 Las Pinas City, 1747, Philippines	Foreign Subsidiary	Subsidiary	100	2(87)
4.	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 Subsidiary	Subsidiary	100	2(87)

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
5.	MTL de Panama S.A., Panama Apartado 8629, Panama 5, Republique De Panama	Foreign Subsidiary	Subsidiary	100	2(87)
6.	Essel Propack UK Limited Castle Court, 41 London Road, Reigate, Surrey, RH2 9RJ	Foreign Subsidiary	Subsidiary	100	2(87)
7.	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 Subsidiary	Subsidiary	100	2(87)
8.	Essel Propack LLC, Russia Ul., Shosseinaya, 40, Malakhovka – 2, Luberetsky Raion, Moskovskaya Oblast – 140032, Russian Federation	Foreign Subsidiary	Subsidiary	100	2(87)
9.	Essel Packaging (Jiangsu) Limited, China No.9, Changsheng Road Yang round development zone, Xinzhuang village, Changshu city, Jiangsu province, China	Foreign Subsidiary	Subsidiary	100	2(87)
10.	Essel Propack MISR for Advanced Packaging (S.A.E.), Egypt, Plot No 6 & 7, Block – 12016, 1st Industrial Estate, El Obour City, Egypt	Foreign Subsidiary	Subsidiary	75	2(87)
11.	Essel Propack Polska Sp. Z.O.O., Poland ul. Mahatmy Gandhiego 1 66-300 Międzyrzecz, Poland	Foreign Subsidiary	Subsidiary	100	2(87)
12.	Essel Colombia S.A.S. Via Cali-Santander de Quilichao, KM 24, Parque Industrial Parque Sur. Villa Rica, Columbia	Foreign Subsidiary	Subsidiary	100	2(87)
13.	Essel Deutschland Gmbh & Co. KG, Dresden, Germany. Manfred-von-Ardenne-Ring 10, 01099 Dresden, Germany Handelsregister: Amtsgericht Dresden, HRA 5605	Foreign Subsidiary	Subsidiary	100	2(87)
14.	Essel Deutschland Management GmbH, Germany Manfred-von-Ardenne-Ring 10, 01099 Dresden, Germany Handelsregister: Amtsgericht Dresden, HRA 5605.	Foreign Subsidiary	Subsidiary	100	2(87)
ASSOCIATE COMPANY / JV					
1.	P.T Lamipak Primula, Indonesia, JI, Sawunggaling No 26, Gilang, Taman, Sidoarjo, Indonesia.	Foreign entity	Associate	30	2(6)

SHARE HOLDING 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	869500	0	869500	0.28	0	0	0	0	-0.28
(b)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0	0	0	0	0	0
(c)	BODIES CORPORATE	228458	0	228458	0.07	0	0	0	0	-0.07
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0	0	0	0	0	0
(e)	ANY OTHERS (Specify)	0	0	0	0	0	0	0	0	0
(i)	TRUST	178678028	0	178678028	56.68	0	0	0	0	-56.68
(ii)	GROUP COMPANIES	0	0	0	0	0	0	0	0	0
(iii)	DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
	SUB TOTAL (A)(1) :	**179775986**	**0**	**179775986**	**57.03**	**0**	**0**	**0**	**0**	**-57.03**
Foreign										
(a)	BODIES CORPORATE	0	0	0	0	236553956	0	236553956	74.99	74.99
(b)	INDIVIDUAL	0	0	0	0	0	0	0	0	0
(c)	INSTITUTIONS	0	0	0	0	0	0	0	0	0
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
(e)	ANY OTHERS (Specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL (A)(2) :	**0**	**0**	**0**	**0**	**236553956**	**0**	**236553956**	**74.99**	**74.99**
	Total holding of promoters									
	(A)=(A)(1) + (A)(2)	**179775986**	**0**	**179775986**	**57.03**	**236553956**	**0**	**236553956**	**74.99**	**17.96**
(B)	**Public shareholding**									
Institutions										
(a)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0	0	0	0	0	0
(b)	FINANCIAL INSTITUTIONS / BANKS	77351	4	77355	0.02	788600	4	788604	0.25	0.23
(c)	MUTUAL FUNDS / UTI	3147161	0	3147161	1.00	3740599	0	3740599	1.19	0.19
(d)	VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0	0	0
(e)	INSURANCE COMPANIES	3062645	0	3062645	0.97	2617962	0	2617962	0.83	-0.14
(f)	FIIs/FPIs	56043043	1600	56044643	17.77	14621805	1600	14623405	4.64	-13.13
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0	0	0	0	0	0
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
(i)	ANY OTHERS (SPECIFY)	0	0	0	0	0	0	0	0	0
(j)	ALTERNATE INVESTMENT FUND	1067304	0	1067304	0.34	64154	0	64154	0.02	-0.32
	SUB TOTAL (B)(1) :	**63397504**	**1604**	**63399108**	**20.11**	**21833120**	**1604**	**21834724**	**6.92**	**-13.19**

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	36034801	4584	36039385	11.43	7910784	1910	7912694	2.51	-8.92
(b)	NBFC	26700	0	26700	0.01	1581	0	1581	0	-0.01
(c)	CLEARING MEMBER	127662	0	127662	0.04	736397	0	736397	0.23	0.19
(d)	INDIVIDUAL									
(i)	(CAPITAL UPTO TO RS. 2 LAKH)	20614901	1951284	22566185	7.16	15975530	1645155	17620685	5.59	-1.57
(ii)	(CAPITAL GREATER THAN RS. 2 LAKH)	10548633	0	10548633	3.35	3265634	0	3265634	1.04	-2.31
(iii)	HUF	0	0	0	0	578759	0	578759	0.18	0.18
(e)	ANY OTHERS (SPECIFY)									
(i)	IEPF	626033	0	626033	0.20	705995	0	705995	0.22	0.02
(ii)	TRUSTS	44768	0	44768	0.01	24225122	0	24225122	7.68	7.67
(iii)	NON RESIDENT INDIANS NRIs/ FOREIGN INDIVIDUALS	1868443	220437	2088880	0.66	1871191	144007	2015198	0.64	-0.02
(iv)	DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
(f)	OVERSEAS BODIES CORPORATES	0	280	280	0	0	196	196	0	0
(i)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
	SUB TOTAL (B)(2) :	**69891941**	**2176585**	**72068526**	**22.86**	**55270993**	**1791268**	**57062261**	**18.09**	**-4.77**
	(B)=(B)(1) + (B)(2)	**133289445**	**2178189**	**135467634**	**42.97**	**77104113**	**1792872**	**78896985**	**25.01**	**-17.96**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**									
(a)	SHARES HELD BY CUSTODIANS	0	0	0	0	0	0	0	0	0
(b)	PROMOTER AND PROMOTER GROUP	0	0	0	0	0	0	0	0	0
(c)	PUBLIC	0	0	0	0	0	0	0	0	0
	SUB TOTAL (C)(1) :	0	0	0	0	0	0	0	0	0
	(C)=(C)(1)	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A) + (B) + (C)	**313065431**	**2178189**	**315243620**	**100.00**	**313658069**	**1792872**	**315450941**	**100.00**	**0.00**

57,120 equity shares of face value of ₹ 2/- each forfeited by the Board of Directors of the Company in its meeting held on 29.01.2015

ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during 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	
PROMOTERS –INDIVIDUALS $								
1.	Ashok Kumar Goel	847520	0.27	0.00	0	0	-	-0.27
2.	Kavita Goel	21980	0.01	0.00	0	0	-	-0.01
3.	Nandkishore	0	0.00	0.00	0	0	-	0.00
	Total	**869500**	**0.28**	**0.00**	**0**	**0**	**-**	**-0.28**
PROMOTERS -DOMESTIC COMPANIES $								
1.	Vyoman Tradelink India Private Limited (earlier known as Ganjam Trading Company Private Limited)	200	0.00	0.00	0	0.00	-	0.00
2.	Vyoman Tradelink India Private Limited (earlier known as Rupee Finance And Management Private Limited)	177858	0.06	0.00	0	0.00	-	-0.06
3.	Pan India Paryatan Private Limited	50400	0.02	0.00	0	0.00	-	-0.02
	Total	**228458**	**0.08**	**0.00**	**0**	**0.00**	**-**	**-0.08**
PROMOTERS – TRUSTS $								
1	Ashok Kumar Goel (Trustee- Ashok Goel Trust)	178678028	56.68	0.00	0	0.00	-	-56.68
	Total	**178678028**	**56.68**	**0.00**	**0**	**0.00**	**-**	**-56.68**
PROMOTERS – FOREIGN COMPANY								
1	Epsilon Bidco Pte. Ltd. #	0	0	0.00	236553956	74.99	-	74.99
	Total	**0**	**0**	**0.00**	**236553956**	**74.99**	**-**	**74.99**

Note:

$ Pursuant to the Share purchase agreement, Epsilon Bidco Pte. Ltd. acquired 154495022 equity shares in the company from Ashok Goel Trust on 22 August 2019. Subsequent to above acquisition, the Board on 22 August 2019, approved reclassification request received from the Erstwhile Promoters and its affiliates Ashok Kumar Goel (Trustee Ashok Goel Trust), Goel Ashok Kumar, Kaveeta Goel, Nandkishore, Vyoman Tradelink India Private Limited and Pan India Paryatan Private Limited (collectively, the "Erstwhile Promoters"), the shareholders as well as the Stock Exchanges where the securities of the Company is listed i.e. BSE Limited and National Stock Exchange of India Limited have also approved the reclassification of Erstwhile Promoters from promoter and promoter group to public category.

Increase in the promoter's shareholding is due to acquisition of majority shares pursuant to open offer made by Epsilon Bidco Pte. Ltd. on account of change in control.

(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	No. of Shares	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year (01.04.2019)	% of total shares of the company				No. of shares	% of total shares of the company
1	Ashok Kumar Goel (Trustee : Ashok Goel Trust)	178678028	56.68	22.08.2019	154495022	Note 1	24183006	7.67
2	Epsilon Bidco Pte. Ltd.	-	-	22.08.2019	236553956	Note 2	236553956	74.99

Note 1: Pursuant to the Share purchase agreement, Epsilon Bidco Pte. Ltd. acquired 154495022 equity shares in the company from Ashok Goel Trust on 22 August 2019. Subsequent to above acquisition, the Board on 22 August 2019, approved reclassification request received from the Erstwhile Promoters and its affiliates Ashok Kumar Goel (Trustee Ashok Goel Trust), Goel Ashok Kumar, Kaveeta Goel, Nandkishore, Vyoman Tradelink India Private Limited and Pan India Paryatan Private Limited (collectively, the "Erstwhile Promoters"), the shareholders as well as the Stock Exchanges where the securities of the Company is listed i.e. BSE Limited and National Stock Exchange of India Limited have also approved the reclassification of Erstwhile Promoters from promoter and promoter group to public category.

Note 2: Pursuant to open offer made by Epsilon Bidco Pte. Ltd. on account of change in control.

(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	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
1	# ASHOK KUMAR GOEL – Trustee Ashok Goel Trust	178678028	30-Mar-19	0		178678028	56.64
			23-Aug-19	-154495022	Transfer	24183006	7.67
		24183006	31-Mar-20	0		24183006	7.67
2	NTASAIN DISCOVERY MASTER FUND	17761867	30-Mar-19	0		17761867	5.63
			09-Aug-19	-17761867	Transfer	0	0.00
			23-Aug-19	3649162	Transfer	3649162	1.16
			11-Oct-19	-3649162	Transfer	0	0.00
		0	31-Mar-20	0		0	0.00
3	CLAREVILLE CAPITAL OPPORTUNITIES MASTER FUND LIMITED	9573896	30-Mar-19	0		9573896	3.04
			09-Aug-19	-9573896	Transfer	0	0.00
			23-Aug-19	4335	Transfer	4335	0.00
			24-Jan-20	-4335	Transfer	0	0.00
		0	31-Mar-20	0		0	0.00
4	SMALLCAP WORLD FUND, INC	0	30-Mar-19			0	0.00
			30-Aug-19	82605	Transfer	82605	0.03
			06-Sep-19	1333001	Transfer	1415606	0.45
			20-Sep-19	749017	Transfer	2164623	0.69
			27-Sep-19	187954	Transfer	2352577	0.75
			11-Oct-19	5761076	Transfer	8113653	2.57
			01-Nov-19	300000	Transfer	8413653	2.67
			08-Nov-19	5620	Transfer	8419273	2.67
		8419273	31-Mar-20	0		8419273	2.67
5	GAGANDEEP CREDIT CAPITAL PVT LTD	6953372	30-Mar-19	0		6953372	2.20
			02-Aug-19	-6953372	Transfer	0	0.00
			23-Aug-19	1428566	Transfer	1428566	0.45
		1428566	31-Mar-20	0		1428566	0.45
6	GOVERNMENT PENSION FUND GLOBAL	5512584	30-Mar-19	0		5512584	1.75
			02-Aug-19	-5512584	Transfer	0	0.00
			23-Aug-19	1132557	Transfer	1132557	0.36
			30-Aug-19	-1132557	Transfer	0	0.00
		0	31-Mar-20	0		0	0.00

Sr. No	Name of the Shareholder	No. of Shares at the beginning / End of the year	Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
7	FIDELITY ACTIVE STRATEGY - ASIA FUND	4249134	30-Mar-19	0		4249134	1.35
			05-Apr-19	130707	Transfer	4379841	1.39
			12-Apr-19	-85152	Transfer	4294689	1.36
			19-Apr-19	-198595	Transfer	4096094	1.30
			26-Apr-19	-117319	Transfer	3978775	1.26
			03-May-19	-75339	Transfer	3903436	1.24
			10-May-19	-336383	Transfer	3567053	1.13
			17-May-19	-360764	Transfer	3206289	1.02
			24-May-19	-246953	Transfer	2959336	0.94
			31-May-19	-129696	Transfer	2829640	0.90
			07-Jun-19	-425265	Transfer	2404375	0.76
			12-Jun-19	-421954	Transfer	1982421	0.63
			14-Jun-19	-138811	Transfer	1843610	0.58
			21-Jun-19	-1986	Transfer	1841624	0.58
			26-Jun-19	-6412	Transfer	1835212	0.58
			05-Jul-19	-151207	Transfer	1684005	0.53
			15-Jul-19	60983	Transfer	1744988	0.55
			19-Jul-19	46104	Transfer	1791092	0.57
			02-Aug-19	-1791092	Transfer	0	0.00
			23-Aug-19	367979	Transfer	367979	0.12
			30-Aug-19	-46199	Transfer	321780	0.10
			06-Sep-19	-85968	Transfer	235812	0.07
			13-Sep-19	-43735	Transfer	192077	0.06
			20-Sep-19	-192077	Transfer	0	0.00
		0	31-Mar-20	0		0	0.00
8	SHAMYAK INVESTMENT PRIVATE LIMITED	4152658	30-Mar-19	0		4152658	1.32
			02-Aug-19	-4152658	Transfer	0	0.00
			23-Aug-19	853161	Transfer	853161	0.27
		853161	31-Mar-20	0		853161	0.27
9	FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL	4134685	30-Mar-19	0		4134685	1.31
			24-May-19	-18489	Transfer	4116196	1.30
			31-May-19	-199259	Transfer	3916937	1.24
			07-Jun-19	-72671	Transfer	3844266	1.22
			12-Jun-19	-32668	Transfer	3811598	1.21
			15-Jul-19	-564366	Transfer	3247232	1.03
			19-Jul-19	-495859	Transfer	2751373	0.87
			26-Jul-19	-149865	Transfer	2601508	0.82
			02-Aug-19	-2601508	Transfer	0	0.00

Sr. No	Name of the Shareholder	No. of Shares at the beginning / End of the year	Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
			23-Aug-19	534479	Transfer	534479	0.17
			13-Sep-19	-192439	Transfer	342040	0.11
			20-Sep-19	-342040	Transfer	0	0.00
		0	31-Mar-20	0		0	0.00
10	VEENA INVESTMENTS PRIVATE LIMITED	3768510	30-Mar-19	0		3768510	1.19
			24-May-19	-1120000	Transfer	2648510	0.84
			31-May-19	-1120000	Transfer	1528510	0.48
			09-Aug-19	-1528510	Transfer	0	0.00
			23-Aug-19	314032	Transfer	314032	0.10
			20-Dec-19	-20000	Transfer	294032	0.09
			06-Mar-20	-10220	Transfer	283812	0.09
		283812	31-Mar-20	0		283812	0.09
11	ZEE ENTERTAINMENT ENTERPRISES LTD	3644000	30-Mar-19	0		3644000	1.16
			28-Jun-19	-1225000	Transfer	2419000	0.77
			26-Jul-19	-560000	Transfer	1859000	0.59
			09-Aug-19	-1859000	Transfer	0	0.00
			23-Aug-19	381931	Transfer	381931	0.12
			20-Nov-19	-381931	Transfer	0	0.00
			31-Mar-20	0		0	0.00
12	Max Life Insurance Company Limited A/c - ULIF01004/10/06AMSRGUADYN104 - Amsure Guaranteed Dynamic Fund	0	30-Mar-19			0	0.00
			31-Dec-19	20000	Transfer	20000	0.01
			03-Jan-20	60000	Transfer	80000	0.03
			10-Jan-20	81753	Transfer	161753	0.05
			24-Jan-20	61753	Transfer	223506	0.07
			31-Jan-20	50000	Transfer	273506	0.09
			14-Feb-20	448843	Transfer	722349	0.23
			21-Feb-20	560305	Transfer	1282654	0.41
			28-Feb-20	806084	Transfer	2088738	0.66
			06-Mar-20	226734	Transfer	2315472	0.73
			13-Mar-20	125	Transfer	2315597	0.73
		2315597	31-Mar-20	0		2315597	0.73

Sr. No	Name of the Shareholder	No. of Shares at the beginning / End of the year	Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
13	GENERAL INSURANCE CORPORATION OF INDIA	3062645	30-Mar-19	0		3062645	0.97
			03-May-19	-155000	Transfer	2907645	0.92
			10-May-19	-45000	Transfer	2862645	0.91
			07-Jun-19	-55000	Transfer	2807645	0.89
			12-Jun-19	-95000	Transfer	2712645	0.86
			14-Jun-19	-50000	Transfer	2662645	0.84
			02-Aug-19	-30000	Transfer	2632645	0.83
			09-Aug-19	-30000	Transfer	2602645	0.83
			29-Nov-19	-75000	Transfer	2527645	0.80
			06-Dec-19	-71382	Transfer	2456263	0.78
			13-Dec-19	-53618	Transfer	2402645	0.76
			10-Jan-20	-28598	Transfer	2374047	0.75
			17-Jan-20	-70315	Transfer	2303732	0.73
			24-Jan-20	-101087	Transfer	2202645	0.70
			31-Jan-20	-50000	Transfer	2152645	0.68
			07-Feb-20	-55290	Transfer	2097355	0.66
			14-Feb-20	-94710	Transfer	2002645	0.63
			21-Feb-20	-295671	Transfer	1706974	0.54
			28-Feb-20	-204329	Transfer	1502645	0.48
			06-Mar-20	-101725	Transfer	1400920	0.44
		1400920	31-Mar-20	0		1400920	0.44
14	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	0	30-Mar-19			0	0.00
			27-Dec-19	271230	Transfer	271230	0.09
			10-Jan-20	1444	Transfer	272674	0.09
			24-Jan-20	339747	Transfer	612421	0.19
			31-Jan-20	528680	Transfer	1141101	0.36
			27-Mar-20	46430	Transfer	1187531	0.38
		1187531	31-Mar-20	0		1187531	0.38
15	UTI - LONG TERM EQUITY FUND (TAX SAVING)	0	30-Mar-19			0	0.00
			01-Nov-19	1308000	Transfer	1308000	0.41
			31-Jan-20	-154869	Transfer	1153131	0.37
			21-Feb-20	-86377	Transfer	1066754	0.34
			28-Feb-20	-89627	Transfer	977127	0.31
		977127	31-Mar-20	0		977127	0.31

Sr. No	Name of the Shareholder	No. of Shares at the beginning / End of the year	Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
16	GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND	0	30-Mar-19			0	0.00
			24-Jan-20	377718	Transfer	377718	0.12
			06-Mar-20	32500	Transfer	410218	0.13
			13-Mar-20	37324	Transfer	447542	0.14
			20-Mar-20	262500	Transfer	710042	0.23
			27-Mar-20	122412	Transfer	832454	0.26
			31-Mar-20	105635	Transfer	938089	0.30
		938089	31-Mar-20	0		938089	0.30
17	UTI - CCF -SAVINGS PLAN	3138304	30-Mar-19	0		3138304	0.99
			01-Nov-19	-1630000	Transfer	1508304	0.48
			31-Jan-20	-310569	Transfer	1197735	0.38
			21-Feb-20	-89716	Transfer	1108019	0.35
			28-Feb-20	-94473	Transfer	1013546	0.32
			27-Mar-20	87433	Transfer	1100979	0.35
		1100979	31-Mar-20	0		1100979	0.35

Pursuant to the Share purchase agreement, Epsilon Bidco Pte. Ltd. acquired 154495022 equity shares in the company from Ashok Goel Trust on 22 August 2019. Subsequent to above acquisition, the Board on 22 August 2019, approved reclassification request received from the Erstwhile Promoters and its affiliates Ashok Kumar Goel (Trustee Ashok Goel Trust), Goel Ashok Kumar, Kaveeta Goel, Nandkishore, Vyoman Tradelink India Private Limited and Pan India Paryatan Private Limited (collectively, the "Erstwhile Promoters"), the shareholders as well as the Stock Exchanges where the securities of the Company is listed i.e. BSE Limited and National Stock Exchange of India Limited have also approved the reclassification of Erstwhile Promoters from promoter and promoter group to public category.

(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	896186	0.28	896186	0.28
ii)	Date wise Increase/Decrease in Increase: Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus sweat equity)				
ii.a	20.08.2019 : Mr. Vinay Mokashi – CFO surrendered shares under Open Offer made by Epsilon Bidco Pte. Ltd.	(28338)		17328	0.01
ii.b	22.08.2019: Mr. Ramesh Chander Gupta, resigned as a Director of the Company.	(3000)		3000	0.00
ii.c	20 February 2020: Mr. Ashok Goel, Erstwhile Promoters and CMD of the Company was reclassified from Promoter to Public category vide the Stock Exchanges approval letter dated 20 February 2020.	(847520)		847520	0.00
ii.d	Appointment of Director who holds shares in the Company 22.08.2019: Mr. Vinay Mokashi (CFO), was appointed as Whole-time Director and CFO of the Company, his shareholding of 17328 shares is already covered above at ii.a.				
ii.e	Inter se Transfer	-	-	-	-
iii)	At the end of the year	17328	0.01	17328	0.01

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	2,341	16,517	-	18,858
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	199	-	199
Total (i+ii+iii)		**2,341**	**16,716**	**-**	**19,057**
Change in Indebtedness during the financial year					
Addition		959.00	559	-	1,518
Reduction		-	-	-	-
Net Change		959.00	559	-	1,518
Indebtedness at the end of the financial Year					
i)	Principal Amount	3,300.00	17,171	-	20,471
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	104	-	104
Total (i+ii+iii)		**3,300.00**	**17,275**	**-**	**20,575**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration		Name of MD/WTD/Manager		Total
			Mr. Ashok Goel Chairman & Managing Director*	Mr. Vinay Mokashi, Whole Time Director#	
1	Gross Salary				
	(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	123.90	18.79	142.69
	b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	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)		63.00	8.50	71.50
5	Others, please specify Provident fund, LTA and others		76.82	30.11	106.93
	Total		**263.72**	**57.40**	**321.22**

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.

Variable Pay and Commission for the Financial year 2019-20.

*Ceased to be Chairman & Managing Director wef 22 August 2019

#appointed as Whole Time Director wef 22 August 2019

Note: Retirement benefits viz. gratuity, leave encashment etc of ₹ 642.86 lakh was paid to Mr. Ashok Goel as per his entitlement and policy of the company.

B Remuneration to other Directors

(i) Remuneration to Independent Directors

(₹ in lakhs)

Particulars of Remuneration	Name of Independent Directors						Total
	Mr. Boman Moradian*	Mr. Mukund Chitale*	Ms. Radhika Pereira*	Mr. Davinder Singh Brar#	Mr. Uwe Ferdinand#	Mrs. Sharmila Abhay Karve#	
Fee for attending board/ committee meetings							
Commission	3.00	2.50	1.75	1.50	1.00	1.75	11.50
Others, please specify	5.00	5.00	5.00	21.83	15.67	14.92	67.42
Total	**8.00**	**7.50**	**6.75**	**23.33**	**16.67**	**16.67**	**78.92**
Overall Ceiling as per above Commission is within the limit of 1% of the net profit of the Companies Act.							

*ceased to be director wef 22 August 2019

#appointed as director wef 22 August 2019

(ii) Remuneration to Non-Executive Directors

(₹ in lakhs)

Particulars of Remuneration	Name of Non-Executive Directors							Total
	Mr. Atul Goel*	Mr. Ramesh Gupta*	Mr. Amit Dixit#	Mr. Amit Jain#	Mr. Qi Yang#	Mr. Animesh Agrawal#	Mr. Aniket Damle#	
Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Overall Ceiling as per above Commission is within the limit of 1% of the net profit of the Companies Act.

*ceased to be director wef 22 august 2019

#appointed as director wef 22 august 2019

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total
		Head – Legal & Company Secretary	Chief Financial Officer		
		Suresh Savaliya	Vinay Mokashi	Parag Shah	
A	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	54.56	61.35	64.80	180.71
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	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, Variable Pay etc.)	11.12	15.43	3.50	30.05
	Total	**65.68**	**76.78**	**68.30**	**210.76**

'0' zero denotes less than lakh

Mr. Vinay Mokashi resigned from the position of Chief Financial Officer of the company wef 24.11.2019

Mr. Parag Shah has been appointed as Chief Financial Officer of the company wef 25.11.2019

Above does not include variable pay/PLI for the FY 2019-20, since the appraisal is in process. KMPs are entitled to other benefits, facilities etc as per policy of the Company.

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					
	Punishment			NIL		
	Compounding					
B.	**DIRECTORS**					
	Penalty					
	Punishment			NIL		
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty					
	Punishment			NIL		
	Compounding					

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

22 May 2020, Mumbai

Annexure 7

[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@eplglobal.com

6 Financial Year Reported: 1 April 2019 to 31 March 2020.

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, Wada in Maharashra, Nalagarh in Himachal Pradesh, Dhanoli in Gujarat, Katenipara (Assam) and Goa.

Company's international business operations are carried out by various direct and indirect 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 serves 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 1 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 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 Director/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 and 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. 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. Sudhanshu Vats, CEO & Managing Director, DIN 05234702, Tel: 022 24819000 / 9200, wef 16 April 2020. Mr. Vinay Mokashi was Whole-time Director till 15 April 2020.

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 meant 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 and 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 / WTD, 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 / WTD 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,								
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 / WTD 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 are available on the Company's website www.esselpropack.com as a part of the annual report.

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 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.

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's Platina 250 and Green GML 300 Lamitubes have been recognized by Association of Plastic Recyclers(APR), USA as meeting or exceeding the strict APR HDPE critical guidance criteria. This is a first of its kind breakthrough in the tube packaging market, essentially for brands looking to convert to sustainable barrier packaging formats which are recyclable without compromising any of the functional features of the tubes like feel, shelf life, safety and machinability requirements for the various generations of production lines. After use, the Platina & GML tubes can be recycled in the dominant #2 plastic stream used across the globe for recycling milk cans, Juice bottles etc. Use of HDPE in Platina and GML tubes increases the stiffness of the tubes, enabling down gauging / reducing polymer content and in helping users to deliver on their sustainability commitments.

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 5 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 suppliers, 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.

Essel Propack's "Project Liberty" is a significant initiative to support environmental sustainability. With the vision to make every tube made by Essel Recyclable. "Project Liberty" is a path-breaking attempt to recycle multilayer aluminium based lamitubes. Using proprietary technology, "Project Liberty" allows for the separation of the aluminum and polymers into two distinct and reusable streams, without the use of any chemicals or heat. Once separated, both the Aluminium and Polymer fractions recovered from ABL tubes can be recycled safely.

Etain (PCR Tubes) made with up to 25% Post-Consumer recycled resin content, promoting the use of PCR resins, reducing the demand for virgin raw materials.

With Essel Propack's Recyclable Laminated tubes getting is recognition by APR USA, has already achieved a step ahead with it aims to focus its development and success with customers.

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

The Company's belief is that its personnel are to this 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 EP – from hire to retire i.e. 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 MDA or Board Report contained in this Annual Report.

2 Please indicate the total number of employees hired on temporary/ contractual/casual basis: 1168

3 Please indicate the Number of permanent women employee: 39

4 Please indicate the number of permanent employees with disabilities: 0

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 upgradation 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. EPL 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 is 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.

Details 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 Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), 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, construction of wells, promoting education and rural development for upliftment of society.

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. As a part of CSR we have initiated various helps and assistance to needy people in vicinity area of factories. We monitor to the extent possible after execution of the CSR Project. We believe that this community development initiative is successfully adopted by the community since the same is about basic needs.

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, EPL continuously develop and offer a diverse range of printing and packaging solutions.

Five Years' Summary of Selected Financial Data (India)

₹ in Lakhs

Particulars	As per IND AS				
	2016	**2017**	**2018**	**2019**	**2020**
Sales and other income	83,917	90,068	87,429	86,371	88,230
Profit before depreciation, amortisation, finance costs and tax	22,075	17,770	21,174	19,527	24,251
Depreciation / Amortisation	5,063	6,021	6,866	7,510	9,725
Profit before tax	14,425	9,427	12,168	9,735	12,530
Profit after tax	11,250	6,511	8,118	6,404	10,577
Dividends (including dividend tax)	4,158	4,538	4,548	4,751	6,467
Cash profit	16,313	12,532	14,984	13,914	20,302
Book value per share	38.09	39.59	41.63	21.46	22.09
Basic earnings per share - ₹ #	3.58	2.07	2.58	2.03	3.35
Dividend per share (Final + Interim) - ₹	2.20	2.40	2.40	1.25	3.30
Closing share price on BSE at year end (₹ per share)	161.05	237.05	240.45	116.75	154.60
Market capitalisation (As at year end)	252,920	372,545	377,943	368,047	487,687
ASSETS LESS CURRENT LIABILITIES					
Fixed assets (Net)	33,843	37,922	37,120	44,114	43,664
Non-current investments	22,038	22,060	21,894	21,832	20,955
Other Non-current assets, loans and advances	2,979	3,917	3,525	3,321	2,737
Current assets	32,594	31,823	36,475	30,917	40,473
Assets held for sale	-	-	-	379	-
	91,454	**95,722**	**99,014**	**100,563**	**107,829**
Current liabilities	(12,424)	(14,758)	(23,141)	(14,447)	(23,649)
Net Assets	**79,030**	**80,964**	**75,873**	**86,116**	**84,180**
FINANCED BY					
Share capital	3,142	3,143	3,145	6,306	6,310
Reserves	56,696	59,066	62,326	61,373	63,367
Net Worth	**59,838**	**62,209**	**65,471**	**67,679**	**69,677**
Deferred tax balances	1,551	1,904	1,255	1,167	148
Non-current liabilities	17,641	16,851	9,147	17,270	14,356
Capital employed	**79,030**	**80,964**	**75,873**	**86,116**	**84,181**
FINANCIAL RETURNS AND STATISTICS					
Profit after tax as a percent of sales and other income	13.4%	7.2%	9.3%	7.4%	12.0%
Profit before depreciation, finance costs and tax as a percent of sales and other income	26.3%	19.7%	24.2%	22.6%	27.5%
Return on capital employed (EBIT/Avg Capital Employed) ^	12.4%	12.3%	14.7%	12.2%	9.4%
Return on net worth % (PAT before exceptional item/ Avg Networth)	12.1%	10.7%	12.7%	9.6%	16.8%
Non-current liability as a percent of total year end Shareholders' Fund	29%	27%	14%	26%	21%
Financial costs cover (Times)	6.58	5.06	6.69	5.26	7.28
(Profit before financial costs and taxation divided by finance costs)					
Number of equity shares outstanding (in Lakhs) **	1,571	1,572	1,573	3,153	3,155
Cash profit to sales and other income	19.4%	13.9%	17.1%	16.1%	23.0%

** Refer Note 19

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

Earnings per share for the previous year has been adjusted to give effect to the issue of bonus equity shares (Refer note 19(e))

Five Years' Summary of Selected Financial Data (Consolidated)

₹ in Lakhs

Particulars	As per IND AS				
	2016	**2017**	**2018**	**2019**	**2020**
Sales and other income	222,944	242,324	247,279	273,544	277,346
Profit before depreciation, amortisation, finance costs and tax	42,760	45,660	49,112	52,763	57,083
Depreciation and amortisation expense	12,316	14,148	16,707	18,611	22,979
Profit before exceptional items and tax	24,353	25,759	26,914	28,021	28,539
Profit after tax attributable to Equity holders of the parent	17,010	19,032	17,160	19,253	20,725
Proposed + Interim Dividend (excluding dividend tax)	3,455	3,770	3,772	3,941	10,410
Cash Profit	29,326	33,180	33,867	37,864	43,704
Basic earnings per share* - ₹	5.42	6.06	5.46	6.12	6.57
Dividend per share (Final + Interim)# - ₹	2.20	2.40	2.40	1.25	3.30
ASSETS LESS CURRENT LIABILITIES					
Goodwill	-	1,423	1,423	1,423	1,423
Fixed assets (net)	98,127	118,456	121,159	133,439	138,919
Non current investments	3,038	1,526	1,310	1,679	1,602
Other non current assets, loans and advances	8,560	8,067	8,169	6,374	4,516
Current assets	92,166	96,398	113,399	109,096	134,133
	201,891	**225,870**	**245,460**	**252,011**	**280,593**
Current liabilities	(44,268)	(54,497)	(69,124)	(57,402)	(78,974)
Net Assets	**157,623**	**171,373**	**176,336**	**194,609**	**201,619**
FINANCED BY					
Share capital	3,142	3,143	3,145	6,306	6,310
Reserves and surplus	93,336	100,756	121,914	132,490	146,951
Net Worth	**96,478**	**103,899**	**125,059**	**138,796**	**153,261**
Non controlling interest	814	572	430	516	864
Deferred tax balances	3,047	4,076	3,566	5,095	4,752
	100,339	**108,547**	**129,055**	**144,407**	**158,877**
Non current liabilities	57,284	62,826	47,281	50,202	42,742
Capital employed	**157,623**	**171,373**	**176,336**	**194,609**	**201,619**
FINANCIAL RETURNS AND STATISTICS					
Profit after tax as a percent of Sales and other income	7.6%	7.9%	6.9%	7.0%	7.5%
Profit before depreciation, amortisation, finance costs and tax as a percent of Sales and other income	19.2%	18.8%	19.9%	19.3%	20.6%
Return on Capital Employed (EBIT/Avg Capital Employed) ^	18.0%	16.9%	17.2%	17.0%	17.8%
Return on Net worth (PAT before exceptional item/Avg Networth)	19.5%	17.4%	15.4%	14.4%	14.8%
Non current liabilities as a percentage of Shareholders' funds	59%	60%	38%	36%	28%
Finance Costs Cover (Times) (Profit before Finance Costs and Taxation/Finance Costs)	5.1	5.5	5.9	5.7	6.1
Cash profit to sales and other income	13.2%	13.7%	13.7%	13.8%	15.8%

^ Considering shareholders' funds and Net debt including short-term borrowings and current maturities of long-term borrowings.
# Post 1:1 bonus shares issue from FY19 onwards
* Earnings per share for the previous years have been adjusted to give effect to the issue of bonus equity shares during FY19.

To the Members of

Essel Propack Limited

1. Opinion

We have audited the accompanying standalone financial statements of **Essel Propack Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants (ICAI) of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingent liabilities

Claims against the Company not acknowledged as debts is disclosed in note 47A of the standalone financial statements. The existence and probability of payments against these claims requires management judgment to ensure disclosure of most appropriate values of contingent liabilities.

Due to level of judgment required relating to estimation and presentation of contingent liabilities, this is considered to be a key audit matter.

Auditor's Response

Our audit procedures included, among others, assessing the appropriateness of the management's judgment in estimating the value of claims against the Company not acknowledged as debts as given in note 47A.

We have obtained details of completed tax assessments and demands/claims as at 31 March 2020 from management. We assessed the completeness of the details of these claims through discussion with senior management personnel. We have also reviewed the outcome of the disputed cases at various forums. We have also assessed the appropriateness of presentation of the contingent liabilities in the standalone financial statements.

4. Information other than the standalone financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report and Chairman's Statement but does not include the standalone financial statements and our report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

5. Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's responsibility for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. 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 Section143 (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 changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of written representations received from the directors of the Company as on 31 March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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";

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) 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 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.

For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number: 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059
Chennai, 22 May 2020
UDIN : 20016059AAAAAL4390

Annexure referred to in paragraph 7(I) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of Essel Propack Limited on the standalone financial statements for the year ended 31 March 2020

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management during the year. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. Inventories, except for goods-in-transit and stocks lying with third parties have been physically verified by the management. For stocks lying with third parties at the year end, these have been confirmed by them. In our opinion, the frequency of such verification is reasonable. Discrepancies noticed on such verification between physical stocks and the book records were not material and these have been properly dealt with in the books of account.

iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.

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/ guarantees given, investments made 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 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, goods and services tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2020 for a period of more than six months from the date they became payable.

b) There are no dues of service tax, goods and services 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	99	FY 2009-2010, FY 2010-2011, FY 2013-2014 and FY 2014-2015	Tribunal CESTAT
	Duty of Excise	36	FY 2016-2017 and FY 2017-2018	Commissioner of GST and Central Excise - Appeals
Goa Value Added Tax Act, 2005	Value added tax	5	FY 2013-2014	Commissioner of Commercial taxes Panaji, Goa
Himachal Pradesh Value Added Tax Act, 2005	Value added tax	3	FY 2008-2009	Himachal Pradesh Sales Tax Tribunal
Central Sales Tax Act, 1956	Central sales tax	610	FY 2006-2007 to FY 2008-2009 and 2012-2013	Maharashtra Sales Tax Tribunal
		228	FY 2002-2003 to FY 2004-2005	Commissioner of VAT- Dadra and Nagar Haveli
		526	FY 2002-2003 to FY 2004-2005, FY 2011-2012 and FY 2013-14	Deputy / Joint Commissioner of Sales Tax (Appeals)
		201	FY 2011-2012 to FY 2015-16	Deputy Commissioner of Sales tax
		23	FY 2009-2010, FY 2011-2012 to FY 2014-2015	Assistant Commissioner of Commercial Taxes
The Income Tax Act, 1961	Income tax	38	FY 2006-2007 and 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 banks, government or dues to debenture holders. The Company has not taken any loan from financial institutions during the year.

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) and the Company has not taken any term loan during the year.

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 where applicable and details of such transactions have been disclosed in the standalone 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 **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number: 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059
Chennai, 22 May 2020
UDIN : 20016059AAAAAL4390

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 7(II)(f) under "Report on other Legal and Regulatory requirements" of our report of even date to the members of Essel Propack Limited on the standalone financial statements for the year ended 31 March 2020

We have audited the internal financial controls over financial reporting of **Essel Propack Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone 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 on "Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 standalone 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 2020, 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 Institute of Chartered Accountants of India.

For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number: 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059
Chennai, 22 May 2020
UDIN : 20016059AAAAAL4390

Balance sheet as at 31 March 2020

(₹ in Lakhs)

		Note	2020	2019
Assets				
Non-current assets				
(a)	Property, plant and equipment	4	40,647	40,930
(b)	Capital work-in-progress	4	1,572	1,992
(c)	Intangible assets	5	604	125
(d)	Intangible assets under development	5	840	1,067
(e)	Financial assets			
	(i) Investments	6	20,955	21,832
	(ii) Loans	7	934	945
	(iii) Others	8	0	30
(f)	Non-current tax assets (net)	9	1,172	939
(g)	Other non-current assets	10	631	1,407
Total non-current assets			**67,356**	**69,267**
Current assets				
(a)	Inventories	11	8,293	8,291
(b)	Financial assets			
	(i) Trade receivables	12	13,728	14,845
	(ii) Cash and cash equivalents	13	6,509	322
	(iii) Bank balances other than cash and cash equivalents	14	5,922	97
	(iv) Loans	15	344	2,238
	(v) Others	16	1,080	1,070
(c)	Other current assets	17	4,597	4,054
Total current assets			**40,473**	**30,917**
Assets held for sale		18	-	379
Total assets			**107,829**	**100,563**
Equity and liabilities				
Equity				
(a)	Equity share capital	19	6,310	6,306
(b)	Other equity	20	63,367	61,373
Total equity			**69,677**	**67,679**
Liabilities				
Non-current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	21A	8,309	14,986
	(ii) Lease liabilities	21B	3,866	-
(b)	Other non current liabilities	22	320	387
(c)	Provisions	23	1,860	1,897
(d)	Deferred tax liabilities (net)	40	148	1,167
Total non-current liabilities			**14,503**	**18,437**
Current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	24	5,500	2,341
	(ii) Lease liabilities	26	1,467	-
	(iii) Trade payables	25		
	- Dues of micro enterprises and small enterprises		135	88
	- Dues of creditors other than micro enterprises and small enterprises		4,945	4,809
	(iv) Others	26	10,735	6,287
(b)	Other current liabilities	27	425	391
(c)	Provisions	28	442	531
Total current liabilities			**23,649**	**14,447**
Total equity and liabilities			**107,829**	**100,563**
Notes forming part of the financial statements		1 - 62		

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Parag Shah
Chief Financial Officer

Sharmila Abhay Karve
Director

Suresh Savaliya
Head - Legal and Company Secretary

Place: **Mumbai**
Date: 22 May 2020

Statement of profit and loss for the year ended 31 March 2020

(₹ in Lakhs)

	Note	2020	2019
Income			
Revenue from operations	29	80,327	84,631
Other income	30	7,744	708
Interest income	31	159	1,032
Total income		**88,230**	**86,371**
Expenses			
Cost of materials consumed	32	34,450	38,158
Changes in inventories of finished goods and goods-in-process	33	530	(180)
Employee benefits expense	34	10,036	9,071
Finance costs	35	1,996	2,283
Depreciation and amortisation expense	36	9,725	7,510
Other expenses	37	18,024	19,794
Total expenses		**74,761**	**76,636**
Profit before exceptional items and tax		13,469	9,735
Exceptional items (net)	60	939	-
Profit before tax		**12,530**	**9,735**
Tax expense	40		
Current tax		2,968	3,354
Deferred tax charge/(credit)		(1,015)	(23)
Total tax expense		**1,953**	**3,331**
Profit for the year		**10,577**	**6,404**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan	44	(14)	(185)
Income tax effect on above		4	65
Other comprehensive income/(loss) for the year		**(10)**	**(120)**
Total comprehensive income for the year		**10,567**	**6,284**
Earnings per equity share of ₹ 2 each fully paid up	38		
Basic (₹)		3.35	2.03
Diluted (₹)		3.35	2.03
Notes forming part of the financial statements	1 - 62		

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Parag Shah
Chief Financial Officer

Sharmila Abhay Karve
Director

Suresh Savaliya
Head - Legal and Company Secretary

Place: **Mumbai**
Date: 22 May 2020

A Equity share capital

	Note	₹ in lakhs*
Balance as at 1 April 2018	**19**	**3,145**
Changes in equity share capital	19(a)	3,161
Balance as at 31 March 2019	**19**	**6,306**
Changes in equity share capital	19(a)	4
Balance as at 31 March 2020	**19**	**6,310**

* including forfeited shares of ₹ 1 lakh [Refer note 19(h)]

B Other equity

(₹ in lakhs)

	Note	Capital reserve	Securities premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Total other equity
Balance as at 1 April 2018		**3,983**	**11,118**	**2,250**	**333**	**12,541**	**32,101**	**62,326**
Profit for the year		-	-	-	-	-	6,404	6,404
Other comprehensive income/(loss) for the year		-	-	-	-	-	(120)	(120)
Total comprehensive income for the year		-	-	-	-	-	6,284	6,284
Share options exercised during the year	20 & 43	-	517	-	-	-	-	517
Amount transferred from share options outstanding account on exercise of options	20 & 43	-	192	-	(192)	-	-	-
Share based payments	20 & 43							
- Options lapsed of employees of subsidiaries		-	-	-	(62)	-	-	(62)
Utilised towards issue of bonus equity shares		-	(3,144)	-	-	-	-	(3,144)
Transferred to retained earnings		-	-	(1,000)	-	-	1,000	-
Equity dividend	45	-	-	-	-	-	(3,772)	(3,772)
Tax on equity dividend	45	-	-	-	-	-	(776)	(776)
Balance as at 31 March 2019		**3,983**	**8,683**	**1,250**	**79**	**12,541**	**34,837**	**61,373**
Profit for the year		-	-	-	-	-	-	10,577
Other comprehensive income /(loss) for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	(10)
Share options exercised during the year	20 & 43	-	122	-	-	-	-	122
Transferred from share options outstanding account on exercise of options	20 & 43	-	45	-	(45)	-	-	-
Equity dividend	45	-	-	-	-	-	(3,941)	(3,941)
Tax on equity dividend	45	-	-	-	-	-	(810)	(810)
Interim Dividend Paid	45	-	-	-	-	-	(3,943)	(3,943)
Balance as at 31 March 2020		**3,983**	**8,850**	**1,250**	**34**	**12,541**	**36,710**	**63,367**

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: Chennai
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Parag Shah
Chief Financial Officer

Sharmila Abhay Karve
Director

Suresh Savaliya
Head - Legal and Company Secretary

Place: Mumbai
Date: 22 May 2020

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 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, Home and Oral care categories.\

The separate financial statements (hereinafter referred to as "Financial Statements") of the Company for the year ended 31 March 2020 were authorised for issue by the Board of Directors at their meeting held on 22 May 2020.

2 Basis of preparation and other significant accounting policies

2.1 Basis of preparation of financial statements

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 (as amended) and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI).

These financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities (including derivative instruments), non-current asset held for sale, 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. Zero '0' denotes amount less than a lakh.

b) Current and non-current classification

Assets and liabilities are classified as current if 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.

2.2 Accounting pronouncements issued

i) New Standards adopted

Ind AS 116 " Leases"

The Companies (Indian Accounting Standards) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 116 "Leases" which replaced Ind AS 17. The revised standard eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months to bring the previous off-balance sheet leases on the balance sheet in a manner largely comparable to current finance lease accounting.

The Company has, as a lessee, adopted Ind AS 116 w.e.f. 1 April 2019 using the modified retrospective approach to replace rent expenses in the statement of profit and loss with interest and depreciation. Lease payments associated with short-term leases or those for which the underlying asset is of low value are recognised as an expense in the statement of profit and loss.

Comparative amounts have not been adjusted and continued to be reported in accordance with Ind AS 17 "Leases". Refer note 2.3 (b) and (q) below for the Company's accounting policy for Right-of-use assets, depreciation and lease liability as per Ind AS 116. The summary of practical expedients elected on initial application and effect of adoption of Ind AS 116 on the financial statements is disclosed in Note 49.

2.3 Summary of 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 and right-of-use assets

i) Free hold land is carried at cost. Other property, plant and equipment are stated at original cost of acquisition/installation (net of goods and services tax) 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 its 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) Right-of-use (ROU) assets are stated at cost, less accumulated depreciation and impairment loss, if any. The carrying amount of ROU assets is adjusted for remeasurement of lease liability, if any, in future. Cost of ROU assets comprises the amount of initial measurement of lease liability, lease payments made before the commencement date (net of incentives received), initial direct costs and present value of estimated costs of dismantling and restoration, if any.

iv) On transition to Ind AS, the Company had 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 and right-of-use assets

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, Dies	7 years
Hydraulic works, Pipelines and Slucies (HWPS)	10 years
Overhauling of plant and machinery	5 years

ii) ROU assets are depreciated on straight line basis from the commencement date to the end of useful life of asset or lease term whichever is earlier.

iii) 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. 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 Company had 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/ amortisation 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) Non-current assets held for sale

The Company classifies non-current assets as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held-for-sale only if the management expects to complete the sale within one year from the date of classification. Non- current assets classified as held-for-sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held-for-sale are not depreciated or amortized.

f) 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 its 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.

g) 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 it's 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 instruments and equity instruments.

Debt instruments

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 (EIR).

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 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 (EIR).

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.

ii) Equity instruments

The Company subsequently measures all equity instruments (other than investments in subsidiaries) at fair value. Where the Company's management has elected to present fair value gains and losses on equity instruments 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 instruments 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 instruments measured at FVOCI are not reported separately from other changes in fair value.

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.

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.

h) 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.

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.

i) 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 amortisation 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.

j) 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.

k) Share based payments

Equity settled 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 as "Share options outstanding account". 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 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 vested options forfeited or expires unexercised, the related balance standing to the credit of the "Share options outstanding account" is transferred to "Retained earnings".

In case of equity settled share based payments to employees of subsidiaries, in the separate financial statements, the parent company recognises the impact in the investment in the subsidiaries.

l) Revenue recognition

i) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer involving single performance obligation , which is generally at the time of delivery as per the contract. In case of exports , the control is deemed to be transferred when the goods are shipped. There is no continuing management involvement with the goods, and the amount can be measured reliably. It is measured at the fair value of the consideration received or receivable net of returns, trade discounts, volume rebates and goods and services tax.

Revenue from royalty and service charges

- Revenue from royalty received under the licensing agreements are recognised over the period during which the underlying sales are recognised as per the terms of agreement.

- Revenue from services are recognized over period of time on performance of obligations as per the terms of the agreement. However, revenue from services comprising of development of art work and such other services, involving single performance obligation, are recognised at a point in time.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to the customer. Where customers are provided with discounts, rebates etc, such discounts and rebates will give rise to variable consideration. The Company follows the 'most likely amount' method in estimating the amount of variable consideration.

Contract balances

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised. Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade receivables

A receivable represents the Company's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date.

ii) 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.

m) 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."

n) 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.

iii) Cost of finished goods and goods-in-process includes cost of direct materials, labour and other manufacturing overheads.

o) Foreign currency transactions

i) The functional currency of the Company is Indian rupee (₹ or INR) 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.

p) 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.

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.

iii) 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.

q) Lease Liability

Lease liability associated with assets taken on lease (except short-term and low value assets) is measured at the present value of lease payments to be made. Lease payments are discounted using the interest rate implicit in the lease. Lease payments comprise fixed payments in relation to the lease (less lease incentives receivable), variable lease payments, if any and other amounts (residual value guarantees, penalties, etc.) to be payable in future in relation to the lease arrangement.

r) 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.

s) 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.

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.

t) 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.

u) 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.

v) 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.

w) 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.

x) 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 Significant estimates, judgements and assumptions

The preparation of financial statements 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 involves 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.

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 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 41.

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.

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 judgement 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 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.

vii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

viii) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Note 4 Property, plant and equipment

(₹ in lakhs)

Description of assets	Gross carrying amount					Depreciation / Amortisation				Net carrying amount
	As at 1 April 2019	Reclassification on adoption of Ind AS 116	Additions	Disposals	As at 31 March 2020	Upto 31 March 2019	For the Year	Disposals	Upto 31 March 2020	As at 31 March 2020
Freehold land	292	-	-	27	265	-	-	-	-	265
Leasehold land	15	(15)	-	-	-	-	-	-	-	-
Leasehold improvements	1,362	-	223	-	1,585	198	180	-	378	1,207
Building	5,186	-	194	0	5,380	812	243	-	1,055	4,325
Plant and machinery	53,587	-	1,673	180	55,080	21,850	6,964	58	28,756	26,324
Equipment	3,533	-	309	16	3,826	1,137	429	10	1,556	2,270
Furniture and fixture	1,390	-	97	81	1,406	438	149	59	528	878
Right of use	-	15	6,995	-	7,010	-	1,632	-	1,632	5,378
TOTAL(A)	**65,365**	-	**9,491**	**305**	**74,552**	**24,435**	**9,597**	**127**	**33,905**	**40,647**
Capital work-in-progress										**1,572**

Note 5 Intangible assets

(₹ in lakhs)

Description of assets	Gross carrying amount					Depreciation / Amortisation				Net carrying amount
	As at 1 April 2019	Reclassification on adoption of Ind AS 116	Additions	Disposals	As at 31 March 2020	Upto 31 March 2019	For the Year	Disposals	Upto 31 March 2020	As at 31 March 2020
Software	850	-	268	-	1,118	787	104	-	891	227
Patents	88	-	357	20	425	26	24	2	48	377
TOTAL(B)	**938**	-	**625**	**20**	**1,543**	**813**	**128**	**2**	**939**	**604**
TOTAL(A+B)	**66,303**	-	**10,116**	**325**	**76,095**	**25,248**	**9,725**	**129**	**34,844**	**41,251**
Intangible assets under development										**840**

Notes:

(i) Buildings include roads, residential flats, tubewell, watertanks and share in co-operative society.

(ii) For details of property, plant and equipment pledged as security, refer note 46.

(iii) The amount of contractual commitments for the acquisition of property, plant and equipment and intangible assets is disclosed in note 47(D).

Note 4 Property, plant and equipment

(₹ in lakhs)

Description of assets	Gross carrying amount					Depreciation / Amortisation					Net carrying amount
	As at 1 April 2018	Additions	Disposals	Assets classified as held for sale	As at 31 March 2019	Upto 31 March 2018	For the Year	Disposals	Assets classified as held for sale	Upto 31 March 2019	As at 31 March 2019
Freehold land	517	-	-	225	292	-	-	-	-	-	292
Leasehold land	15	-	-	-	15	-	-	-	-	-	15
Leasehold improvements	833	577	48	-	1,362	123	86	11		198	1,164
Buildings	4,562	854	0	230	5,186	662	226	0	76	812	4,374
Plant and machinery	41,868	11,844	125	-	53,587	15,400	6,491	41		21,850	31,738
Equipments	2,523	1,011	1		3,533	762	376	1		1,137	2,395
Furniture and fixtures	1,094	296	0	-	1,390	306	132	0	-	438	952
TOTAL(A)	**51,413**	**14,582**	**174**	**455**	**65,365**	**17,253**	**7,311**	**53**	**76**	**24,435**	**40,930**
Capital work-in-progress											**1,992**

Note 5 Intangible assets

(₹ in lakhs)

Description of assets	Gross carrying amount					Depreciation / Amortisation					Net carrying amount
	As at 1 April 2018	Additions	Disposals	Assets classified as held for sale	As at 31 March 2019	Upto 31 March 2018	For the Year	Disposals	Assets classified as held for sale	Upto 31 March 2019	As at 31 March 2019
Software	809	41	-	-	850	597	190	-	-	787	63
Patents	81	7	-	-	88	17	9	-	-	26	62
TOTAL(B)	**890**	**48**	**-**	**-**	**938**	**614**	**199**	**-**	**-**	**813**	**125**
TOTAL(A+B)	**52,303**	**14,630**	**174**	**455**	**66,303**	**17,867**	**7,510**	**53**	**76**	**25,248**	**41,055**
Intangible assets under development											**1,067**

Notes:

(i) Buildings include roads, residential flats, tubewell, watertanks and share in co-operative society.

(ii) Additions to plant and machinery and capital work in progress includes exchange difference of ₹ 51 lakhs capitalised during financial year 2018-19.

(iii) For details of property, plant and equipment pledged as security, refer note 46.

(iv) The amount of contractual commitments for the acquisition of property, plant and equipment and intangible assets is disclosed in note 47(D).

(₹ in lakhs)

			2020	2019
6	Non-current investments (At cost)			
	(A)	Investments in equity shares of wholly owned subsidiaries - Unquoted		
		830,000 (31 March 2019: 830,000) of USD 10 each of Lamitube Technologies Limited, Mauritius	8,994	8,994
		1,261 (31 March 2019: 1,261) of no par value of Arista Tubes Inc., USA *	7,443	7,443
		1,600 (31 March 2019: 1,600) of USD 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus	720	720
	Total		17,157	17,157
	(B)	Investments in preference shares of wholly owned subsidiary - Unquoted		
		8,400 (31 March 2019: 10,400) Non-cumulative optionally convertible redeemable preference shares of USD 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus with fixed rate of dividend of USD 110 per share {Refer note 61(a)}	3,658	4,535
	Total		3,658	4,535
	(C)	Value of stock options granted to employees of subsidiaries		
		As per last balance sheet	140	202
		Add/(Less): Options forfeited/lapsed during the year (Refer note 43)	-	(62)
	Total		140	140
	Total (A + B + C)		20,955	21,832
	Aggregate book value of unquoted investments		20,955	21,832
	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			

(₹ in lakhs)

		2020	2019
7	Non-current financial assets - Loans		
	(Unsecured, considered good)		
	Security deposits		
	- Related parties (Refer note 54)	-	519
	- Others	934	426
	Total	934	945

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)

		2020	2019
8	Other non-current financial assets		
	Deposits with banks having original maturity period of more than twelve months*	0	30
	Total	0	30

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

(₹ in lakhs)

		2020	2019
9	Non-current tax assets		
	Balances with government authorities - Direct tax (net of provisions)	1,172	939
	Total	1,172	939

(₹ in lakhs)

		2020	2019
10	Other non-current assets		
	Capital advances	213	512
	Prepaid expenses	6	378
	Balances with Government authorities - Indirect tax	412	517
	Total	631	1,407

(₹ in lakhs)

		2020	2019
11	Inventories		
	Raw materials {Including goods-in-transit ₹ 217 lakhs (31 March 2019 : ₹ 347 lakhs)}	3,031	2,351
	Goods-in-process	2,236	2,918
	Finished goods {Including goods-in-transit ₹ 52 lakhs(31 March 2019 : ₹ 371 lakhs)}	522	371
	Stores and spares	2,389	2,558
	Packing materials	115	93
	Total	8,293	8,291

Inventories were written down to net realisable value by ₹ 152 lakhs (31 March 2019: ₹ 65 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)

		2020	2019
12	Trade receivables (Unsecured)		
	Considered good		
	- Related parties (Refer note 54)	1,563	1,374
	- Others	12,165	13,471
	Considered doubtful	723	607
		14,451	15,452
	Less: Allowance for bad and doubtful debts	(723)	(607)
	Total	13,728	14,845

Trade receivables are non-interest bearing and credit terms are generally 30 to 90 days. The Company's exposure to credit and currency risks related to trade receivables is disclosed in note 42.

(₹ in lakhs)

		2020	2019
13	Cash and cash equivalents		
	Balance with banks in Current accounts	3,436	280
	Cheques on hand/ Remittances in transit	568	42
	Deposits with banks having original maturity period of upto three months	2,505	-
	Total	6,509	322

(₹ in lakhs)

		2020	2019
14	Bank balances other than cash and cash equivalents		
	Unclaimed dividend accounts	110	97
	Deposits with banks having original maturity period of upto twelve months*	5,812	-
	Total	5,922	97

*Includes ₹ 297 lakhs (31 March 2019: Nil) held as margin money for bank guarantees issued.

(₹ in lakhs)

		2020	2019
15	Current financial assets - Loans		
	Unsecured, considered good		
	Security deposits - Others	323	234
	Loans and advances to		
	- Employees	21	25
	- Others	-	1,979
	Total	344	2,238

(₹ in lakhs)

		2020	2019
16	Other current financial assets		
	Deposits with banks having original maturity period of more than twelve months*	32	2
	Insurance claim receivable (Refer note 48)	193	193
	Other receivables from Subsidiaries (Refer note 54)	355	375
	Government grant receivable	500	500
	Total	1,080	1,070

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

(₹ in lakhs)

		2020	2019
17	Other current assets		
	Advances recoverable in cash or kind		
	Considered good	465	531
	Considered doubtful	56	-
		521	531
	Less : Allowance for bad and doubtful advances	(56)	-
		465	531
	Prepaid expenses	911	266
	Balances with Government authorities - Indirect taxes (net)	3,033	2,989
	Export benefits receivable	188	268
	Total	4,597	4,054

(₹ in lakhs)

		2020	2019
18	Assets held for sale		
	Building	-	154
	Freehold land	-	225
	Total	-	379

In the previous year, the Board of directors of the Company decided to sell land and building located at one of its factory units, which was not in use. The sale of said land and building concluded in April 2019 {Refer note 60(a)} and was reported as "Assets held for sale" in the previous year as per Ind AS 105 "Non-current assets held for sale and discontinued operations".

(₹ in lakhs)

		2020	2019
19	Equity share capital		
	Authorised		
	350,000,000 (31 March 2019: 350,000,000) equity shares of ₹ 2 each	7,000	7,000
	Issued		
	315,508,061 (31 March 2019: 315,300,740) equity shares of ₹ 2 each	6,310	6,306
	Subscribed and paid up		
	315,450,941 (31 March 2019: 315,243,620) equity shares of ₹ 2 each fully paid up (Refer note (a) below)	6,309	6,305
	Add: 57,120 equity shares of ₹ 2 each forfeited (Refer note (h) below)	1	1
	Total	6,310	6,306

a) Reconciliation of number of shares outstanding (excluding forfeited shares)

	2020		2019	
	Number of equity shares	₹ in lakhs	Number of equity shares	₹ in lakhs
At the beginning of the year	315,243,620	6,305	157,181,664	3,144
Add/less: Changes during the year				
Allotted pursuant to issue of bonus shares (Refer note (e) below)		-	157,181,664	3,144
Allotted on exercise of employee share option	207,321	4	880,292	17
Outstanding at the end of the year	315,450,941	6,309	315,243,620	6,305

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

Name of Shareholder	2020		2019	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Epsilon Bidco Pte.Ltd*	236,553,956	75%	-	-

* Pursuant to the Share Purchase Agreement dated 22 April 2019 executed between Ashok Goel Trust ("the Seller") and Epsilon Bidco Pte Ltd ("the Acquirer"), the Acquirer has acquired 48.98% equity shares in the Company from Ashok Goel Trust on completion date i.e. 22 August 2019. The Acquirer has also acquired 26% equity shares from the public shareholders pursuant to the Open Offer as per SEBI Takeover Regulation. As a result of the said acquisition, the Acquirer became promoter and the holding entity of the Company. The Acquirer is managed by Blackstone Group, one of the world's leading investment firms.

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

Name of Shareholder	2020		2019	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Ashok Kumar Goel (Trustee - Ashok Goel Trust)	24,163,006	7.67%	178,678,028	56.68%
Ntasain Discovery Master Fund	3,649,162	1.16%	17,761,867	5.63%

e) During the previous year, the Board of Directors at its meeting held on 26 April 2018, recommended issue of bonus equity shares, in the ratio of one equity share of ₹ 2 each fully paid up for every one equity share of the Company held by the shareholders as on a record date. The above issue of bonus shares was approved by the shareholders in the annual general meeting held on 13 June 2018 and accordingly the Company allotted 15,71,81,664 equity shares of ₹ 2 each fully paid up bonus shares by capitalisation of securities premium amounting to ₹ 3,144 Lakhs.

f) There are no shares bought back or shares issued for consideration other than cash during five years preceding 31 March 2020.

g) For details of shares reserved for issue under the employee share based payment plan of the Company (Refer note 43).

h) Forfeited shares consist of 35,725 partly paid up equity shares and 21,395 fully paid up bonus shares forfeited during earlier year. The amount of ₹ 1 Lakh in relation to the forfeiture will be transferred to reserves upon cancellation of these shares.

(₹ in lakhs)

			2020	2019
20	Other equity			
a)	Capital reserve			
	As per last balance sheet		**3,983**	**3,983**
b)	Securities premium			
	As per last balance sheet		8,683	11,118
	Add/(Less): Amount received during the year on exercise of options		122	517
		Transferred from share options outstanding account on exercise of options	45	192
		Utilised towards issue of bonus equity shares [Refer note 19(e)]	-	(3,144)
			8,850	**8,683**
c)	Other reserves			
	i)	Debenture redemption reserve		
		As per last balance sheet	1,250	2,250
		Add: Transferred to retained earnings	-	(1,000)
			1,250	**1,250**
	ii)	Share options outstanding account (Refer note 43)		
		As per last balance sheet	79	333
		Add/(less):Transferred to retained earnings on lapse of vested options	-	(62)
		Transferred to securities premium on exercise of options	(45)	(192)
			34	**79**
	iii)	General reserve		
		As per last balance sheet	12,541	12,541
	iv)	Retained earnings		
		As per last balance sheet	34,837	32,101
		Add/(Less):		
		Profit for the year	10,577	6,404
		Item of other comprehensive income recognised directly in retained earnings		
		- Remeasurement gains/(losses) on defined benefit plan (net of tax)	(10)	(120)
		Transferred from debenture redemption reserve	-	1,000
		Equity dividend paid	(3,941)	(3,772)
		Tax on equity dividend paid	(810)	(776)
		Interim Dividend Paid	(3,943)	-
			36,710	**34,837**
			63,367	**61,373**

(₹ in lakhs)

			2020	2019
21	Non-current financial liabilities			
	(A)	Borrowings		
		Unsecured		
		500 (31 March 2019: 500) units of redeemable non-convertible debentures of face value of ₹ 1,000,000 each (Refer note (a) below)	5,091	5,109
		Term loan from bank (Refer note (b) below)	9,501	10,059
		Buyers credit from banks (Refer note (c) below)	-	866
		Deferred sales tax loans (Refer note (d) below)	471	663
		Total	15,063	16,697
		Less: Current maturities disclosed under Other current financial liabilities (Refer note 26)	6,754	1,711
			8,309	**14,986**
	(B)	Other non-current financial liabilities		
		Lease liabilities	**3,866**	-
		Total	**3,866**	-

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

a)	Listed redeemable non-convertible debentures of ₹ 5,091 Lakhs (31 March 2019: ₹ 5,109 Lakhs) are unsecured.	These debentures carry interest rate at 1 year Treasury Bill YTM rate + 145 bps p.a. payable annually and are redeemable at par at the end of 3 years from the date of issue i.e 21 December 2020.
b)	Term loan from bank ₹ 9,501 Lakhs (31 March 2019: ₹ 10,059 Lakhs) is unsecured.	Term Loan from bank carry variable interest rate based on bench mark rate ie. MCLR of the bank with a put/call option at the end of every 12 months anniversary from the date of first disbursement and is repayable in 7 half yearly instalments starting at 18th month from the date of first disbursement.
c)	Buyers credit of ₹ Nil (31 March 2019 ₹ 866 lakhs) are unsecured.	Buyer's credit from bank carrying interest rate ranging from 0.5% to 3.27% per annum based on prevailing benchmark rate. Buyer's credit from bank are fully repaid during the year.
d)	Deferred sales tax interest free loans are repayable after a period of 10 to 14 years from the date of loan upto 2024-25.	

(₹ in lakhs)

		2020	2019
22	Non current liabilities		
	Deferred Government grant	320	387
	Total	**320**	**387**

(₹ in lakhs)

		2020	2019
23	Non-current liabilities - provisions		
	Employee benefits	1,335	1,323
	Provision for contingency	525	574
	Total	**1,860**	**1,897**

(₹ in lakhs)

		2020	2019
24	Current financial liabilities		
	Borrowings		
	Secured (Refer note below)		
	Working capital loan from banks	3,300	2,341
		3,300	**2,341**
	Unsecured		
	Short Term Loan	2,200	-
		2,200	**-**
	Total	**5,500**	**2,341**

₹ 3,300 Lakhs (31 March 2019: ₹ 2,341 Lakhs) are secured by first pari-passu charge on current assets of the Company.

(₹ in lakhs)

		2020	2019
25	Trade payables		
	Dues of micro enterprises and small enterprises (Refer note 53)	135	88
	Dues of creditors other than micro enterprises and small enterprises		
	- Acceptances	1,661	1,833
	- Others	3,284	2,976
	Total	**5,080**	**4,897**

(₹ in lakhs)

		2020	2019
26	Other current financial liabilities		
	Current maturities of long-term borrowings (Refer note 21)	6,754	1,711
	Unclaimed dividend (Refer note 55)	110	97
	Payable for capital goods		
	- Micro enterprises and small enterprises (Refer note 53)	86	103
	- Others	249	404
	Employee benefits payable	960	954
	Derivative instruments at fair value through profit or loss		
	- Foreign exchange forward contracts	3	33
	Other payables	2,573	2,985
	Total	**10,735**	**6,287**
	Lease liabilities	1,467	-
	Total	**12,202**	**6,287**

(₹ in lakhs)

		2020	2019
27	Other current liabilities		
	Contract liabilities - Advance from customers (Refer note 58)	117	68
	Statutory dues	241	256
	Deferred Government grant	67	67
	Total	**425**	**391**

(₹ in lakhs)

		2020	2019
28	Current liabilities - provisions		
	Employee benefits	442	531
	Total	**442**	**531**

(₹ in lakhs)

		2020	2019
29	Revenue from operations		
	Sales of products	75,796	79,872
	Other operating revenues		
	Royalty/Service charges	3,800	3,835
	Sale of scrap	394	397
	Export and other incentives	337	527
	Total	**80,327**	**84,631**

(₹ in lakhs)

		2020	2019
30	Other income		
	Interest on income tax refund	45	171
	Net gain on disposal of property, plant and equipment and intangible assets	68	36
	Gain on sale of current investments	38	20
	Gain on sale of non current investments {Refer note 61(a)}	557	-
	Dividend from current investments	-	0
	Dividend from Subsidiaries {Refer note 61(b)}	6,635	-
	Government grant	97	46
	Miscellaneous income	304	434
	Total	**7,744**	**708**

(₹ in lakhs)

		2020	2019
31	Interest income		
	Interest income on financial assets at amortised cost		
	- Loans	51	950
	- Deposits	42	23
	Unwinding of discount on security deposits	66	59
	Total	**159**	**1,032**

(₹ in lakhs)

		2020	2019
32	Cost of materials consumed		
	Inventories at the beginning of the year	2,351	3,087
	Add: Purchases (net)	35,130	37,422
		37,481	**40,509**
	Less: Inventories at the end of the year	3,031	2,351
	Total	**34,450**	**38,158**

(₹ in lakhs)

		2020	2019
33	Changes in inventories of finished goods and goods-in-process		
	Inventories at the end of the year		
	Goods-in-process	2,236	2,918
	Finished goods	523	371
		2,759	**3,289**
	Inventories at the beginning of the year		
	Goods-in-process	2,918	2,861
	Finished goods	371	248
		3,289	**3,109**
	Total	**530**	**(180)**

(₹ in lakhs)

		2020	2019
34	Employee benefits expense		
	Salaries, wages and bonus	8,721	7,796
	Contribution to provident and other funds	467	456
	Gratuity	104	99
	Staff welfare expenses	744	720
	Total	**10,036**	**9,071**

(₹ in lakhs)

		2020	2019
35	Finance costs		
	Interest expense		
	- Borrowings	1,277	1,860
	- Defined benefit obligation	98	**79**
	- Leases	472	-
	- Others	6	**16**
	Exchange difference regarded as an adjustment to borrowing costs	102	88
	Other borrowing costs	41	240
	Total	**1,996**	**2,283**

(₹ in lakhs)

		2020	2019
36	Depreciation and amortisation expense		
	Depreciation on property, plant and equipment and Right-of-use assets	9,597	7,311
	Amortisation of intangible assets	128	199
	Total	**9,725**	**7,510**

(₹ in lakhs)

		2020	2019
37	Other expenses		
	Stores and spares	2,278	2,613
	Packing materials	2,202	2,558
	Power and fuel	3,620	3,836
	Job work / labour charges	2,705	3,031
	Other manufacturing expenses	151	167
	Lease rent		
	- Factory premises	8	737
	- Plant and equipment	1	471
	Repairs and maintenance		
	- Buildings	58	73
	- Plant and machinery	473	525
	- Others	120	156
	Rent	155	729
	Rates and taxes	208	141
	Insurance	387	98
	Directors' sitting fees	12	10
	Travelling and conveyance expenses	249	304
	Professional and consultancy charges	1,580	624
	Communication charges	104	89
	Donation	1	0
	Exchange difference (net)	119	111
	Payment to auditors (Refer details below)	37	37
	Expenditure towards corporate social responsibility (Refer note 56)	28	56
	Freight and forwarding expenses	1,554	1,684
	Bad and doubtful debts/advances (net)	223	135
	Miscellaneous expenses	1,751	1,609
	Total	**18,024**	**19,794**
	Payment to auditors for:		
	Audit fees	21	21
	Certifications (including fees for limited reviews)	15	16
	Reimbursement of expenses	1	0
	Total	**37**	**37**

(₹ in lakhs)

		2020	2019
38	Earnings per share		
	Profit after tax (₹ in lakhs)	10,577	6,404
	Weighted average number of basic equity shares (Nos.)	315,384,117	314,773,502
	Weighted average number of diluted equity shares (Nos.)	315,448,650	314,802,196
	Nominal value of equity shares (₹)	2.00	2.00
	Basic earnings per share (₹)	3.35	2.03
	Diluted earnings per share (₹)	3.35	2.03

39 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(₹ in lakhs)

	As at 31 March 2019	Cash inflows	Cash outflows	Non-cash changes		As at 31 Mar 2020
				Interest accured	Other changes	
Equity share capital	6,306	4	-	-	-	6,310
Securities premium	8,683	122	-	-	45	8,850
Non-convertible debentures (including current maturities)	5,109	-	-	(21)	3	5,091
Long-term borrowings (including current maturities)	11,588	-	(1,557)	(62)	3	9,972
Lease liabilities	-	-	(1,293)	-	6,625	5,333
Short-term borrowings	2,341	13,500	(10,341)	-	-	5,500

Notes :

i) Other changes in securities premium are on account of transfer from share options outstanding account on exercise of share options (Refer note 20).

ii) Other changes in borrowings and lease liabilities are on account of amortisation of ancillary borrowing costs and lease liabilities recognised in accordance with Ind AS 116 (Refer note 49) respectively.

40 Income tax

a) The major components of income tax for the year ended 31 March 2020 are as under:

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

(₹ in lakhs)

	2020	2019
Current tax		
Current tax on profits for the year	2,948	3,354
Adjustments for current tax of prior periods	20	-
Total current tax expense	**2,968**	**3,354**
Deferred tax		
Relating to origination and reversal of temporary differences	(1,015)	**(23)**
Income tax expense reported in the statement of profit and loss	**1,953**	**3,331**

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

(₹ in lakhs)

	2020	2019
Deferred tax on remeasurement of defined benefit plan	4	65
Deferred tax recognised in OCI	**4**	**65**

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

(₹ in lakhs)

	2020	2019
Accounting profit before tax	12,530	9,735
Income Tax @ 25.168% (31 Mar 2019 34.944%)	3,154	3,402
Adjustments in respect of current income tax in respect of previous years		
Tax provision for earlier years	20	-
Non-deductible expenses for tax purpose	33	69
Additional allowance for tax purpose	-	(242)
Other allowances for tax purpose	-	(23)
Utilisation of previously unrecognized deferred tax asset on Long term capital loss	(169)	-
Effect of concessional tax rate on dividend income	(511)	-
Expenses/(reversals) not deductible/(taxable)	(161)	(29)
Effect of change in tax rate (Refer note (e) below)	(326)	-
Other temporary differences	(87)	154
Income tax expense charged to the statement of profit and loss	1,953	3,331

c) Deferred tax relates to the following:

(₹ in lakhs)

		Balance sheet		Recognised in the statement of profit and loss		Recognised in OCI	
		2020	2019	2020	2019	2020	2019
a)	**Taxable temporary differences**						
	Depreciation on property, plant, equipment and intangible assets	958	2,303	(1,345)	129	-	-
	Unamortised ancillary borrowing costs	3	6	(3)	(4)	-	-
	Total (a)	**961**	**2,309**	**(1,348)**	**125**	**-**	**-**
b)	**Deductible temporary differences**						
	Employee benefits / expenses allowable on payment basis	509	669	164	33	(4)	(65)
	Allowance for bad and doubtful debts	182	212	30	(19)	-	-
	Other deductible temporary differences	122	261	139	(162)	-	-
	Total (b)	**813**	**1,142**	**333**	**(148)**	**(4)**	**(65)**
	Net deferred tax (assets)/liabilities (a-b)	148	1,167				
	Deferred tax charge/(credit) (a+b)			**(1,015)**	**(23)**	**(4)**	**(65)**

d) The Company has total long term capital losses of ₹ 4,402 lakhs as on 31 March 2020 (31 March 2019 ₹ 2,726 lakhs) that are available for offsetting for eight years against future taxable long term capital gains. Deferred tax assets of ₹ 1,025 lakhs (31 March 2019 ₹ 635 lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable long term capital gains.

e) During the year, the Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year ended 31 March 2020 and re-measured its net deferred tax liabilities basis the rate prescribed in the said section. The impact of this benefit of ₹ 326 lakhs is recognised in the statement of Profit and Loss for the year ended 31 March 2020.

41 Fair value measurements

i) Financial instruments by category:

(₹ in lakhs)

	2020		2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets (other than investment in subsidiaries)				
Non current assets				
Loans	-	934	-	945
Current assets				
Trade receivables	-	13,728	-	14,845
Cash and bank balances*	-	12,463	-	451
Loans	-	344	-	2,238
Derivative instruments	-	-	-	-
Other financial assets	-	1,048	-	1,068
Total financial assets	-	**28,517**	-	**19,547**
Financial liabilities				
Non-current liabilities				
Borrowings	-	8,309	-	14,986
Lease liabilities	-	3,866	-	-
Current liabilities				
Borrowings	-	5,500	-	2,341
Lease liabilities	-	1,467	-	-
Trade payables	-	5,080	-	4,897
Derivative instruments	3	-	33	-
Other financial liabilities	-	10,732	-	6,254
Total financial liabilities	**3**	**34,954**	**33**	**28,478**

* Including deposits with banks having original maturity period of more than twelve months of ₹ 32 lakhs (31 March 2019 ₹ 32 lakhs) shown under other current and non-current financial assets.

ii) Fair value hierarchy

The fair values of the financial assets and liabilities are 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 Indian Accounting Standards. 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.

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

(₹ in lakhs)

	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities measured at FVTPL						
Derivative instruments - foreign exchange forward contracts	-	3	-	-	33	-
Total	-	3	-	-	33	-

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

(₹ in lakhs)

	2020		2019	
	Level 3	Carrying amount	Level 3	Carrying amount
Non-current financial assets				
Loans	984	934	1,003	945
Other financial assets	0	0	30	30
Non-current financial liabilities				
Borrowings	8,309	8,309	14,986	14,986
Lease Liabilities	3,866	3,866	-	-

a) The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

b) The fair values for "Other non-current financial assets " comprising of lease rental deposits and bank deposits (due for maturity after twelve months from the reporting date) are based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs including counterparty credit risk.

c) The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, current loans, other current financial assets, current borrowings, trade payables and other financial liabilities approximates the fair values due to the short-term maturities of these financial assets / liabilities.

d) There have been no transfers between level 1, level 2 and level 3 for the years ended 31 March 2020 and 31 March 2019.

v) Valuation techniques used to determine fair value and significant estimates and judgements made in:

The fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date. The fair values of the remaining financial instruments is determined using discounted cash flow method.

42(A) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk - Foreign currency; and
- Market risk - Interest rate

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk from its operating activities (primarily trade receivables), lease rental deposits, 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.

i) Trade receivables

The Company extends credit to customers in the normal course of business. The Company considers factors such as financial conditions / market practices, credit track record in the market, analysis of historical bad debts and past dealings for extension of credit to customers. Individual credit limits are set accordingly. The Company monitors the payment track record of the customers and ageing of receivables. Outstanding customer receivables are regularly monitored. The Company considers 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 some of its customers, which mitigate the credit risk to an extent.

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

(₹ in lakhs)

	2020	2019
Up to 3 months	11,624	13,232
3 to 6 months	424	135
More than 6 months	117	104
Total	12,165	13,471

iii) The following table summarizes the change in the allowances for bad and doubtful debts:

(₹ in lakhs)

	2020	2019
As at beginning of the year	607	553
Add/(less):		
Provided during the year	256	172
Amounts written off	(51)	(80)
Reversals of provision	(89)	(38)
As at end of the year	723	607

The Company uses provision matrix whereby trade receivables are considered doubtful based on past trends where such receivables are outstandings for more than one year. The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2020 and 31 March 2019 is not material and the same has not been recognised. The reversal for lifetime expected credit loss on customer balances for the year ended 31 March 2020 is ₹ Nil (31 March 2019 : ₹ Nil).

iv) Other financial instruments

The Company 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 from whom the Company has also availed borrowings. Security deposits against leasing of premises/equipments are refundable upon closure of the lease and hence credit risk associated with such deposits is relatively low.

B Liquidity risk

i) 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. It maintains adequate sources of financing including loans, debt, and overdraft from banks. It also enjoys strong access to domestic capital markets across various debt instruments.

ii) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted:

As at 31 March 2020

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long-term borrowings	6,656	8,316	-	14,972
Short-term borrowings	5,500	-	-	5,500
Lease liabilities	1,467	3,391	475	5,333
Interest payable	940	768	-	1,708
Trade payables	5,080	-	-	5,080
Other financial liabilities	3,978	-	-	3,978
Total	**23,620**	**12,475**	**475**	**36,570**

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign exchange forward contracts	3	-	-	3
Total	**3**	**-**	**-**	**3**

As at 31 March 2019

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long-term borrowings	1,519	14,980	18	16,517
Short-term borrowings	2,341	-	-	2,341
Interest payable	1,276	1,844	-	3,120
Trade payables	4,897	-	-	4,897
Other financial liabilities	4,543	-	-	4,543
Total	**14,576**	**16,824**	**18**	**31,418**

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign exchange forward contracts	33	-	-	33
Total	**33**	**-**	**-**	**33**

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.

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 Rupee ('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 minimise the impact to results of the exchange rate movements. The unhedged exposures are maintained and kept to minimum feasible.

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

(₹ in lakhs)

	2020					2019				
	USD	EUR	CHF	CNY	Others	USD	EUR	CHF	CNY	Others
Financial assets										
Trade receivables	2,813	192	-	-	8	1,679	156	-	-	4
Others	375	79	-	370	-	446	71	-	387	-
Derivative assets										
Foreign exchange forward contracts	(151)	-	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	**3,037**	**271**	**-**	**370**	**8**	**2,125**	**227**	**-**	**387**	**4**
Financial liabilities										
Borrowings	-	-	-	-	-	393	-	461	-	-
Trade payables	2,618	80	80	-	1	1,693	201	93	-	1
Others	-	-	-	-	-	10	-	1	-	-
Derivative liabilities										
Foreign exchange forward contracts	-	-	-	-	-	(566)	-	(461)	-	-
Net exposure to foreign currency risk	**2,618**	**80**	**80**	**-**	**1**	**1,530**	**201**	**95**	**-**	**1**

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 balace sheet date:

(₹ in lakhs)

Currencies / Sensitivity	2020		2019	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
	(Loss) / Gain		(Loss) / Gain	
USD	20.91	(20.91)	29.73	(29.73)
EUR	9.52	(9.52)	1.28	(1.28)
CHF	(4.02)	4.02	(4.74)	4.74
CNY	18.49	(18.49)	19.34	(19.34)
Others	0.38	(0.38)	**0.16**	**(0.16)**

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 makes use of hedged products and optimise borrowing mix / composition.

a) Interest rate risk exposure

(₹ in lakhs)

	2020	2019
Variable rate borrowings	20,000	18,195
Fixed rate borrowings	472	663
Total borrowings	**20,472**	**18,858**

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	**(Loss) / Gain**	
	2020	**2019**
Interest rates - increase by 50 basis points	(100)	(91)
Interest rates - decrease by 50 basis points	100	91

42 (B) 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.

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:	2020	2019
Gross debt (inclusive of long term and short term borrowing)	20,472	18,858
Less: - Cash and bank balances*	12,463	451
Net debt	**8,009**	**18,407**
Total equity	69,677	67,679
Total capital	**77,686**	**86,086**
Gearing Ratio	**10%**	**21%**

* Including deposits with banks having original maturity period of more than twelve months of ₹ 32 lakhs (31 March 2019 ₹ 32 lakhs) shown under other current and non current financial assets.

Loan covenants

Borrowing 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 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 vested 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

	2020		2019	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	60.83	367,664	121.65	766,828
Add : Issue of bonus equity shares [Refer note 19(e)]	-	-	-	766,828
Adjusted value and number of options	**60.83**	**367,664**	**60.83**	**1,533,656**
Exercised during the year (Refer Note (i) below)	60.83	(207,321)	**60.83**	**(880,292)**
Lapsed during the year				
- Vested options (Refer Note (ii) below)	-	-	**60.83**	**(285,700)**
Closing balance		**160,343**		**367,664**
Vested and exercisable	60.83	160,343	**60.83**	**367,664**

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

Grant date	Expiry date	2020		2019	
		Exercise price (₹)	Nos of options	Exercise price (₹)	Nos of options
19 March 2015	30 June 2020	60.83	160,343	*60.83	367,664
Total			**160,343**		**367,664**
Weighted average remaining contractual life of options outstanding at end of period			0.25		**1.25**

* Adjusted for bonus equity shares

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	
Grant date	19-Mar-2015
Weighted average fair value of options granted (₹)	49.20
Exercise price - Before issue of bonus shares (₹)	121.65
Exercise price - After issue of bonus shares (₹)	60.83
Share price at the grant date before issue of bonus shares (₹)	116.50
Share price at the grant date after issue of bonus shares (₹)	58.25
Expected volatility	47.55%
Risk free interest rate	7.64%
Dividend yield	1.28%
Expected life of the options (years)	3.29 to 5.29

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) There are no expenses arising from share based payments transactions (Non-vested options).

Notes:

(i) The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2020 was ₹150.03 (31 March 2019: ₹ 102.70).

(ii) Lapsed on account of employees resigned without exercising.

44 Gratuity and other long-term plans

The disclosures of employee benefits as defined in the Ind AS 19 - "Employee Benefits" are given below:

a. The Company makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by the LIC of India and HDFC Bank. 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.

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

c. Details of post retirement gratuity plan are as follows:-

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

(₹ in lakhs)

	2020	2019
Current service cost	104	99
Interest cost (net)	98	79
Net expenses recognised in the statement of profit and loss	**202**	**178**

ii. Net expenses recognised during the year in other comprehensive income (OCI)

(₹ in lakhs)

	2020	2019
Actuarial (gains) / losses arising from changes in demographic assumptions	(70)	106
Actuarial (gains) / losses arising from changes in financial assumptions	40	21
Actuarial (gains) / losses arising from changes in experience assumptions	40	60
Expected return on plan assets excluding interest	4	(2)
Net expenses recognised in (OCI)	**14**	**185**

iii Net liability recognised in the balance sheet

(₹ in lakhs)

	2020	2019
Present value of obligation	1,549	1,844
Less: Fair value of plan assets	423	534
Net liability recognized in balance sheet	**1,126**	**1,310**

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

(₹ in lakhs)

	2020	2019
Defined benefit obligation as at the beginning of the year	**1,844**	**1,569**
Current service cost	104	99
Interest cost	138	123
Actuarial (gain) / loss on obligation	11	187
Benefits paid	(548)	(134)
Defined benefit obligation at the end of the year	**1,549**	**1,844**

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

(₹ in lakhs)

	2020	2019
Fair values of plan assets at the beginning of the year	**534**	**559**
Interest income	40	44
Return on plan assets, excluding interest income	(3)	2
Employer contribution	400	63
Benefits paid	(548)	(134)
Fair value of plan assets at year end	**423**	**534**

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

(₹ in lakhs)

	2020	2019
Net defined benefit obligation as at the beginning of the year	1,310	1,010
Current service cost	104	99
Interest cost (net)	98	79
Actuarial (gain) / loss on obligation	11	187
Return on plant assets, excluding interest income	3	(2)
Employer contribution	(400)	(63)
Benefits paid	-	-
Net defined benefit obligation at the end of the year	1,126	1,310

vii. Investment details

(₹ in lakhs)

	2020	2019
Insurer Managed Funds	423	534

viii. Actuarial assumptions

(₹ in lakhs)

	2020	2019
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate
Discount rate(per annum)	6.04%	7.50%
Expected rate of return on plan assets (per annum)	7.50%	7.50%
Rate of escalation in salary (per annum)	5.00%	6.00%
Attrition rate	Service 2 years and below - 29%,more than 2 years and below 4 - 25%, others - 5%	Service 4 years and below - 10%, others - 1%

ix Quantitative sensitivity analysis

(₹ in lakhs)

	2020	2019
Projected benefit obligation on current assumptions	1,549	1,844
Increase by 1% in discount rate	(87)	(56)
Decrease by 1% in discount rate	99	61
Increase by 1% in rate of salary increase	99	62
Decrease by 1% in rate of salary increase	(89)	(57)
Increase by 1% in rate of employee turnover	5	3
Decrease by 1% in rate of employee turnover	(6)	(4)

x Maturity analysis of projected benefit Obligation : from the fund

(₹ in lakhs)

	2020	2019
Projected benefits payable in future years from the date of reporting		
1st Following Year	330	796
2nd Following Year	104	156
3rd Following Year	113	148
4th Following Year	137	144
5th Following Year	125	151
Sum of years 6 to 10	600	546
Sum of Years 11 and above	1,030	591

Notes:

1 Amounts recognized as an expense and included in the Note 34 "Employee benefits expense" are gratuity ₹ 104 Lakhs (31 March 2019 ₹ 99 Lakhs) and leave encashment ₹ 460 Lakhs (31 March 2019 ₹ -10 Lakhs). Net interest cost on defined benefit obligation recognised in Note 35 under "Finance costs" is ₹ 98 Lakhs (31 March 2019 ₹ 79 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 contribution plan is recognized as an expense in Note 34 of the financial statements.

45 Dividends paid and proposed

(₹ in lakhs)

		2020	2019
a.	Dividends on equity shares declared and paid		
	Final dividend paid in current year for the year ended 31 March 2019 ₹ 1.25 per share (paid in previous year for the year ended 31 March 2018: ₹ 2.40 per share)	3,941	3,772
	Dividend distribution tax on above	810	776
	Interim dividend paid in current year ₹1.25 per share	3,943	-
b.	Proposed dividend on equity shares		
	Final dividend proposed for the year ended 31 March 2020 ₹ 2.05 per share (31 March 2019: ₹ 1.25 per share)	6,467	3,941
	Dividend distribution tax on above	-	810

Proposed dividend on equity shares is subject to approval of shareholders at the annual general meeting and is not recognised as a liability (including dividend distribution tax thereon) as at the reporting date.

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 9.50 Million (31 March 2019: USD 11.50 Million) availed by a subsidiary are as under:

(₹ in lakhs)

	2020	2019
Property, plant and equipment	32,251	38,164
Inventories	8,293	8,291
Other current and non-current assets excluding investments	34,918	25,947
Total assets pledged	**75,462**	**72,402**

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

(₹ in lakhs)

		2020	2019
A.	Claims against the Company not acknowledged as debt		
(a)	Disputed indirect taxes	2,500	3,036
(b)	Disputed direct taxes	1,696	2,099
(c)	Deferred sales tax liability assigned	-	206
(d)	Other claims not acknowledged as debts	43	43

(₹ in lakhs)

		2020	2019
B	Guarantees excluding financial guarantees		
	Bank guarantees given by the Company	263	297

(₹ in lakhs)

		2020	2019
C.	Other money for which the Company is contingently liable		
(a)	Unexpired letters of credit (net of liability provided)	116	73
(b)	Duty benefit availed under EPCG scheme, pending export obligations	1,297	2,383

D. Capital commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) is ₹ 256 lakhs (31 March 2019 is ₹ 971 lakhs).

(₹ in lakhs)

		2020	2019
E.	Financial guarantees provided		
	Corporate guarantees, standby letter of credit and letter of comfort given for loans taken by subsidiaries. Loans outstanding against these guarantees and letter of comfort is ₹ 28,228 lakhs (31 March 2019: ₹ 36,885 lakhs)	34,845	47,166

48 Insurance claim receivable of ₹ 193 lakhs (31 March 2019: ₹ 193 lakhs) is in respect of transit damage to certain plant and machinery, which is under litigation before National Consumer Dispute Rederssal Commission, New Delhi (Refer Note 16).

49 Disclosure pertaining to Ind AS 116 " Leases"

a) The effect of adoption of Ind AS 116 is as follows:

i) The Company has recognised Right-of-use assets (ROU) of ₹ 6,995 lakhs and lease liabilities of ₹ 6,625 lakhs as at 1 April 2019 i.e. transition date. The Company has also reclassified its leasehold land amounting to ₹ 15 lakhs as ROU asset.

ii) During the year, depreciation / amortisation of ₹ 1,632 lakhs on Right-of-use assets and interest expense of ₹ 472 lakhs on lease liabilities has been charged to the statement of profit and loss.

iii) Expense relating to short-term leases and leases of low value assets amounted to ₹ 164 lakhs.

b. Carrying value of Right-of-use assets (ROU) :

(₹ in lakhs)

	Land	Building	Plant and Machinery	Total
Cost				
As at 1 April 2019	68	6,054	873	6,995
Reclassification on adoption of Ind AS 116	15	-	-	15
As at 31 March 2020	**83**	**6,054**	**873**	**7,010**
Depreciation/Amortisation				
Depreciation/amortisation for the year	58	1,149	425	1,632
Upto 31 March 2020	**58**	**1,149**	**425**	**1,632**
Net book value				
As at 31 March 2020	**25**	**4,905**	**448**	**5,378**

c. The following is the summary of practical expedients elected on initial application:

i. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than twelve months of lease term on the date of initial application.

ii. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d. Other disclosures:

The principle portion and interest portion of the lease payments amounting to ₹ 1,765 lakhs have been separately disclosed in the statement of cash flows under cash flows from financing activities.

e. Maturity analysis of lease liabilities:

Maturity analysis of lease liabilities is given in Note 42 (B)(ii).

50 Segment information

The financial statements of the Company contain both the consolidated financial statements as well as the separate financial statements. 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 Information required under Section 186(4) of the Companies Act, 2013

a. Loans given (₹ in lakhs)

	2019	Given	Written off *	2020
Sprit Infrapower & Multiventures Private Limited (excluding interest receivable)	1,979	-	1,979	-

* Refer note 60(b)

b. Investments made

There are no investments other than disclosed in Note 6 - Non-current investments.

c. Corporate guarantees, standby letter of credit and letter of comfort given on behalf of subsidiaries

(₹ in lakhs)

Name of the Subsidiary	2020	2019
i. Lamitube Technologies Limited , Mauritius	24,440	26,901
ii. Essel Propack Polska sp. z.o.o., Poland	2,738	13,003
iii. Essel Propack America LLC, USA	3,783	3,458
iv Essel Colombia SAS, Colombia	3,884	3,804
	34,845	**47,166**

d) Security provided for loan availed by the subsidiary

Name of the Subsidiary	2020		2019	
	USD in Lakhs	₹ in Lakhs	USD in Lakhs	₹ in Lakhs
Lamitube Technologies Limited, Mauritius	125	9,458	125	8,644

Notes

i. All the loans/guarantees and security given are for general business purposes.

ii. The loan is interest bearing and is at Arms length.

iii. Security provided by the Company in clause (d) above is collateral to the corporate guarantee given in clause c (i) above.

iv. The outstanding loan amount availed by the subsidiaries against the corporate guarantees, standby letter of credit/letter of comfort and security provided by the Company is ₹ 28,228 Lakhs (31 March 2019 ₹ 36,885 Lakhs).

v. Amounts disclosed in (c) and (d) are translated at respective year-end foreign exchange rates.

52 Disclosure as required by Schedule V (A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Investments by Loanee in the equity shares of the Company as at 31 March 2020

	Number of fully paid up equity shares	
	2020	2019
Sprit Infrapower & Multiventures Private Limited	NIL	1,221,549

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)

		2020	2019
i.	Principal amount payable to suppliers under the Act		
	- For capital goods	86	103
	- For Others	135	88
ii.	Principal amount due to suppliers under the Act	2	27
iii.	Interest accrued and due to suppliers under the Act, on the above amount	0	0
iv.	Payment made to suppliers (Other than interest) beyond the appointed day, during the year	328	1,444
v.	Interest paid to suppliers under the Act	-	-
vi.	Interest due and payable to suppliers under the Act, for payments already made	3	15
vii.	Interest accrued and remaining unpaid at the end of the year under the Act	51	48
viii.	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

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.

54 Related party disclosures

a. List of related parties

i. Entities where control exists *

Name of Company	Relationship
Blackstone Capital Partners Asia L.P.	Ultimate holding company
Epsilon Pledgeco Pte Ltd	Intermediate holding company
Epsilon Bidco Pte Ltd	Holding company

* (w.e.f. 22 August 2019)

ii. Subsidiary companies

Name of the subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)		Country of Incorporation
	2020	2019	
Direct subsidiaries			
Arista Tubes Inc. *	100%	100%	United States of America
Lamitube Technologies (Cyprus) Limited	100%	100%	Cyprus
Lamitube Technologies Limited	100%	100%	Mauritius
Step down subsidiaries			
Essel Propack MISR for Advanced Packaging S.A.E.	75%	75%	Egypt
Essel Packaging (Guangzhou) Limited	100%	100%	China
Essel Packaging (Jiangsu) Limited	100%	100%	China
Essel Propack Philippines, Inc	100%	100%	Philippines
MTL de Panama S.A.	100%	100%	Panama
Arista Tubes Limited $	-	100%	United Kingdom
Essel Propack UK Limited $	100%	100%	United Kingdom
Essel de Mexico, S.A. de C.V.	100%	100%	Mexico
Tubopack de Colombia S.A. #	100%	100%	Colombia
Essel Propack LLC	100%	100%	Russia
Essel Colombia S.A.S.	100%	100%	Colombia
Essel Propack Polska sp. z.o.o.	100%	100%	Poland
Essel Deutschland GmbH & Co.,KG	100%	100%	Germany
Essel Deutschland Management GmbH	100%	100%	Germany
Essel Propack America, LLC	100%	100%	United States of America

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

Under liquidation

$ During the year, the entire business of Arista Tubes Limited (ATL) in United Kingdom has been transferred to Essel Propack UK Limited and the name of ATL was struck off from the Companies house register in UK.

iii. Associate company

Name of the subsidiary	Extent of Holding		Country of Incorporation
	2020	2019	
P.T. Lamipak Primula	30%	30%	Indonesia

iv. Other related parties with whom transactions have taken place during the year and balances outstanding at the year-end (ceased to be other related parties w.e.f. 22 August 2019)

Aqualand (India) Limited, Vyoman Tradelink India Private Limited, Ebix Payment Services Private Limited, Essel World Leisure Private Limited.

v Key management personnel / Directors

Executive director	Mr. Ashok Goel (Chairman and Managing Director) *
Independent director	Mr. Boman Moradian *
Independent director	Mr. Mukund M. Chitale *
Independent director	Ms. Radhika Pereira *
Non - executive director	Mr. Atul Goel *
Non - executive director	Mr. Ramesh Chandra Gupta *
Non - executive director	Mr. Amit Dixit $
Non - executive director	Mr. Amit Jain $
Non - executive director	Mr. Animesh Agrawal $
Non - executive director	Mr. Aniket Damle $
Non - executive director	Mr. Qi Yang $
Independent director	Mr. Uwe Ferdinand $
Independent director	Ms. Sharmila Karve $
Independent director	Mr. Davinder Singh Brar $
Whole time director	Mr. Vinay Mokashi @
Managing director	Mr. Sudhanshu Vats #

* Resigned w.e.f. 22 August 2019

$ Appointed w.e.f. 22 August 2019

@ Appointed w.e.f. 22 August 2019 and resigned w.e.f. 15 April 2020

Appointed w.e.f. 16 April 2020

b. Transactions with related parties

(i) Transactions during the year

(₹ in lakhs)

		2020	2019
a)	Sales of goods	2,506	1,802
	Subsidiaries	**682**	**227**
	Essel Propack Polska sp. z.o.o.	290	281
	Essel Propack MISR for Advanced Packaging S.A.E.	252	343
	Essel Propack LLC	227	381
	Essel Deutschland GmbH & Co. KG	882	338
	Essel de Mexico, S.A de C.V.	173	232
	Others	-	2
b)	Recoveries from Subsidiaries	148	261
	Essel Propack MISR for Advanced Packaging S.A.E.	4	66
	Essel Packaging (Guangzhou) Limited	29	42
	Essel de Columbia SAS	68	79
	Others	47	74
c)	Royalty/Service charges income		
	Subsidiaries	**2,148**	**1,858**
	Essel Packaging (Guangzhou) Limited	1,004	1,059
	Essel Propack MISR for Advanced Packaging S.A.E.	423	310
	Essel Deutschland GmbH & Co. KG	331	261
	Others	390	228
d)	Guarantee commission income		
	Subsidiaries	**298**	**399**
	Lamitube Technologies Limited	220	292
	Essel Propack Polska sp.z.o.o.	71	84
	Others	7	23
e)	Dividend Income		
	Subsidiaries	**6,635**	-
	Lamitube Technologies Limited, Mauritius	3,557	-
	Arista Tubes Inc, USA	3,078	-

(₹ in lakhs)

		2020	2019
f)	Redemption of preference shares		
	Subsidiary	**1,434**	-
	Lamitube Technologies (Cyprus) Limited	1,434	-
	(Redemption of 2000 shares)		
g)	Sale of property, plant and equipment		
	Subsidiaries	-	**117**
	Essel Propack Polska sp.z.o.o.	-	69
	Essel Propack MISR for Advanced Packaging S.A.E.	-	45
	Essel Propack Philippines, Inc	-	3
h)	Sale of Intangible assets		
	Subsidiary	**145**	-
	Essel Packaging (Guangzhou) Limited	145	-
i)	Purchase of goods and services		
	Subsidiaries	**102**	**94**
	Essel Propack America, LLC	56	7
	Essel Packaging (Guangzhou) Limited	25	19
	Essel Deutschland GmbH & Co. KG	17	68
	Others	4	-
	Other related parties	28	70
	Ebix Payment Services Private Limited	28	68
	Essel World Leisure Private Limited	-	2
j)	Rent expenses		
	Other related parties	**452**	**1,072**
	Vyoman Tradelink India Private Limited	452	1,072
k)	Guarantee commission paid		
	Other related parties	-	134
	Aqualand (India) Limited	-	134
l)	Remuneration paid/provided	**965**	**661**
	Mr. Ashok Goel	907	661
	Mr. Vinay Mokashi	58	-
m)	Commission to directors	68	45
	Mr. Boman Moradian	5	15
	Mr. Mukund M. Chitale	5	15
	Ms. Radhika Pereira	5	15
	Mr. Davinder Singh Brar	22	-
	Ms. Sharmila Karve	15	-
	Mr. Uwe Ferdinand	16	-
n)	Directors' sitting fees	**12**	**10**
	Mr. Boman Moradian	3	3
	Mr. Mukund M. Chitale	2	4
	Ms. Radhika Pereira	2	3
	Mr. Davinder Singh Brar	2	-
	Ms. Sharmila Karve	2	-
	Mr. Uwe Ferdinand	1	-

(ii) Balance outstanding

(₹ in lakhs)

		2020	2019
a)	Trade receivables		
	Subsidiaries	**1,563**	**1,374**
	Essel Packaging (Guangzhou) Limited	371	387
	Essel Propack MISR for Advanced Packaging S.A.E.	135	240
	Essel Propack LLC	346	138
	Essel Propack Polska sp.z.o.o.	158	144
	Essel de Mexico, S.A. de C.V.	365	259
	Others	188	206
b)	Deposits given		
	Other related parties	**-**	**850**
	Vyoman Tradelink India Private Limited	-	850
c)	**Other receivables**		
	Subsidiaries	**355**	**375**
	Essel Propack America, LLC	40	46
	Essel Propack MISR for Advanced Packaging S.A.E.	28	43
	Essel Packaging (Guangzhou) Limited	34	45
	Essel Propack Polska sp.z.o.o.	20	55
	Essel Colombia SAS	113	111
	Essel Propack LLC	68	31
	Others	52	44
d)	Trade and other payables		
	Subsidiaries	**56**	**15**
	Essel Propack America, LLC	40	-
	Essel Deutschland Gmbh & Co., KG	0	14
	Essel Packaging (Guangzhou) Limited	15	1
	Others	1	-
	Other related parties	-	132
	Vyoman Tradelink India Private Limited	-	132
e)	Investments in equity/preference shares		
	Subsidiaries	**20,815**	**21,692**
	Lamitube Technologies Limited	8,994	8,994
	Lamitube Technologies (Cyprus) Limited	4,378	5,255
	Arista Tubes Inc.	7,443	7,443
f)	Guarantees, standby letter of credit and letter of comfort provided for loans availed by subsidiaries		
	Subsidiaries	**34,845**	**47,166**
	Lamitube Technologies Limited	24,440	26,901
	Essel Propack Polska sp.z.o.o.	2,738	13,003
	Essel Propack America, LLC	3,783	3,458
	Essel Colombia SAS, Colombia	3,884	3,804

g)	Guarantees / securities provided on Company's behalf		
	Other related parties	-	**9,500**
	Aqualand (India) Limited	-	9,500
	Loan Outstanding Nil (31 March 2019 :Nil)		
h)	Remuneration payable	**72**	**157**
	Mr. Ashok Goel	63	157
	Mr. Vinay Mokashi	9	-
i)	Commission payable (gross)	**68**	**45**
	Mr. Boman Moradian	5	15
	Mr. Mukund M. Chitale	5	15
	Ms. Radhika Pereira	5	15
	Mr. Davinder Singh Brar	22	-
	Ms. Sharmila Karve	15	-
	Mr. Uwe Ferdinand	16	-

Notes:

i) 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.

ii) The above disclosures are excluding Ind AS adjustments.

c. Break up of remuneration of key management personnel of the Company

(₹ in lakhs)

		2020	2019
	Chairman and Managing director		
i.	Salaries, allowances and perquisites	186	467
ii.	Contribution to provident and other funds	15	37
iii.	Performance bonus *	63	157
iv.	Retirement benefits $	643	-
	Total	**907**	**661**

* 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 computed as per the Companies Act, 2013 is within limits prescribed u/s 197 of the Companies Act, 2013.

$ Retirement benefits include gratuity of ₹ 468 lakhs and leave encashment of ₹ 175 lakhs paid during the year. Further, the Essel Employee Stock Option Scheme 2014 does not extend to chairman and managing director, hence there is no share based compensation benefit.

(₹ in lakhs)

		2020	2019
	Whole-time director		
i.	Salaries, allowances and perquisites ^	47	-
ii.	Contribution to provident and other funds	2	-
iii.	Performance bonus *	9	-
	Total	**58**	-

^ Excludes leave encashment and gratuity liability provided in the books on the basis of actuarial valuation on an overall Company basis.

* 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.

55 Dividend of ₹ 7 lakhs (31 March 2019 ₹ 5 lakhs) 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 Educaton and Protection Fund as at 31 March 2020.

56 Corporate Social Responsibility (CSR)

During the year, the Company has spent ₹ 28 lakhs (31 March 2019 ₹ 56 lakhs) towards various CSR initiatives as against ₹ 205 lakhs (31 March 2019 ₹ 209 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.

57 Research and Development expenditure (R&D)

During the year, the Company has incurred total R & D expenditure of ₹1,559 lakhs (31 March 2019 ₹890 lakhs) including capital expenditure of ₹378 lakhs (31 March 2019 ₹275 lakhs). The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (Refer note 40(e)). Accordingly, the Company did not claim deduction under section 35(2AB) of the Income Tax Act, 1961 while computing income tax for the year ended 31 March 2020.

58 Disclosures pertaining to Ind AS 115 " Revenue from Contracts with Customers"

a) Reconciliation of contract liabilities as at the beginning and at the end of the year

(₹ in lakhs)

	2020	2019
Opening balance of contract liabilities	68	124
Add: Contract liabilities recognised during the year	770	576
Less: Revenue recognised out of contract liabilities	717	632
Refund and write back made	4	-
Closing balance of contract liabilities as at 31 March	117	68

b) Revenue recognised during the year from performance obligations satisfied (or partially satisfied) in the previous period is ₹ Nil (31 March 2019 ₹ 127 lakhs) on account of change in transaction price.

c) Disaggregation of revenue

Disaggregation of revenue based on timing is given below:

(₹ in lakhs)

Timing of transfer of goods/services	2020			
	Sale of products*	Royalty	Service charges	Total
Revenue recognised at a point in time	76,190		162	76,352
Revenue recognised over time	-	1,432	2,206	3,638

(₹ in lakhs)

Timing of transfer of goods/services	2019			
	Sale of products*	Royalty	Service charges	Total
Revenue recognised at a point in time	80,269	-	509	80,778
Revenue recognised over time	-	1,439	1,887	3,326

* Includes sale of scrap

d) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(₹ in lakhs)

	2020	2019
Revenue which should have been recognised as per the contracted price	80,144	84,104
Less:		
Discounts given	154	-
Revenue recognised in the statement of profit and loss	79,990	84,104

59 The Company has evaluated events and transactions for potential recognition or disclosure post balance sheet date. The World Health Organization has also declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. The Company is monitoring the developments and are taking necessary measures to mitigate the impact on the Company, if any.

60 Exceptional items for the year ended 31 March 2020 include

a) ₹ 1,091 lakhs being net gain on sale of land and building, plant and machinery and other equipment of one of its factory recognised during the year and

b) ₹ 2,030 lakhs being write off of credit impaired loan given (including interest) on the basis of impairment assessment carried out by Management during the year.

61 Other income

a) During the year, the Company has redeemed 2,000 non-cumulative optionally convertible redeemable preference shares of USD 1,000 each of Lamitube Technologies (Cyprus) Limited, Cyprus. Gain on redemption of above preference shares of ₹ 557 lakhs has been recognised in the statement of Profit and Loss.

b) During the year, the Company has received dividend of ₹ 3,557 lakhs and ₹ 3,078 lakhs aggregating to ₹ 6,635 lakhs from its wholly owned subsidiaries, Lamitube Technologies Limited, Mauritius and Arista Tube Inc, USA respectively.

62 Prior period comparatives

Previous year's figures have been regrouped / rearranged wherever necessary to correspond with current year's classifications / disclosures.

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Parag Shah
Chief Financial Officer

Sharmila Abhay Karve
Director

Suresh Savaliya
Head - Legal and Company Secretary

Place: **Mumbai**
Date: 22 May 2020

Statement of cash flows for the year ended 31 March 2020

(₹ in lakhs)

		2020	2019
A.	Cash flow from operating activities		
	Profit before tax	**12,530**	**9,735**
	Adjustments for:		
	Depreciation and amortisation expense	9,725	7,510
	Interest expense	1,749	1,860
	Interest income	(92)	(973)
	Unwinding of discount on security deposits	(66)	(59)
	Net gain on disposal of property, plant and equipment and intangible assets	(68)	(36)
	Gain on redemption of preference shares in subsidiary	(557)	-
	Exceptional items (Refer note 60)	939	-
	Gain on sale of current investments	(38)	(20)
	Dividend Income	(6,635)	(0)
	Bad and doubtful debts/advances (net)	223	135
	Deferred rent amortisation	-	71
	Government grant	(67)	(46)
	Amortisation of ancillary borrowing costs	6	64
	Remeasurement gains/(losses) on defined benefit plan	(14)	(185)
	Exchange adjustments (net)	47	(63)
	Operating profit before working capital changes	**17,682**	**17,993**
	Adjustments for:		
	(Increase) / decrease in trade and other receivables	236	(4,119)
	(Increase) / decrease in inventories	(2)	14
	Increase /(decrease) in trade and other payables	(138)	(2)
	Cash generated from operations	**17,778**	**13,886**
	Direct taxes paid (net of refunds)	(3,201)	(4,148)
	Net cash from operating activities (A)	14,577	9,738
B.	Cash flow from investing activities		
	Purchase of property, plant and equipment / intangible assets (including under progress)	(2,348)	(13,729)
	Sale of property, plant and equipment and intangible assets	1,735	157
	(Increase) / decrease in other bank balances	(13)	(10)
	Investments in bank deposits	(5,812)	-
	Redemption of preference shares in subsidiary	1,434	-
	Purchase of current investments	(31,180)	(9,150)
	Sale of current investments	31,218	9,170
	Interest received	19	1,986
	Loan given repaid	-	7,628
	Dividend received	6,635	0
	Net cash from/(used in) investing activities (B)	**1,688**	**(3,948)**

Statement of cash flows for the year ended 31 March 2020

(₹ in lakhs)

		2020	2019
C.	**Cash flow from financing activities**		
	Proceeds from issue of equity shares[including securities premium]	126	534
	Redemption of non-convertible debentures	-	(4,000)
	Proceeds from long-term borrowings	-	10,000
	Repayment of long-term borrowings	(1,557)	(2,783)
	Proceeds from short-term borrowings	13,500	13,500
	Repayment of short-term borrowings	(10,341)	(16,897)
	Principal payment of lease labililies	(1,293)	(181)
	Interest payment of lease liabilities	(472)	-
	Interest paid	(1,361)	(1,805)
	Ancillary borrowing cost incurred	-	(15)
	Dividend paid (including tax)	(8,680)	(4,538)
	Net cash used in financing activities (C)	**(10,078)**	**(6,185)**
Net changes in cash and cash equivalents(A+B+C)		**6,187**	**(395)**
Cash and cash equivalents at the beginning of the year		322	717
Cash and cash equivalents at the end of the year		**6,509**	**322**

Notes :

1. As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 39 of the financial statements.
2. Previous year figures have been regrouped / rearranged wherever necessary.

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Parag Shah
Chief Financial Officer

Sharmila Abhay Karve
Director

Suresh Savaliya
Head - Legal and Company Secretary

Place: **Mumbai**
Date: 22 May 2020

To the Members of

Essel Propack Limited

1. Opinion

We have audited the accompanying consolidated financial statements of Essel Propack Limited ('the Holding Company' or 'the Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements and on the other financial information of subsidiaries and associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs of the Group and its associate as at 31 March 2020, and their consolidated profit, consolidated total comprehensive income, the consolidated changes in equity and their consolidated cash flows for the year ended on that date.

2. Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) Contingent liabilities

Claims against the Group not acknowledged as debts is disclosed in note 39(a)(A) of the consolidated financial statements. The existence and the probability of payments against these claims requires management judgment to ensure disclosure of most appropriate values of contingent liabilities.

Due to level of judgment required relating to estimation and presentation of contingent liabilities, this is considered to be a key audit matter.

Auditor's response

Our audit procedures included, among others, assessing the appropriateness of the management's judgment in estimating the value of contingent liabilities as given in note 39(a)(A).

We have obtained details of completed tax assessments and demands/claims as at 31 March 2020 from management and assessed the completeness of the details of contingent liabilities through discussion with senior management personnel. We have reviewed the outcome of the disputed cases at various forums. We have also assessed the appropriateness of presentation of the contingent liabilities in the consolidated financial statements.

b) Assessment of impairment of Goodwill

Consolidated financial statements of the Group includes goodwill on consolidation of ₹ 1,423 lakhs and goodwill pertaining to acquisition of associate of ₹ 514 lakhs.

Management has conducted annual goodwill impairment testing and as a result of the testing conducted, management assessed that no impairment was needed. Goodwill impairment testing requires substantial management judgment over the projected future business performance and cash flows. Certain assumptions made by management in the impairment review are key judgments, including gross profit rate and net sales.

Auditors response

As part of our audit procedures we assessed the key assumptions used in impairment testing performed by management by:

- assessing the growth and profitability estimates and comparing them to historical performance;
- comparing the estimates with the latest approved budgets and strategic plans;
- testing the accuracy and the underlying calculations.

We also assessed the adequacy of the related disclosure information.

4. Information other than the consolidated financial statements and auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report and Chairman's Statement but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

5. Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its associate 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 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 consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

6. Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matters

a) We did not audit the financial statements of eighteen subsidiaries whose financial statements (before consolidation adjustments) reflect total assets of ₹ 326,388 lakhs as at 31 March 2020, total revenues of ₹ 239,580 lakhs, total net profit after tax of ₹ 32,588 lakhs, total comprehensive income of ₹ 32,442 lakhs and total cash inflows of ₹ 10,533 lakhs for the year ended on that date, 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 our report in terms of Section 143(3) of the Act, in so far as it relates to these subsidiaries, is based solely on the reports of the other auditors.

b) The consolidated financial statements include Group's share of net loss after tax of ₹ 63 lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of an associate whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on such management certified financial statements.

All subsidiaries and associate of the Company are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors (in case of associate which is unaudited is certified by the management) under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and associate located outside India based on accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors/management certified financial statements.

Our opinion on the consolidated financial statements above, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

8. Report on other Legal and Regulatory requirements

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 of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of written representations received from the directors of the Holding Company as at 31 March 2020 and 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 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; 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 consolidated 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 for which there were any material foreseeable losses; and

iii. There has been no delay in transferring the amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number: 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059
Chennai, 22 May 2020
UDIN: 20016059AAAAAM2758

Consolidated Balance sheet as at 31 March 2020

(₹ in Lakhs)

		Note	2020	2019
Assets				
Non-current assets				
(a)	Property, plant and equipment	4(a)	130,678	125,317
(b)	Capital work-in-progress	4(b)	3,109	3,059
(c)	Goodwill		1,423	1,423
(d)	Other intangible assets	4(c)	4,292	3,996
(e)	Intangible assets under development	4(d)	840	1,067
			140,342	**134,862**
(f)	Investment in associate accounted for using equity method	5	1,602	1,679
(g)	Financial assets			
	(i) Loans	6	970	973
	(ii) Others	7	255	261
			1,225	**1,234**
(h)	Deferred tax assets (net)	53(c)	1,006	738
(i)	Non-current tax assets (net)	8	1,342	1,386
(j)	Other non-current assets	9A	943	3,016
Total non-current assets			**146,460**	**142,915**
Current assets				
(a)	Inventories	10	36,722	32,343
(b)	Financial assets			
	(i) Trade receivables	11	49,028	49,340
	(ii) Cash and cash equivalents	12	31,159	9,035
	(iii) Bank balances other than cash and cash equivalents	13	5,963	4,405
	(iv) Loans	14	558	2,378
	(v) Others	15	725	698
(c)	Current tax assets (net)	16	340	534
(d)	Other current assets	9B	9,638	9,984
Total current assets			**134,133**	**108,717**
Assets held for sale		17	-	379
Total assets			**280,593**	**252,011**
Equity and liabilities				
Equity				
(a)	Equity share capital	18	6,310	6,306
(b)	Other equity	19	146,951	132,490
(c)	Non-controlling interest		864	516
Total equity			**154,125**	**139,312**
Liabilities				
Non-current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	20(a)	32,950	46,929
	(ii) Lease liabilities	20(b)	6,675	-
(b)	Other non-current liabilities	21	1,038	1,284
(c)	Provisions	22	2,079	1,989
(d)	Deferred tax liabilities (net)	53(c)	4,752	5,095
Total non-current liabilities			**47,494**	**55,297**
Current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	23	19,554	11,263
	(ii) Lease liabilities	25	2,431	-
	(iii) Trade payables	24		
	- Dues of micro enterprises and small enterprises		135	88
	- Dues of creditors other than micro enterprises and small enterprises		24,325	20,562
	(iv) Others	25	27,534	19,777
(b)	Other current liabilities	26	3,471	3,802
(c)	Provisions	27	699	701
(d)	Current tax liabilities (net)	28	825	1,209
Total current liabilities			**78,974**	**57,402**
Total equity and liabilities			**280,593**	**252,011**
Notes forming part of the consolidated financial statements		1 - 61		

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Parag Shah
Chief Financial Officer

Sharmila Abhay Karve
Director

Suresh Savaliya
Head - Legal and Company Secretary

Place: **Mumbai**
Date: 22 May 2020

Consolidated statement of profit and loss for the year ended 31 March 2020

(₹ in Lakhs)

	Note	2020	2019
Income			
Revenue from operations	29	276,007	270,693
Other income	30	961	1,742
Interest income	31	378	1,109
Total income		**277,346**	**273,544**
Expenses			
Cost of materials consumed	32	118,006	116,871
Changes in inventories of finished goods and goods-in-process	33	(2,328)	(390)
Employee benefits expense	34	53,112	50,056
Finance costs	35	5,565	6,131
Depreciation and amortisation expense	36	22,979	18,611
Other expenses	37	51,473	54,244
Total expenses		**248,807**	**245,523**
Profit before share of profit/(loss) of an associate and exceptional items		**28,539**	**28,021**
Share of profit /(loss) of an associate		(63)	532
Profit before exceptional items and tax		**28,476**	**28,553**
Exceptional items (net)	43	939	(305)
Profit before tax		**27,537**	**28,858**
Tax expense	53		
Current tax - current period		8,539	8,215
- earlier period		(1,155)	(179)
Deferred tax charge/(credit)		(1,005)	1,283
Total tax expense		**6,379**	**9,319**
Profit for the year		**21,158**	**19,539**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan	50	(110)	(211)
Income tax effect on above		32	72
- Share of OCI of associate		(27)	17
Income tax effect on above		7	(4)
		(98)	**(126)**
Items that will be reclassified to profit or loss			
Fair value changes of non-derivatives designated as cash flow hedge	54 (c)	(130)	-
Exchange differences on translation of			
- Financial statements of foreign operations		2,647	(1,334)
- Share of associate		6	(3)
		2,523	**(1,337)**
Other comprehensive income / (loss) for the year		**2,425**	**(1,463)**
Total comprehensive income for the year		**23,583**	**18,076**
Total comprehensive income attributable to:			
Owners of the parent		23,033	17,751
Non-controlling interest		550	325
Of the total comprehensive income above,			
Profit for the year attributable to:			
Owners of the parent		20,725	19,253
Non-controlling interest		433	286
Of the total comprehensive income above,			
Other comprehensive income / (loss) for the year attributable to:			
Owners of the parent		2,308	(1,502)
Non-controlling interest		117	39
Earnings per equity share of ₹ 2 each fully paid up	44		
Basic (₹)		6.57	6.12
Diluted (₹)		6.57	6.11
Notes forming part of the consolidated financial statements	1 - 61		

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

Place: **Mumbai**
Date: 22 May 2020

Parag Shah
Chief Financial Officer

Suresh Savaliya
Head - Legal and Company Secretary

A Equity share capital

	Note	₹ in lakhs*
Balance as at 1 April 2018	**18**	**3,145**
Changes in equity share capital	18(a)	3,161
Balance as at 31 March 2019	**18**	**6,306**
Changes in equity share capital	18(a)	4
Balance as at 31 March 2020	**18**	**6,310**

* including forfeited shares of ₹ 1 lakh [Refer note 18(h)]

B Other equity

(₹ in lakhs)

	Note	Capital reserve	Capital reserve on Consolidation	Securities premium	Debenture redemption reserve	Legal reserve	Share options outstanding account	General reserve	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Attributable to owners of the parent	Non controlling interest	Total
Balance as at 1 April 2018		4,019	55,314	11,118	2,250	2,854	333	545	43,869	-	1,612	121,914	430	122,344
Profit for the year		-	-	-	-	-	-	-	19,253	-	-	19,253	286	19,539
Other comprehensive income /(loss) for the year		-	-	-	-	-	-	-	(126)	-	(1,376)	(1,502)	39	(1,463)
Total comprehensive income for the year		-	-	-	-	-	-	-	19,127	-	(1,376)	17,751	325	18,076
Share options exercised	19 & 51	-	-	517	-	-	-	-	-	-	-	517	-	517
Share based payments:										-				
Transferred to retained earnings on lapse of vested options	19 & 51	-	-	-	-	-	(62)	-	62	-	-	-	-	-
Transferred from share options outstanding account on exercise of option	19 & 51	-	-	192	-	-	(192)	-	-	-	-	-	-	-
Utilised towards issue of bonus equity shares	18(e) & 19	-	-	(3,144)	-	-	-	-	-	-	-	(3,144)	-	(3,144)
Transferred to retained earnings	19	-	-	-	(1,000)	-	-	-	1,000	-	-	-	-	-
Transferred to legal reserve	19	-	-	-	-	691	-	-	(691)	-	-	-	-	-
Equity dividend	47	-	-	-	-	-	-	-	(3,772)	-	-	(3,772)	-	(3,772)
Tax on equity dividend	47	-	-	-	-	-	-	-	(776)	-	-	(776)	-	(776)
Dividend to non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(239)	(239)
Balance as at 31 March 2019		4,019	55,314	8,683	1,250	3,545	79	545	58,819	-	236	132,490	516	133,006
Profit for the year		-	-	-	-	-	-	-	20,725	-	-	20,725	433	21,158
Other comprehensive income /(loss) for the year		-	-	-	-	-	-	-	(98)	(130)	2,536	2,308	117	2,425
Total comprehensive income for the year		-	-	-	-	-	-	-	20,627	(130)	2,536	23,033	550	23,583
Share options exercised during the year	19 & 51	-	-	122	-	-	-	-	-	-	-	122	-	122
Share based payments:														
Transferred from share options outstanding account on exercise of option	19 & 51	-	-	45	-	-	(45)	-	-	-	-	-	-	-
Transferred to legal reserve	19	-	-	-	-	896	-	-	(896)	-	-	-	-	-
Equity dividend	47	-	-	-	-	-	-	-	(3,941)	-	-	(3,941)	-	(3,941)
Tax on equity dividend	47	-	-	-	-	-	-	-	(810)	-	-	(810)	-	(810)
Interim dividend	47	-	-	-	-	-	-	-	(3,943)	-	-	(3,943)	-	(3,943)
Dividend to non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(202)	(202)
Balance as at 31 March 2020		4,019	55,314	8,850	1,250	4,441	34	545	69,856	(130)	2,772	146,951	864	147,815

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Parag Shah
Chief Financial Officer

Sharmila Abhay Karve
Director

Suresh Savaliya
Head - Legal and Company Secretary

Place: **Mumbai**
Date: 22 May 2020

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") 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, Home and Oral care categories.

The Consolidated Financial Statements (hereinafter referred to as 'CFS') of the group and associate for the year ended 31 March 2020 were authorised for issue by the Board of Directors at their meeting held on 22 May 2020.

2 Basis of preparation and other significant accounting policies

2.1 Basis of preparation of consolidated financials statements

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 (as amended) and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI).

The CFS have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities (including derivative instruments), non-current assets held for sale, 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. ''0" Zero denotes amount less than a lakh.

b) Current and non-current classification

Assets and liabilities are classified as current if 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.

2.2 Accounting pronouncements issued

i) New Standards adopted

Ind AS 116 "Leases"

The Companies (Indian Accounting Standards) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 116 "Leases" which replaced Ind AS 17. The revised standard eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months to bring the previous off-balance sheet leases on the consolidated balance sheet in a manner largely comparable to current finance lease accounting.

The Group has, as a lessee, adopted Ind AS 116 w.e.f. 1 April 2019 using the modified retrospective approach to replace rent expenses in the consolidated statement of profit and loss with interest and depreciation. Lease payments associated with short-term leases or those for which the underlying asset is of low value are recognised as an expense in the consolidated statement of profit and loss.

Comparative amounts have not been adjusted and continued to be reported in accordance with Ind AS 17 "Leases". Refer note 2.4 (a) and (p) below for the Company's accounting policy for Right-of-use assets, depreciation and lease liability as per Ind AS 116. The summary of practical expedients elected on initial application and effect of adoption of Ind AS 116 on the consolidated financial statements is disclosed in Note 38.

2.3 Principles of consolidation and equity accounting

i) Subsidiaries

a) The consolidated financial statements incorporate the financial statements of EPL and its subsidiaries.

b) Subsidiaries are all 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 on which control ceases.

c) 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 2020.

d) 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 consolidated balance sheet respectively.

e) 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 Subsidiaries	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)		Country of incorporation
Direct Subsidiaries	2020	2019	
Arista Tubes, Inc. *	100%	100%	United States of America
Lamitube Technologies (Cyprus) Limited	100%	100%	Cyprus
Lamitube Technologies Limited	100%	100%	Mauritius
Step down Subsidiaries			
Essel Propack MISR for Advanced Packaging S.A.E.	75%	75%	Egypt
Essel Packaging (Guangzhou) Limited	100%	100%	China
Essel Packaging (Jiangsu) Limited	100%	100%	China
Essel Propack Philippines, Inc.	100%	100%	Philippines
MTL de Panama, S.A.	100%	100%	Panama
Arista Tubes Limited #	---	100%	United Kingdom
Essel Propack UK Limited #	100%	100%	United Kingdom
Essel Deutschland Management GmbH	100%	100%	Germany
Essel Deutschland GmbH & Co. KG	100%	100%	Germany
Essel de Mexico, S.A. de C.V.	100%	100%	Mexico
Tubopack de Colombia S.A.S.**	100%	100%	Colombia
Essel Colombia S.A.S.	100%	100%	Colombia
Essel Propack LLC	100%	100%	Russia
Essel Propack Polska sp. z.o.o.	100%	100%	Poland
Essel Propack America, LLC	100%	100%	United States of America

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

During the year, the entire business of Arista Tubes Limited (ATL) in United Kingdom has been transferred to Essel Propack UK Limited and the name of ATL was struck off from the Companies house register in UK.

** Under liquidation

ii) Associate

a) 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.

b) 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 are recognised as a reduction in the carrying amount of investments.

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 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.

c) List of investment in associate accounted for using "Equity method" is as under:

Name of the Associate	Extent of holding		Relationship	Country of Incorporation
	2020	2019		
P.T. Lamipak Primula	30%	30%	Associate	Indonesia

2.4 Summary of significant accounting policies

a. Property, plant and equipment and right-of-use assets

i) Free hold land is carried at cost. Other property, plant and equipment are stated at original cost of acquisition / installation (net of goods and services tax) 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 its 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 revaluation of long-term foreign currency monetary items recognised in the consolidated 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 and equipment and related expenses that are not yet ready for their intended use at the reporting date.

iii) Right-of-use (ROU) assets are stated at cost, less accumulated depreciation and impairment loss, if any. The carrying amount of ROU assets is adjusted for remeasurement of lease liability, if any, in future. Cost of ROU assets comprises the amount of initial measurement of lease liability, lease payments made before the commencement date (net of incentives received), initial direct costs and present value of estimated costs of dismantling and restoration, if any.

iv) On transition to Ind AS, the group had 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 and right-of-use assets

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, Dies	7 Years
Hydraulic works, Pipelines and Slucies (HWPS)	10 Years
Overhauling of plant and machinery	5 Years

ii) **In case of subsidiaries and associate**

Depreciation on property, plant and equipment is provided at the rates adopted in the accounts of respective subsidiaries and associate 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) ROU assets are depreciated on straight line basis from the commencement date to the end of useful life of asset or lease term whichever is earlier.

iv) Leasehold improvements are amortised over the normal period of lease.

b. Goodwill and other intangible assets

i Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, the bargain purchase excess is recognized after reassessing the fair value of net assets acquired in the capital reserve. Goodwill is measured at cost less accumulated impairment losses.

ii Other intangible assets

a. 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 consolidated statement of profit and loss.

b. On transition to Ind AS, the group had 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.

c. **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 consolidated statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation / amortisation 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 consolidated statement of profit and loss if there has been a change in the estimate of recoverable amount.

d. Non-current assets held for sale

The Group classifies non-current assets as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held-for-sale only if the management expects to complete the sale within one year from the date of classification. Non- current assets classified as held-for-sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held-for-sale are not depreciated or amortized.

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 its 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 consolidated 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.

f. 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 it's acquisition. However, transaction costs relating to financial assets to be subsequently valued at fair value through profit or loss (FVTPL) are expensed in the consolidated 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 instruments and equity instruments.

Debt instruments

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 consolidated 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 consolidated 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 consolidated 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 consolidated statement of profit and loss. Interest income from these financial assets is included in other income.

Equity instruments

The group subsequently measures all equity instruments (other than investment in associate) at fair value. Where the group's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit and loss in the event of de-recognition. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value. Dividends from such investments are recognised in the consolidated 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 consolidated 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.

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.

g. 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 consolidated 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.

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 consolidated 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 consolidated 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 consolidated 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 recognised as an expense in the consolidated 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 consolidated 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

Equity settled 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 as "Share options outstanding account". 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 hold 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 consolidated statement of profit and loss, with a corresponding adjustment to equity. In case vested options are forfeited / expires unexercised, the related balance standing to the credit of the "Share options outstanding account" is transferred to "Retained earnings".

k. Revenue recognition

i) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer involving single performance obligation, which is generally at the time of delivery as per the contract. In case of exports, the control is deemed to be transferred when the goods are shipped. There is no continuing management involvement with the goods, and the amount can be measured reliably. It is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates and goods and services tax.

Revenue from service charges

Revenue from services are recognized over period of time on performance of obligation as per the terms of the agreement. However, revenue from services comprising of development of art work and such other services, involving single performance obligation, are recognised at a point in time.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to the customer. Where customers are provided with discounts, rebates etc, such discounts and rebates will give rise to variable consideration. The Group follows the 'most likely amount' method in estimating the amount of variable consideration.

Contract balances

a) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised. Contract liabilities are recognised as revenue when the Group performs under the contract.

b) Trade receivables

A receivable represents the Group's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date.

ii) 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 consolidated 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 group will comply with all attached conditions.

ii) Government grants relating to income are deferred and recognised in the consolidated 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 consolidated 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 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.

n. 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 recognised in the consolidated 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 restatement is recognised in the consolidated 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.

v) On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to consolidated 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.

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.

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 it's subsidiaries and associate 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 consolidated 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 and associate 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 and associate 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 consolidated 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.

p. Lease Liability

Lease liability associated with assets taken on lease (except short-term and low value assets) is measured at the present value of lease payments to be made. Lease payments are discounted using the interest rate implicit in the lease. Lease payments comprise fixed payments in relation to the lease (less lease incentives receivable), variable lease payments, if any and other amounts (residual value guarantees, penalties, etc.) to be payable in future in relation to the lease arrangement.

q. Cash Flow Hedge

The group has designated non-derivative financial instruments as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast transactions.

When a non-derivative financial instrument is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of such hedging instrument is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the hedging instrument is recognized immediately in the consolidated statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the highly probable forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the consolidated statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the consolidated statement of profit and loss.

r. 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.

s. 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 owners of the parent 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 owners of the parent and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

t. 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 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 consolidated 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 consolidated financial statements.

u. 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.

v. 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.

w. Cash and cash equivalents

Cash and cash equivalent in the consolidated 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.

For the purpose of presentation in the consolidated 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.

x. 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 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 consolidated 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.

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 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 50.

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 56.

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 51.

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 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.

vii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes forming part of the consolidated financial statements but are not recognised.

viii) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

(₹ in lakhs)

Description of assets	Gross carrying amount						Depreciation / Amortisation						Net carrying amount
	As at 1 April 2019	Reclassification on adoption of Ind AS 116	Additions	Disposals	Translation adjustment	As at 31 March 2020	Upto 31 March 2019	Reclassification on adoption of Ind AS 116	For the year	Disposals	Translation adjustment	Upto 31 March 2020	As at 31 March 2020
4(a) Property, plant and equipment													
Freehold land	1,312	-	-	27	34	1,319	-	-	-	-	-	-	1,319
Leasehold land	302	(302)	-	-	-	-	32	(32)	-	-	-	-	-
Leasehold improvements	3,193	-	289	-	(8)	3,474	1,690	-	301	-	13	2,004	1,470
Buildings	21,193	-	373	-	909	22,475	4,066	-	871	-	191	5,128	17,347
Plant and machinery	160,927	-	12,177	894	3,641	175,851	60,978	-	16,981	293	1,783	79,449	96,402
Equipments	7,630	-	488	114	78	8,082	4,018	-	850	104	71	4,835	3,247
Furniture and fixtures	3,001	-	441	83	63	3,422	1,462	-	380	75	57	1,824	1,598
Vehicles	16	-	44	-	(3)	57	11	-	5	-	(2)	14	43
Right of use assets	-	302	11,689	-	6	11,997	-	32	2,743	-	(30)	2,745	9,252
Total (A)	**197,574**	**-**	**25,501**	**1,118**	**4,720**	**226,677**	**72,257**	**-**	**22,131**	**472**	**2,083**	**95,999**	**130,678**
4(b) Capital work-in-progress													3,109
4(c) Other intangible assets													
Software	3,178	-	415	11	91	3,673	2,355	-	416	1	74	2,844	829
Patents and Commercial rights	4,197	-	510	20	333	5,020	1,024	-	432	1	102	1,557	3,463
Total (B)	**7,375**	**-**	**925**	**31**	**424**	**8,693**	**3,379**	**-**	**848**	**2**	**176**	**4,401**	**4,292**
Grand Total (A+B)	**204,949**	**-**	**26,426**	**1,149**	**5,144**	**235,370**	**75,636**	**-**	**22,979**	**474**	**2,259**	**100,400**	**134,970**
4(d) Intangible assets under development													**840**

Notes:

(i) Buildings include roads, residential flats, tubewell, watertanks and share in co-operative society.

(ii) Additions to plant and machinery includes exchange difference of ₹ 93 lakhs capitalised during the financial year 2019-20.

(iii) For details of property, plant and equipment pledged as security, refer note 40.

(iv) The amount of contractual commitments for the acquisition of property, plant and equipment and intangible assets is disclosed in note 39(b)(i).

(₹ in lakhs)

Description of assets	Gross carrying amount						Depreciation / Amortisation						Net carrying amount
	As at 1 April 2018	Additions	Disposals	Assets held for Sale (Refer note 17)	Translation adjustment	As at 31 March 2019	Upto 31 March 2018	For the year	Disposals	Assets held for Sale (Refer note 17)	Translation adjustment	Upto 31 March 2019	As at 31 March 2019
4(a) Property, plant and equipment													
Freehold land	1,573	-	-	225	(36)	1,312	-	-	-	-	-	-	1,312
Leasehold land	302	-	-	-	-	302	24	8	-	-	-	32	270
Leasehold improvements	2,681	577	48	-	(17)	3,193	1,330	377	11	-	(6)	1,690	1,503
Buildings													
- Owned	16,419	5,168	-	230	(164)	21,193	3,360	834	-	76	(52)	4,066	17,127
- Leased	4,418	-	4,688	-	270	-	376	22	421	-	23	-	-
Plant and machinery	135,541	28,091	1,900	-	(805)	160,927	47,836	15,179	1,504		(533)	60,978	99,949
Equipments	6,366	1,555	184	-	(107)	7,630	3,351	923	166	-	(90)	4,018	3,612
Furniture and fixtures	2,492	561	19	-	(33)	3,001	1,178	315	3		(28)	1,462	1,539
Vehicles	16	-	-	-	-	16	9	2	-	-	-	11	5
Total (A)	**169,808**	**35,952**	**6,839**	**455**	**(892)**	**197,574**	**57,464**	**17,660**	**2,105**	**76**	**(686)**	**72,257**	**125,317**
4(b) Capital work-in-progress													3,059
4(c) Other intangible assets													
Software	3,030	177	9	-	(20)	3,178	1,841	538	-	-	(24)	2,355	823
Patents and Commercial rights	4,074	6	-	-	117	4,197	613	413	-	-	(2)	1,024	3,173
Total (B)	**7,104**	**183**	**9**	**-**	**97**	**7,375**	**2,454**	**951**	**-**	**-**	**(26)**	**3,379**	**3,996**
Grand Total (A+B)	**176,912**	**36,135**	**6,848**	**455**	**(795)**	**204,949**	**59,918**	**18,611**	**2,105**	**76**	**(712)**	**75,636**	**129,313**
4(d) Intangible assets under development													1,067

Notes:

(i) Buildings include roads, residential flats, tubewell, watertanks and share in co-operative society.

(ii) Additions to plant and machinery include exchange difference of ₹ 96 lakhs capitalised during the financial year 2018-19.

(iii) For details of property, plant and equipment pledged as security, refer note 40.

(iv) Disposals in leased buildings represents transfer to owned Buildings.

(v) The amount of contractual commitments for the acquisition of property, plant and equipment and intangible assets is disclosed in note 39(b)(i).

(₹ in lakhs)

		2020	2019
5	Investments accounted for using the equity method (Refer note 52)		
A)	Unquoted		
i)	Associate company		
	2,100 (31 March 2019: 2,100) equity shares of USD 350 each of PT Lamipak Primula Indonesia (Extent of holding 30%)	508	508
	Goodwill	514	514
	Share of accumulated profits (including other comprehensive income)	657	288
	Dividend received	-	(173)
		1,679	1,137
	Add/(less): Share of profit/(loss) for the year (net of tax on distributable profits)	(63)	532
	Share of other comprehensive income/(loss) for the year	(14)	10
	Total	1,602	1,679

(₹ in lakhs)

		2020	2019
6	Non-current financial assets - Loans		
	(Unsecured, considered good)		
	Security deposits		
	- Related parties (Refer note 45)	-	519
	- Others	970	454
	Total	970	973

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)

		2020	2019
7	Other non-current financial assets		
	Deposits with banks having original maturity period of more than twelve months*	0	30
	Government grants receivable	255	231
	Total	255	261

* Deposited with / lien in favour of various government authorities / banks

(₹ in lakhs)

		2020	2019
8	Non-current tax assets		
	Balances with Government authorities - Direct tax (net of provisions)	1,342	1,386
	Total	1,342	1,386

(₹ in lakhs)

		2020	2019
9	Other assets		
A	Non-current		
	Capital advances	512	2,109
	Prepaid expenses	19	390
	Balance with Government authorities - Indirect taxes (net)	412	517
	Total (A)	**943**	**3,016**
B	Current		
	Advances recoverable in cash or in kind		
	Considered good	2,025	3,126
	Considered doubtful	56	-
		2,081	**3,126**
	Less : Allowance for bad and doubtful advances	56	-
		2,025	**3,126**
	Prepaid expenses	2,020	1,608
	Balance with Government authorities - Indirect taxes (net)	5,379	4,958
	Export benefits receivable	214	292
	Total (B)	**9,638**	**9,984**

(₹ in lakhs)

		2020	2019
10	Inventories		
	Raw materials (includes goods in transit ₹ 1,942 lakhs, 31 March 2019: ₹ 1,775 lakhs)	13,467	12,244
	Goods-in-process	6,567	6,346
	Finished goods (includes goods in transit ₹ 32 lakhs, 31 March 2019: ₹ 371 lakhs)	7,890	5,783
	Stores and spares	8,175	7,435
	Packing materials	623	535
	Total	**36,722**	**32,343**

Inventories were written down to net realisable value by ₹ 379 lakhs (31 March 2019: ₹ 160 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)

		2020	2019
11	Trade receivables (Unsecured)		
	Considered good	49,028	49,340
	Considered doubtful	848	704
		49,876	**50,044**
	Less: Allowance for bad and doubtful debts	848	704
	Total	**49,028**	**49,340**

Trade receivables are non-interest bearing and credit terms are generally 30 to 120 days. The Group's exposure to credit and currency risks related to trade receivables is disclosed in note 54.

(₹ in lakhs)

		2020	2019
12	Cash and cash equivalents		
	Balance with banks in current accounts	19,528	8,765
	Cheques on hand/remittances in transit	921	224
	Deposits with banks having original maturity period upto three months	10,702	-
	Cash on hand	8	46
	Total	31,159	9,035

(₹ in lakhs)

		2020	2019
13	Bank balances other than cash and cash equivalents		
	Unclaimed dividend accounts	110	97
	Deposits with banks having original maturity period of upto twelve months*	5,853	4,308
	Total	5,963	4,405

*Includes ₹ 297 lakhs (31 March 2019: Nil) held as margin money for bank guarantees issued

(₹ in lakhs)

		2020	2019
14	Current financial assets - Loans		
	(Unsecured, considered good)		
	Security deposits	498	318
	Loans and advances to		
	- Employees	60	81
	- Others	-	1,979
	Total	558	2,378

(₹ in lakhs)

		2020	2019
15	Other current financial assets		
	Deposits with banks having original maturity period of more than twelve months*	32	2
	Government grants receivable	500	500
	Insurance claim receivable (Refer note 41)	193	193
	Derivative instruments at fair value through profit or loss - Foreign exchange forward contracts	-	3
	Total	725	698

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

(₹ in lakhs)

		2020	2019
16	Current tax assets		
	Balances with Government authorities - Direct tax (net of provisions)	340	534
	Total	340	534

(₹ in lakhs)

		2020	2019
17	Assets held for sale		
	Building	-	154
	Freehold land	-	225
	Total	-	379

In the previous year, the Board of directors of the Company decided to sell land and building located at one of its factory units, which was not in use. The sale of said land and building concluded in April 2019 [Refer note 43(i)] and was reported as "Assets held for sale" in the previous year as per Ind AS 105 "Non-current assets held for sale and discontinued operations".

(₹ in lakhs)

		2020	2019
18	Equity share capital		
	Authorised		
	350,000,000 (31 March 2019: 250,050,000) equity shares of ₹ 2 each	7,000	7,000
	Issued		
	315,508,061 (31 March 2019: 315,300,740) equity shares of ₹ 2 each	6,310	6,306
	Subscribed and paid up		
	315,450,941 (31 March 2019: 315,243,620) equity shares of ₹ 2 each fully paid up (Refer note (a) below)	6,309	6,305
	Add: 57,120 equity shares of ₹ 2 each forfeited (Refer note (h) below)	1	1
	Total	6,310	6,306

a) Reconciliation of number of shares outstanding (excluding forfeited shares)

	2020		2019	
	Number of equity shares	₹ in lakhs	Number of equity shares	₹ in lakhs
At the beginning of the year	315,243,620	6,305	157,181,664	3,144
Add/less: Changes during the year				
Allotted pursuant to issue of bonus shares (Refer note (e) below)	-	-	157,181,664	3,144
Allotted on exercise of employee share option	207,321	4	880,292	17
Outstanding at the end of the year	315,450,941	6,309	315,243,620	6,305

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

Name of Shareholder	2020		2019	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Epsilon Bidco Pte.Ltd*	236,553,956	75%	-	-

* Pursuant to the Share Purchase Agreement dated 22 April 2019 executed between Ashok Goel Trust ("the Seller") and Epsilon Bidco Pte Ltd ("the Acquirer"), the Acquirer has acquired 48.98% equity shares in the Company from Ashok Goel Trust on completion date i.e. 22 August 2019. The Acquirer has also acquired 26% equity shares from the public shareholders pursuant to the Open Offer as per SEBI Takeover Regulation. As a result of the said acquisition, the Acquirer became promoter and the holding entity of the Company. The Acquirer is managed by Blackstone Group, one of the world's leading investment firms.

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

Name of Shareholder	2020		2019	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Ashok Kumar Goel (Trustee - Ashok Goel Trust)	24,163,006	7.67%	178,678,028	56.68%
Ntasain Discovery Master Fund	3,649,162	1.16%	17,761,867	5.63%

e) During the previous year, the Board of Directors at its meeting held on 26 April 2018, recommended issue of bonus equity shares, in the ratio of one equity share of ₹ 2 each fully paid up for every one equity share of the Company held by the shareholders as on a record date. The above issue of bonus shares was approved by the shareholders in the annual general meeting held on 13 June 2018 and accordingly the Company allotted 15,71,81,664 equity shares of ₹ 2 each fully paid up bonus shares by capitalisation of securities premium amounting to ₹ 3,144 Lakhs.

f) There are no shares bought back or shares issued for consideration other than cash during five years preceding 31 March 2020.

g) For details of shares reserved for issue under the share based payment plan of the Company (Refer note 51).

h) Forfeited shares consist of 35,725 partly paid up equity shares and 21,395 fully paid up bonus shares forfeited in earlier years. The amount of ₹ 1 lakh in relation to the forfeiture will be transferred to reserves upon cancellation of these shares.

(₹ in lakhs)

		2020	2019
19	Other equity		
a)	Capital reserve	**4,019**	**4,019**
b)	Capital reserve on consolidation	**55,314**	**55,314**
c)	Securities premium		
	As per last balance sheet	8,683	11,118
	Add (less): Amount received during the year on exercise of options	122	517
	Transferred from share options outstanding account on exercise of options	45	192
	Utilised towards issue of bonus equity shares (Refer note 18(e))	-	(3,144)
		8,850	**8,683**
d)	Other reserves		
	i) Debenture redemption reserve		
	As per last balance sheet	1,250	2,250
	Add: Transferred to retained earnings	-	(1,000)
		1,250	**1,250**
	ii) Legal reserve		
	As per last balance sheet	3,545	2,854
	Add: Transferred from retained earnings	896	691
		4,441	**3,545**
	iii) Share options outstanding account (Refer note 51)		
	As per last balance sheet	79	333
	Add/(less):		
	Transferred to retained earnings on lapse of vested options	-	(62)
	Transferred to securities premium on exercise of options	(45)	(192)
		34	**79**

(₹ in lakhs)

		2020	2019
iv)	General reserve		
	As per last balance sheet	545	545
v)	Retained earnings		
	As per last balance sheet	58,819	43,869
	Add/(Less):		
	Profit for the year	20,725	19,253
	Item of other comprehensive income recognised directly in retained earnings		
	- Remeasurement gains/(losses) on defined benefit plan (net of tax)	(98)	(126)
	Transferred from / (to)		
	- Debenture redemption reserve	-	1,000
	- Legal reserve	(896)	(691)
	- Share options outstanding account on lapse of vested options	-	62
	Equity dividend paid	(3,941)	(3,772)
	Tax on equity dividend paid	(810)	(776)
	Interim dividend paid	(3,943)	-
		69,856	**58,819**
	Other comprehensive income		
vi)	Foreign currency translation reserve		
	As per last balance sheet	236	1,612
	Add / (Less) : Gain / (loss) during the year	2,536	(1,376)
		2,772	**236**
vii)	Cash flow hedge reserve		
	As per last balance sheet	-	-
	Addition during the year	(130)	-
		(130)	
Total		**146,951**	**132,490**

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

Represent the fair value at respective grant dates of options granted and outstanding for vesting/exercise, 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 or to retained earnings in the event of forfeiture, non-vesting or lapse.

v) General and legal reserve

These reserves are free reserves maintained by the group 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) Cash flow hedge reserve

Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instrument entered into for cash flow hedge. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

viii) Other comprehensive income

Other comprehensive income comprises of re-measurement gains/(losses) of defined benefit obligations, exchange differences on translation of financial statements of foreign operations, etc.

(₹ in lakhs)

		2020	2019
20(a)	Non-current financial liabilities - borrowings		
	Secured		
	Debentures		
	Term loan from banks [Refer note (b) (i) below]	26,716	31,952
	Finance Lease Obligations [Refer note b (ii) below]	812	342
		27,528	**32,294**
	Unsecured		
	500 (500) units of Redeemable Non-convertible debentures of face value of ₹ 1,000,000 each [Refer note (a) (i) below]	5,091	5,109
	Term loan from banks [Refer note (a) (ii) and b (iii) below]	11,925	13,055
	Buyers credit from banks [Refer note (a) (iii) below]	-	866
	Deferred sales tax loan [Refer note (a) (iv) below]	472	663
		17,488	**19,693**
		45,016	**51,987**
	Less: Current maturities disclosed under "Other current financial liabilities" (Refer note 25)	12,066	5,058
		32,950	**46,929**

a) In Parent Company

i)	Listed redeemable non-convertible debentures of ₹ 5,091 Lakhs (31 March 2019: ₹ 5,109 Lakhs) are unsecured	These debentures carry interest rate at 1 year Treasury Bill YTM rate + 145 bps p.a. payable annually and are redeemable at par at the end of 3 years from the date of issue i.e on 21 December 2020.
ii)	Term loan from bank ₹ 9,501 Lakhs (31 March 2019: ₹ 10,059 Lakhs) is unsecured.	Term Loan from bank carry variable interest rate based on bench mark rate i.e. MCLR of the bank with a put/call option at the end of every 12 months anniversary from the date of first disbursement and is repayable in 7 half yearly instalments starting at 18th month from the date of first disbursement.
iii)	Buyers credit from banks ₹ Nil (31 March 2019: ₹ 866) are unsecured.	Buyer's credit from bank carry interest rate ranging from 0.50% to 3.27% p.a. based on the prevailing benchmark rates and are fully repaid during the year.
iv)	Deferred sales tax interest free loans are repayable after a period of 10 to 14 years from the date of loan upto 2024-25.	

b) In Subsidiaries

i)	Term loans from Banks of ₹ 26,716 Lakhs (31 March 2019: ₹ 31,952 Lakhs) in different currencies are secured by way of charge over fixed assets (excluding leased assets) of the Group and / or exclusive charge on the asset financed under the particular loan, dividend escrow account, pledge of shares/ interest 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.	Repayable in specified instalment (Monthly, Quarterly, Half yearly and Yearly) repayable by 2024-25. Interest rate for USD denominated loans are ranging from 4.03% to 4.12% p.a. and EUR denominated loans are ranging from 0.99% to 1.95% p.a. linked to prevailing benchmark rates.
ii)	Finance lease obligations are secured by the related assets.	Colombian pesos denominated lease carry interest rate at 11.19% p.a. and repayable in monthly installments. Euro denominated lease carry interest rate at 1.75% p.a. and repayable in monthly installments.
iii)	Term Loan from Banks of ₹ 2,424 Lakhs (31 Mar 2019: ₹ 2,996 Lakhs) are unsecured	Colombian pesos denominated term loan carry interest rate 9.37% p.a. and is repayable in quarterly installments by 2023-24

(₹ in lakhs)

		2020	2019
20(b)	Other non-current financial liabilities		
	Lease liabilities	6,675	-
	Total	6,675	-

(₹ in lakhs)

		2020	2019
21	Other non-current liabilities		
	Deferred Government grants	1,038	1,284
	Total	1,038	1,284

(₹ in lakhs)

		2020	2019
22	Non-current liabilities - provisions		
	Employee benefits	1,554	1,415
	Provision for contingencies	525	574
	Total	2,079	1,989

(₹ in lakhs)

		2020	2019
23	Current financial liabilities - borrowings		
	Secured {Refer note (a) and (b) below}		
	Working capital loan from banks	14,463	8,522
		14,463	8,522
	Unsecured		
	Short-term loan from banks	5,091	2,307
	Working capital loan from banks	-	434
		5,091	2,741
	Total	19,554	11,263

Nature of security:

Of the total secured short term borrowings

a) In Parent Company

₹ 3,300 Lakhs (31 March 2019: ₹ 2,341) are secured by first pari-passu charge on current assets of the company.

b) In Subsidiaries

Working capital loan from Banks of ₹ 11,163 Lakhs (31 Mar 2019: ₹ 6,181 Lakhs) are secured by way of charge over fixed assets (excluding leased assets), inventory, book debts and other current assets of the respective subsidiary companies, letter of comfort issued by the parent Company and pledge of shares of overseas subsidiary companies.

(₹ in lakhs)

		2020	2019
24	Trade payables		
	Dues of micro enterprises and small enterprises	135	88
	Dues of creditors other than micro enterprises and small enterprises		
	- Acceptances	1,713	1,944
	- Others	22,612	18,618
	Total	24,460	20,650

(₹ in lakhs)

		2020	2019
25	Other current financial liabilities		
	Current maturities of long term borrowings [Refer note 20(a)]	11,815	4,947
	Current maturities of long term finance lease obligations [Refer note 20(a)]	251	111
	Unclaimed dividend (Refer note 46)	110	97
	Payable for capital goods		
	- Micro enterprises and small enterprises	86	103
	- Others	259	520
	Employee benefits payable	3,320	3,056
	Derivative instruments at fair value through profit or loss		
	- Foreign exchange forward contracts	3	33
	Other payables	11,690	10,910
	Total	**27,534**	**19,777**
	Lease liabilities	2,431	-
	Total	**29,965**	**19,777**

(₹ in lakhs)

		2020	2019
26	Other current liabilities		
	Contract liabilities - Advance from customers (Refer note 57)	280	371
	Statutory dues	2,895	2,975
	Deferred Government grants	296	456
	Total	**3,471**	**3,802**

(₹ in lakhs)

		2020	2019
27	Current liabilities - provisions		
	Employee benefits	699	701
	Total	**699**	**701**

(₹ in lakhs)

		2020	2019
28	Current tax liabilities		
	Direct tax payable (net)	825	1,209
	Total	**825**	**1,209**

(₹ in lakhs)

		2020	2019
29	Revenue from operations		
	Sale of products	272,132	266,556
	Other operating revenues		
	- Service charges	2,509	2,584
	- Sale of scrap	1,030	1,026
	- Export and other incentives	336	527
	Total	**276,007**	**270,693**

(₹ in lakhs)

		2020	2019
30	Other income		
	Interest on income tax refund	45	171
	Government grants	491	741
	Gain on sale of current investments	38	20
	Miscellaneous income	387	810
	Total	961	1,742

(₹ in lakhs)

		2020	2019
31	Interest income		
	Interest income on financial assets at amortised cost		
	- Loans	51	950
	- Deposits	261	100
	Unwinding of discount on security deposits	66	59
	Total	378	1,109

(₹ in lakhs)

		2020	2019
32	Cost of materials consumed		
	Inventories at the beginning of the year	12,244	10,071
	Purchases (net)	119,229	119,044
		131,473	129,115
	Less: Inventories at the end of the year	13,467	12,244
	Total	118,006	116,871

(₹ in lakhs)

		2020	2019
33	Changes in inventories of finished goods and goods-in-process		
	Inventories at the end of the year		
	Goods-in-process	6,567	6,346
	Finished goods	7,890	5,783
	Total (A)	14,457	12,129
	Inventories at the beginning of the year		
	Goods-in-process	6,346	6,394
	Finished goods	5,783	5,345
	Total (B)	12,129	11,739
	Total (B -A)	(2,328)	(390)

(₹ in lakhs)

		2020	2019
34	Employee benefits expense		
	Salaries, wages and bonus	43,555	41,404
	Contribution to provident and other funds	4,608	4,244
	Gratuity and other defined benefit obligations	151	123
	Staff welfare expenses	4,798	4,285
	Total	53,112	50,056

(₹ in lakhs)

		2020	2019
35	Finance costs		
	Interest expense		
	- Borrowings	3,606	4,851
	- Defined benefit obligation	121	92
	- Leases	822	-
	- Others	6	16
	Exchange difference regarded as an adjustment to borrowing costs	102	88
	Other borrowing costs	908	1,084
	Total	**5,565**	**6,131**

(₹ in lakhs)

		2020	2019
36	Depreciation and amortisation expense		
	Depreciation on property, plant and equipment and right-of-use assets	22,131	17,660
	Amortisation of intangible assets	848	951
	Total	**22,979**	**18,611**

(₹ in lakhs)

		2020	2019
37	Other expenses		
	Stores and spares	5,635	5,845
	Packing materials	9,647	9,729
	Power and fuel	7,149	7,144
	Job work / Labour charges	4,037	3,982
	Lease rent		
	- Factory premises	149	1,595
	- Plant and equipment	48	572
	Other manufacturing expenses	2,193	2,450
	Repairs and maintenance		
	- Buildings	343	265
	- Plant and machinery	2,530	2,766
	- Others	904	819
	Rent	253	951
	Rates and taxes	1,064	1,106
	Insurance	739	419
	Directors' sitting fees	16	14
	Travelling and conveyance expenses	1,493	1,605
	Professional and consultancy charges	2,642	1,745
	Communication charges	449	444
	Net loss on disposal of property, plant and equipment	61	101
	Exchange difference (net)	253	234
	Payment to auditors (Refer details below)	37	37
	Bad and doubtful debts/advances (net)	260	205
	Expenditure towards corporate social responsibility (Refer note 48)	28	56
	Donation	2	1
	Freight and forwarding expenses	8,399	8,554
	Commission	91	121
	Miscellaneous expenses	3,051	3,484
	Total	**51,473**	**54,244**
	Payment to auditors for:		
	Audit fees	21	21
	Certifications (including fees for limited reviews)	15	16
	Reimbursement of expenses	1	0
	Total	**37**	**37**

38 Disclosures pertaining to Ind AS 116 " Leases"

a) The effect of adoption of Ind AS 116 is as follows:

i) The Group has recognised Right-of-use assets (ROU) of ₹ 11,689 lakhs and lease liabilities of ₹ 11,319 lakhs as at 1 April 2019 i.e. transition date. The Group has also reclassified its leasehold land amounting to ₹ 302 lakhs as ROU asset.

ii) During the year, depreciation / amortisation of ₹ 2,743 lakhs on Right-of-use assets and interest expense of ₹ 822 lakhs on lease liabilities has been charged to the consolidated statement of profit and loss.

iii) Expense relating to short-term leases and leases of low value assets amounted to ₹ 450 lakhs.

b) Carrying value of Right-of-use assets (ROU)

(₹ in lakhs)

	Land	Building	Plant and Machinery	Equipment	Total
Gross carrying amount *	829	9,473	1,542	153	11,997
Depreciation / Amortisation *	184	1,998	531	32	2,745
Net Carrying amount	**645**	**7,475**	**1,011**	**121**	**9,252**

* Including translation adjustments

c) The following is the summary of practical expedients elected on initial application:

i) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than twelve months of lease term on the date of initial application

ii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d) Other disclosures

The principle portion and interest portion of the lease payments amounting to ₹ 3,035 lakhs have been separately disclosed in consolidated statements of cash flows under cash flows from financing activities.

e) Maturity analysis of lease liabilities:

Maturity analysis of lease liabilities is given in Note 54 (B)(ii)

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

a) Contingent liabilities

(₹ in lakhs)

		2020	2019
A	Claims against the group not acknowledged as debts		
(i)	Disputed indirect taxes	2,500	3,036
(ii)	Disputed direct taxes	3,257	2,099
(iii)	Deferred sales tax liability assigned	-	206
(iv)	Other claims not acknowledged as debts	43	43

(₹ in lakhs)

		2020	2019
B	Guarantees excluding financial guarantees		
	Bank guarantees given by the group	263	297

(₹ in lakhs)

		2020	2019
C	Other money for which the group is contingently liable		
(i)	Unexpired letters of credit (net of liability provided)	116	73
(ii)	Duty benefit availed under EPCG scheme, pending export obligations	1,297	2,383

b) Commitments

(i) Capital commitments

(₹ in lakhs)

	2020	2019
Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances)	1,592	2,356

(ii) Other commitments

(₹ in lakhs)

	2020	2019
Estimated amount of contracts remaining to be executed other than on capital account, not provided for (net of advances)	5,371	4,214

40 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)

	2020	2019
Property, plant and equipment	70,986	78,149
Inventories	14,850	14,227
Other current and non-current assets excluding investments	54,193	37,650
Total assets charged	**140,029**	**130,026**

41 Insurance claim receivable of ₹ 193 lakhs (31 March 2019 : ₹ 193 Lakhs) is in respect of transit damage to certain plant and machinery, which is under litigation before National Consumer Dispute Redressal Commission, New Delhi (Refer Note 15).

42 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 for the year		Share in Other Comprehensive Income / (loss) for the year		Share in Total Comprehensive Income / (loss) for the year	
		% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total comprehensive income	Amount
I	Parent Company								
	Essel Propack Limited	45%	69,677	50%	10,577	0%	(11)	45%	10,566
II	Subsidiaries - Foreign								
1	Essel Propack America, LLC	29%	44,343	24%	5,041	-	-	21%	5,041
2	Lamitube Technologies Limited	45%	69,666	28%	6,015	-6%	(146)	25%	5,869
3	Lamitube Technologies (Cyprus) Limited	4%	6,272	14%	2,930	-	-	12%	2,930
4	Essel Packaging (Guangzhou) Limited	30%	46,409	45%	9,431	-	-	40%	9,431
5	Essel Propack Philippines, Inc	1%	1,397	2%	450	-3%	(62)	2%	387
6	MTL de Panama, S.A	2%	3,658	1%	146	-	-	1%	146
7	Arista Tubes Limited	0%	-	10%	2,115	-	-	9%	2,115
8	Essel Propack UK Limited	1%	2,214	-7%	(1,407)	-	-	-6%	(1,407)
9	Essel de Mexico, S.A. de C.V.	2%	3,266	3%	615	0%	(4)	3%	611
10	Tubopack de Columbia S.A.S.	1%	806	0%	(100)	-	-	0%	(100)
11	Essel Colombia, S.A.S.	0%	191	0%	(96)	-	-	0%	(96)
12	Essel Propack LLC (Russia)	0%	433	-3%	(698)	-	-	-3%	(698)
13	Essel Propack Polska Sp. z.o.o.	11%	17,299	12%	2,633	-	-	11%	2,633
14	Arista Tubes, Inc (Refer note (ii) below)	-1%	(1,212)	0%	(0)	-	-	0%	(0)
15	Essel Packaging (Jiangsu) Limited	5%	7,687	3%	603	-	-	3%	603
16	Essel Propack MISR for Advanced Packaging S.A.E. (75%)	2%	2,829	7%	1,520	-	-	6%	1,520
17	Essel Deutschland GmbH & Co. KG	6%	9,121	8%	1,629	-	-	7%	1,629
18	Essel Deutschland Management GmbH	0%	55	0%	1	-	-	0%	1
III	Non-controlling interest								
	Essel Propack MISR for Advanced Packaging S.A.E (25%)	1%	943	2%	507	-	-	2%	507
IV	Associate								
	Foreign								
	PT Lamipak Primula (30%)	1%	1,170	0%	(78)	-1%	(14)	0%	(93)

Note:

(i) 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.

(ii) Excludes earnings of subsidiary, Essel Propack America, LLC included in its standalone financial statements.

43 Exceptional items (net)

i) Exceptional items for the year ended 31 March 2020 include

(a) ₹ 1,091 lakhs being net gain on sale of land and building, plant and machinery and other equipment of one of its factory recognised during the year and

(b) ₹ 2,030 lakhs being write off of credit impaired loan given (including interest) on the basis of impairment assessment carried out by Management during the year.

ii) Exceptional items for the year ended 31 March 2019 represent expenses of ₹ 95 lakhs incurred towards relocation of manufacturing facilities of one of the overseas subsidiaries and write back of an amount of ₹ 400 lakhs being reversal of excess provision for contingency, which is no longer required.

44 Earnings per share (EPS)

	2020	2019
Profit for the year attributable to owners of the parent (₹ in lakhs)	20,725	19,253
Weighted average number of shares for Basic EPS (Nos.)	315,384,117	314,773,502
Weighted average number of shares for Diluted EPS (Nos.)	315,474,431	314,940,204
Nominal value of equity shares (₹)	2.00	2.00
Earnings per share		
Basic EPS (₹)	6.57	6.12
Diluted EPS (₹)	6.57	6.11

45 Related party disclosures

a. List of related parties

i) Entities where control exists *

Name of Company	Relationship
Blackstone Capital Partners Asia L.P.	Ultimate holding company
Epsilon Pledgeco Pte Ltd	Intermediate holding company
Epsilon Bidco Pte Ltd	Holding company

* (w.e.f. 22 August 2019)

ii) Associate (Refer note 2.3(ii))

P.T. Lamipak Primula

iii) Other related parties with whom transactions have taken place during the year and balances outstanding at the year end (ceased to be other related parties w.e.f. 22 August 2019)

Aqualand (India) Limited, Vyoman Tradelink India Private Limited, Ebix Payment Services Private Limited, Essel World Leisure Private Limited.

iv) Key management personnel / Directors

Executive director	Mr. Ashok Goel (Chairman and Managing Director) *
Independent director	Mr. Boman Moradian *
Independent director	Mr. Mukund M. Chitale *
Independent director	Ms. Radhika Pereira *
Non - executive director	Mr. Atul Goel *
Non - executive director	Mr. Ramesh Chandra Gupta *
Non - executive director	Mr. Amit Dixit $
Non - executive director	Mr. Amit Jain $
Non - executive director	Mr. Animesh Agrawal $
Non - executive director	Mr. Aniket Damle $
Non - executive director	Mr. Qi Yang $
Independent director	Mr. Uwe Ferdinand $
Independent director	Ms. Sharmila Karve $
Independent director	Mr. Davinder Singh Brar $
Whole time director	Mr. Vinay Mokashi @
Managing director	Mr. Sudhanshu Vats #

* Resigned w.e.f. 22 August 2019

$ Appointed w.e.f. 22 August 2019

@ Appointed w.e.f. 22 August 2019 and resigned w.e.f. 15 April 2020

Appointed w.e.f. 16 April 2020

b. Transactions with related parties

(A) Transactions during the year

(₹ in lakhs)

		2020	2019
a.	Purchase of goods and services		
	Other related parties	**28**	**70**
	Ebix Payment Services Private Limited	28	68
	Essel World Leisure Private Limited	-	2
b.	Rent expenses		
	Other related parties	**452**	**1,072**
	Vyoman Tradelink India Private Limited	452	1,072
c.	Guarantee commission paid		
	Other related parties	-	**134**
	Aqualand (India) Limited	-	134
d.	Remuneration paid / provided	**965**	**661**
	Mr. Ashok Goel	907	661
	Mr. Vinay Mokashi	58	-
e.	Commission to directors	**68**	**45**
	Mr. Boman Moradian	5	15
	Mr. Mukund M. Chitale	5	15
	Ms. Radhika Pereira	5	15
	Mr. Davinder Singh Brar	22	-
	Ms. Sharmila Karve	15	-
	Mr. Uwe Ferdinand	16	-
f.	Directors' sitting fees	**12**	**10**
	Mr. Boman Moradian	3	3
	Mr. Mukund M. Chitale	2	4
	Ms. Radhika Pereira	2	3
	Mr. Davinder Singh Brar	2	-
	Ms. Sharmila Karve	2	-
	Mr. Uwe Ferdinand	1	-

(B) Balance outstanding

(₹ in lakhs)

		2020	2019
a.	Deposits given		
	Other related parties	-	**850**
	Vyoman Tradelink India Private Limited	-	850
b.	Trade and other payables		
	Other related parties	-	**132**
	Vyoman Tradelink India Private Limited	-	132
c.	Guarantees / security provided on group's behalf		
	Other related parties	-	**9,500**
	Aqualand (India) Limited	-	9,500
	[Loan outstanding Nil (31 March 2019 : Nil)]		
d.	Remuneration payable	**72**	**157**
	Mr. Ashok Goel	63	157
	Mr. Vinay Mokashi	9	-
e.	Commission payable (Gross)	**68**	**45**
	Mr. Boman Moradian	5	15
	Mr. Mukund M. Chitale	5	15
	Ms. Radhika Pereira	5	15
	Mr. Davinder Singh Brar	22	-
	Ms. Sharmila Karve	15	-
	Mr. Uwe Ferdinand	16	-

Notes:

i) 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.

ii) The above disclosures are excluding Ind AS adjustments.

c. Break up of remuneration of key management personnel of the Company

(₹ in lakhs)

		2020	2019
	Chairman and Managing director		
i.	Salaries, allowances and perquisites	186	467
ii.	Contribution to provident and other funds	15	37
iii.	Performance bonus *	63	157
iv.	Retirement benefits $	643	-
	Total	**907**	**661**

* 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 computed as per the Companies Act, 2013 is within limits prescribed u/s 197 of the Companies Act, 2013.

$ Retirement benefits include gratuity of ₹ 468 lakhs and leave encashment of ₹ 175 lakhs paid during the year. Further, the Essel Employee Stock Option Scheme 2014 does not extend to chairman and managing director, hence there is no share based compensation benefit.

(₹ in lakhs)

		2020	2019
	Whole-time director		
i.	Salaries, allowances and perquisites ^	47	-
ii.	Contribution to provident and other funds	2	-
iii.	Performance bonus *	9	-
	Total	58	-

^ Excludes leave encashment and gratuity liability provided in the books on the basis of actuarial valuation on an overall Company basis.

* 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.

46 Dividend of ₹ 7 lakhs (31 March 2019 : ₹ 5 lakhs) 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 2020.

47 Dividends paid and proposed

(₹ in lakhs)

		2020	2019
a.	Dividends on equity shares declared and paid		
	Final dividend paid in current year for the year ended 31 March 2019 ₹ 1.25 per share (Paid in previous year for the year ended 31 March 2018 : ₹ 2.40 per share)	3,941	3,772
	Dividend distribution tax on above	810	776
	Interim dividend paid in current year ₹ 1.25 per share	3,943	-
b.	Proposed dividends on equity shares		
	Final dividend proposed for the year ended 31 March 2020 ₹ 2.05 per share (31 March 2019 : ₹ 1.25 per share)	6,467	3,941
	Dividend distribution tax on above	-	810

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.

48 Corporate Social Responsibility (CSR)

During the year, the Company has spent ₹ 28 lakhs (31 March 2019 : ₹ 56 lakhs) towards various CSR initiatives as against ₹ 205 lakhs (31 March 2019 : ₹ 209 lakhs) as required by Section 135 read with Schedule VII of the Companies Act, 2013. CSR expenses have been charged to the consolidated statement of profit and loss under "Other expenses" in line with ICAI guidance note issued in May 2015.

49 Research and Development expenditure (R & D)

During the year, the Company has incurred total R & D expenditure of ₹ 1,559 lakhs (31 March 2019 : ₹ 890 lakhs) including capital expenditure of ₹ 378 lakhs (31 March 2019 : ₹ 275 lakhs). The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019 (refer note 53(e)). Accordingly, the Company did not claim deduction under section 35(2AB) of the Income Tax Act, 1961 while computing income tax for the year ended 31 March 2020.

50 Gratuity and other post employment benefit plans

The disclosures of employee benefits as defined in the Ind AS 19 - "Employee Benefits" are given below:

a. The parent company makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by the LIC of India and HDFC Bank. 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.

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

c. Details of post retirement gratuity plan for parent company are as follows:-

i. Net expenses recognised during the year in the consolidated statement of profit and loss

(₹ in lakhs)

	2020	2019
Current service cost	104	99
Interest cost	98	80
Net expenses recognised in the consolidated statement of profit and loss	202	179

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

(₹ in lakhs)

	2020	2019
Actuarial (gains) / losses arising from changes in demographic assumptions	(70)	106
Actuarial (gains) / losses arising from changes in financial assumptions	40	21
Actuarial (gains) / losses arising from changes in experience assumptions	40	60
Expected return on plan assets excluding interest	4	(2)
Net expenses recognised in OCI	14	185

iii Net liability recognised in the consolidated balance sheet

(₹ in lakhs)

	2020	2019
Present value of obligation	1,549	1,844
Less : Fair value of plan assets	423	534
Liability recognized in consolidated balance sheet	1,126	1,310

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

(₹ in lakhs)

	2020	2019
Defined benefit obligation as at the beginning of the year	1,844	1,569
Current service cost	104	99
Interest cost	138	123
Actuarial (gain) / loss on obligation	11	187
Benefits paid	(548)	(134)
Defined benefit obligation at the end of the year	1,549	1,844

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

(₹ in lakhs)

	2020	2019
Fair values of plan assets at the beginning of the year	534	559
Interest income	40	44
Return on plan assets, excluding interest income	(3)	2
Employer contribution	400	63
Benefits paid	(548)	(134)
Fair value of plan assets at year end	423	534

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

(₹ in lakhs)

	2020	2019
Net defined benefit obligation as at the beginning of the year	1,310	1,010
Current service cost	104	99
Interest cost (net)	98	79
Actuarial (gain) / loss on obligation	11	187
Return on plan assets, excluding interest income	3	(2)
Employer contribution	(400)	(63)
Net defined benefit obligation at the end of the year	1,126	1,310

vii. Investment details

(₹ in lakhs)

	2020	2019
Insurer Managed Funds	423	534

viii. Actuarial assumptions

	2020	2019
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate
Discount rate(per annum)	6.04%	7.50%
Expected rate of return on plan assets (per annum)	7.50%	7.50%
Rate of escalation in salary (per annum)	5.00%	6.00%
Attrition rate	Service 2 years and below - 29%, more than 2 year and below 4 - 25%, others - 5%	Service 4 years and below - 10%, others - 1%

ix Quantitative sensitivity analysis

(₹ in lakhs)

	2020	2019
Projected benefit obligation on current assumptions	1,549	1,844
Increase by 1% in discount rate	(87)	(56)
Decrease by 1% in discount rate	99	61
Increase by 1% in rate of salary increase	99	62
Decrease by 1% in rate of salary increase	(89)	(57)
Increase by 1% in rate of employee turnover	5	3
Decrease by 1% in rate of employee turnover	(6)	(4)

x Maturity analysis of projected benefit obligation from the fund

(₹ in lakhs)

Projected benefits payable in future years from the date of reporting	2020	2019
1st Following Year	330	796
2nd Following Year	104	156
3rd Following Year	113	148
4th Following Year	137	144
5th Following Year	125	151
Sum of years 6 to 10	600	546
Sum of years 11 and above	1,030	591

Notes:

1 Amounts recognized as an expense and included in the Note 34 "Employee benefits expense" are gratuity ₹ 104 Lakhs (31 March 2019 ₹ 99 Lakhs) and leave encashment ₹ 460 Lakhs (31 March 2019 ₹ -10 Lakhs). Net interest cost on defined benefit obligation recognised in Note 35 under "Finance costs" is ₹ 98 Lakhs (31 March 2019 ₹ 79 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 contribution plan is recognized as an expense in Note 34 of the consolidated financial statements.

d. Details of post retirement gratuity plan in respect of a subsidiary in Philippines are as follows:-

The subsidiary 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 consolidated statement of profit and loss and the funding status and amounts recognized in the consolidated balance sheets for the respective pension plans.

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

(₹ in lakhs)

	2020	2019
Current service cost	32	24
Interest cost	16	13
Net expenses	**48**	**37**

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

(₹ in lakhs)

	2020	2019
Net actuarial (gain) / loss transferred to OCI	89	26

iii. Net liability recognised in the consolidated balance sheet

(₹ in lakhs)

	2020	2019
Fair value of plan assets	172	146
Present value of obligation	390	238
Liability recognized in the consolidated balance sheet	**218**	**92**

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

(₹ in lakhs)

	2020	2019
Defined benefit obligation as at the beginning of the year	238	174
Current service cost	32	24
Interest cost	16	13
Actuarial (gain) / loss on obligation	75	(5)
Liability transferred in/ (paid)	6	22
Benefits paid	(11)	-
Exchange Adjustments	34	10
Defined benefit obligation at the end of the year	390	238

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

(₹ in lakhs)

	2020	2019
Fair values of plan assets at the beginning of the year	146	137
Return on plan assets, excluding interest income	10	11
Actuarial gain / (loss) for the year	(9)	(10)
Employer contribution	19	-
Benefits paid	(11)	-
Exchange Adjustments	17	8
Fair value of plan assets at year end	172	146

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

(₹ in lakhs)

	2020	2019
Defined benefit obligation as at the beginning of the year	92	37
Current service cost	32	24
Interest cost (net)	16	13
Actuarial (gain) / loss on obligation	84	5
Liability transferred in/ (paid)	6	22
Return on plan assets, excluding interest income	(10)	(11)
Employer contribution	(19)	-
Exchange Adjustments	17	2
Net defined benefit obligation at the end of the year	218	92

vii. Actuarial assumptions

	2020	2019
Discount rate(per annum)	4.43%	6.53%
Expected rate of return on plan assets (per annum)	5.18%	5.23%
Rate of escalation in salary (per annum)	6.00%	6.00%

viii. Quantitative sensitivity analysis

(₹ in lakhs)

	2020	2019
Projected benefit obligation on current assumptions	390	238
Increase by 0.5% in discount rate	369	237
Decrease by 0.5% in discount rate	414	239
Increase by 0.5% in rate of salary increase	414	239
Decrease by 0.5% in rate of salary increase	368	237
Increase by 0.5% in rate of employee turnover	390	237
Decrease by 0.5% in rate of employee turnover	391	239

Notes:

1 Amounts recognized as an expense and included in the Note 34 "Employee benefits expense" are gratuity and other defined benefit obligation of ₹ 32 Lakhs (31 March 2019 ₹ 24 Lakhs) and net interest cost on defined benefit obligation recognised in Note 35 under "Finance costs" is ₹ 16 Lakhs (31 March 2019 ₹ 13 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.

e Details of post retirement gratuity plan in respect of a subsidiary in Mexico are as follows:-

The subsidiary company hired the employees of the payroll entity that provided the services required to carry out its operations, up to March 31, 2019, in consequence, it assumed the benefits and seniority of the employees as of that date. The subsidiary has a unfunded, noncontributory defined benefit plan for seniority premium and severance. The liability is calculated by independent actuaries, using projected unit credit method . The tables below summarize the components of net benefits cost recognized in consolidated statement of profit and loss and the funding status and amounts recognized in the consolidated balance sheets.

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

(₹ in lakhs)

	2020	2019
Current service cost	15	-
Interest cost	7	-
Net expenses	**22**	-

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

(₹ in lakhs)

	2020	2019
Net actuarial (gain) / loss transferred to OCI	6	-

iii. Net liability recognised in the consolidated balance sheet

(₹ in lakhs)

	2020	2019
Present value of obligation	82	-
Liability recognized in the consolidated balance sheet	**82**	-

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

(₹ in lakhs)

	2020	2019
Defined benefit obligation as at the beginning of the year	-	-
Liability transferred in/ (paid)	72	
Current service cost	15	-
Interest cost	7	-
Actuarial (gain) / loss on obligation	6	-
Benefits paid	(15)	-
Exchange Adjustments	(3)	-
Defined benefit obligation at the end of the year	**82**	-

v. Actuarial assumptions

	2020	2019
Discount rate(per annum)	7.50%	-
Rate of escalation in salary (per annum)	5.00%	-

vi. Quantitative sensitivity analysis

(₹ in lakhs)

	2020	2019
Projected benefit obligation on current assumptions	**82**	-
Increase by 0.5% in discount rate	78	-
Decrease by 0.5% in discount rate	87	-
Increase by 0.5% in rate of salary increase	86	-
Decrease by 0.5% in rate of salary increase	78	-
Increase by 0.5% in rate of employee turnover	81	-
Decrease by 0.5% in rate of employee turnover	83	-

Notes:

1 Amounts recognized as an expense and included in the Note 34 "Employee benefits expense" are gratuity and other defined benefit obligation of ₹ 15 Lakhs (31 March 2019 ₹ Nil) and net interest cost on defined benefit obligation recognised in Note 35 under "Finance costs" is ₹ 7 Lakhs (31 March 2019 ₹ Nil).

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.

51 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 vested 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

	2020		2019	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	60.83	367,664	121.65	766,828
Add : Issue of bonus equity shares (Refer note 18(e))	-	-	-	766,828
Adjusted value and number of options	**60.83**	**367,664**	**60.83**	**1,533,656**
Exercised during the year (Refer note (i) below)	60.83	(207,321)	60.83	(880,292)
Lapsed during the year				
- Vested options (Refer Note (ii) below)	-	-	60.83	(285,700)
Closing balance		**160,343**		**367,664**
Vested and exercisable	60.83	160,343	60.83	367,664

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

Grant date	Expiry date	2020		2019	
		Exercise price (₹)	Nos of Option	Exercise price (₹)	Nos of Option
19 March 2015	30 June 2020	60.83	160,343	* 60.83	367,664
Total			**160,343**		**367,664**
Weighted average remaining contractual life of options outstanding at end of period			0.25		**1.25**

* Adjusted for bonus equity shares

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	
Grant date	19 March 2015
Weighted average fair value of options granted	49.20
Exercise price - before issue of bonus shares (₹)	121.65
Exercise price - after issue of bonus shares (₹)	60.83
Share price at the grant date before issue of bonus shares (₹)	116.50
Share price at the grant date after issue of bonus shares (₹)	58.25
Expected volatility	47.55%
Risk free interest rate	7.64%
Dividend yield	1.28%
Expected life of the options (years)	3.29 to 5.29

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) There are no expenses arising from share based payments transactions (Non-vested options).

Notes:

(i) The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2020 was ₹150.03 (31 March 2019 : ₹ 102.70)

(ii) Lapsed on account of employees resigned without exercising.

52 Interest in Associate

The group has 30% interest in PT Lamipak 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)

	2020	2019
Current assets	10,041	12,541
Non-current assets*	9,397	9,281
Current liabilities	(11,442)	(12,550)
Non-current liabilities	(4,096)	(5,062)
Equity	**3,900**	**4,210**
Proportion of the Company's ownership (%)	30%	30%
Proportion of the Company's ownership (₹)	1,170	1,263
Add: Goodwill	514	514
Less: Tax on distributable profits	(82)	(98)
Carrying amount of the investments (Refer note 5)	**1,602**	**1,679**

*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 ₹ 1,443 lakhs as at 31 March 2020 and ₹ 2,026 lakhs as 31 March 2019 to align with the Group's policy.

ii) Summarised statement of profit and loss is as under:

(₹ in lakhs)

	2020	2019
Total revenue	17,887	17,882
Profit for the year *	(261)	2,099
Other comprehensive income for the year	(48)	56
Total comprehensive income	**(309)**	**2,155**
Group's share of profit for the year (30%) [excluding reversal of tax on distributable profits of ₹ 15 Lakhs (31 March 2019: tax on distributable profits of ₹ 98 Lakhs)]	(78)	630
Group's share of Other comprehensive income (30%)	(14)	17

*Profit for the year is net of adjustment for policy difference and is after excluding the effect of depreciation on revaluation of property, plant and equipment done by the associate amounting to ₹ 466 lakhs as at 31 March 2020 and ₹ 457 lakhs as 31 March 2019 to align with the Group's policy.

iii) Dividend received:

(₹ in lakhs)

	2020	2019
Dividend received from Associate	-	173

53 Income tax

a) The major components of income tax for the year ended 31 March 2020 are as under:

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

(₹ in lakhs)

	2020	2019
Current tax		
Current tax on profits for the year	8,539	8,215
Adjustments for current tax of prior periods	(1,155)	(179)
Total current tax expense	7,384	8,036
Deferred tax		
Relating to origination and reversal of temporary differences	(1,005)	1,283
Income tax expense reported in the consolidated statement of profit and loss	6,379	9,319

ii) Deferred tax related to items recognized in Other Comprehensive Income (OCI) during the year

(₹ in lakhs)

	2020	2019
Deferred tax on remeasurements of the defined benefit plans	32	72
Deferred tax on share of OCI of associate	7	(4)
Deferred tax recognised in OCI	39	68

b) Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in lakhs)

	2020	2019
Profit before tax	27,537	28,858
Income tax expense calculated at corporate tax rate*	6,931	10,084
Adjustments in respect of current income tax for previous years	(1,155)	(179)
Utilisation of unrecognised deferred tax assets on unused tax losses	(425)	(76)
Tax effect on non-deductible expenses	1,768	584
Additional allowance for tax purpose	(546)	(709)
Effect of income that is exempted from tax	(727)	(407)
Effect of different tax rates	946	(133)
Effect of change in tax rate [Refer note (e) below]	(326)	-
Other temporary differences	(87)	155
Income tax expense charged to the consolidated statement of profit and loss	6,379	9,319

* The tax rate used for reconciliation above is the corporate tax rate of 25.168% (31 March 2019 : 34.944%) payable by parent entity in India on taxable profits under Indian tax law.

c) Deferred tax relates to the following:

(₹ in lakhs)

		Consolidated balance sheet		Recognized in consolidated statement of profit and loss		Recognized in OCI	
		2020	2019	2020	2019	2020	2019
	Deferred tax liabilities (net)						
i)	Taxable temporary differences						
	Depreciation on property,plant and equipment and intangible assets	4,520	5,336	(816)	1,672	-	-
	Tax on undistributed profits of subsidiaries	1,234	1,124	110	180	-	-
	Unamortised ancillary borrowing costs	4	6	(2)	(3)	-	-
	Other taxable temporary differences	26	-	26	(18)		
		5,784	**6,466**	**(682)**	**1,831**	**-**	**-**
	Less : Deductible temporary differences						
	Employee benefits / expenses allowable on payment basis	724	895	171	(121)	-	-
	Allowance for bad and doubtful debts	185	215	30	(19)	-	-
	Other deductible temporary differences	123	261	138	(162)	-	-
		1,032	**1,371**	**339**	**(302)**	**-**	**-**
	Deferred tax liabilities (net) (a)	**4,752**	**5,095**	**(343)**	**1,529**	**-**	**-**
ii)	Deferred tax assets (net)						
	Deductible temporary differences						
	Employee benefits / expenses allowable on payment basis	527	364	(124)	8	(39)	(68)
	Unrealised profit on inter-company transactions	216	207	(9)	(94)	-	-
	Unused tax losses	263	174	(89)	(37)	-	-
		1,006	**745**	**(222)**	**(123)**	**(39)**	**(68)**
	Less : Taxable temporary differences						
	Other taxable temporary differences	-	7	(7)	(4)	-	-
		-	**7**	**(7)**	**(4)**	**-**	**-**
	Deferred tax assets (net) (b)	**1,006**	**738**	**(229)**	**(127)**	**-**	**-**
	Sub-total (a-b)			**(572)**	**1,402**		
	Add: Foreign currency translation			(433)	(119)		
	Deferred tax charge / (credit) recognised in the consolidated statement of profit and loss			**(1,005)**	**1,283**	**(39)**	**(68)**

d) The parent company and its subsidiaries have the following unused tax losses which arose on incurrence of capital losses and business losses under the Income Tax for which no deferred tax asset (DTA) has been recognised

(₹ in lakhs)

	2020	2019
Business loss	3,085	3,969
DTA on business loss	581	788
Capital loss	4,402	2,726
DTA on capital loss	1,025	635

e) During the year, the parent company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the parent company has recognized provision for income tax for the year ended 31 March 2020 and re-measured its net deferred tax liabilities basis the rate prescribed in the said section. The impact of this benefit of ₹ 326 lakhs is recognised in the consolidated statement of profit and loss for the year ended 31 March 2020.

54 Financial risk management

The group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk - Foreign currency; and
- Market risk - Interest rate

A Credit risk

Credit risk is the risk of financial loss to the group if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including lease rental deposits, 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.

i) Trade receivables

The group extends credit to customers in the normal course of business. The group considers factors such as financial conditions / market practices, credit track record in the market, analysis of historical bad debts and past dealings for extension of credit to customers. Individual credit limits are set accordingly. The group monitors the payment track record of the customers and ageing of receivables. Outstanding customer receivables are regularly monitored. The group considers 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) The ageing analysis of the receivables (net of allowance for bad and doubtful debts) has been considered from the date the invoice falls due.

(₹ in lakhs)

	2020	2019
Up to 3 months	47,901	48,955
3 to 6 months	854	337
More than 6 months	273	48
Total	**49,028**	**49,340**

iii) The following table summarizes the change in the allowance for bad and doubtful debts :

(₹ in lakhs)

As at 1 April 2018	**651**
Provided during the year	245
Amounts written off	(153)
Reversals of provision	(39)
As at 31 March 2019	**704**
Provided during the year	288
Amounts written off	(52)
Reversals of provision	(92)
As at 31 March 2020	**848**

The Group uses a provision matrix whereby trade receivables are considered doubtful based on past trends where such receivables are outstanding for more than a year. The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2020 and 31 March 2019 is not material and the same has not been recognised. The reversal for lifetime expected credit loss on customer balances for the year ended 31 March 2020 is ₹ Nil (31 March 2019: ₹ Nil)

iv) Other financial instruments

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. Security deposits against leasing of premises / equipments are refundable upon closure of the lease and hence credit risk associated with such deposits is relatively low.

B Liquidity risk

i) 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. It maintains adequate sources of financing including loans, debts and overdraft from banks. It also enjoys strong access to domestic capital markets across various debt instruments.

ii) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2020

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long term borrowings	11,996	33,278	-	45,274
Short term borrowings	19,452	-	-	19,452
Lease liabilities	2,431	5,557	1,118	9,106
Interest payable	2,055	2,330	-	4,385
Trade payables	24,459	-	-	24,459
Other financial liabilities	15,465	-	-	15,465
Total	**75,858**	**41,165**	**1,118**	**118,141**

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign exchange forward contracts	3	-	-	3
Total	**3**	**-**	**-**	**3**

As at 31 March 2019

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long-term borrowings	4,925	44,585	2,785	52,295
Short-term borrowings	11,127	-	-	11,127
Interest payable	2,979	4,982	112	8,073
Trade payables	20,650	-	-	20,650
Other financial liabilities	14,686	-	-	14,686
Total	**54,367**	**49,567**	**2,897**	**106,831**

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign exchange forward contracts	33	-	-	33
Total	**33**	**-**	**-**	**33**

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 Group 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 Group is 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"), the Pound Sterling ("GBP") and others. Consequently, the Group is exposed primarily to the risk that the exchange rate of the functional currency relative to the USD, the EUR, the CHF, the GBP and others may change in a manner that has a material effect on the reported values of the Group's 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 use of derivatives like foreign exchange forward contracts in order to minimise the impact of exchange rate movements on the results. 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 foreign operations.

a) Foreign currency risk exposure

(₹ in lakhs)

	2020					2019				
	USD	EUR	CHF	GBP	Others	USD	EUR	CHF	GBP	Others
Financial assets										
Trade receivables	9,013	5,493	-	262	-	7,896	3,422	47	313	2
Cash and bank balances	1,550	371	368	-	-	2,522	127	-	-	19
Others	375	80	-	-	624	447	72	-	-	389
Derivative assets										
Foreign exchange forward contracts	(832)	-	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**10,106**	**5,944**	**368**	**262**	**624**	**10,865**	**3,621**	**47**	**313**	**410**
Financial liabilities										
Borrowings	-	447	-	-	-	393	1,444	461	-	-
Trade payables	8,331	5,978	486	268	20	6,727	3,087	381	978	699
Others	-	-	-	-	486	13	0	2	-	24
Derivative liabilities										
Foreign exchange forward contracts	(137)	-	-	-	(8)	(635)	-	(461)	-	(351)
Net exposure to foreign currency risk (liabilities)	**8,194**	**6,425**	**486**	**268**	**498**	**6,498**	**4,531**	**383**	**978**	**372**

The above table exclude foreign currency exposures (financial liabilities) of ₹ 1,516 Lakhs (31 March 2019: ₹ 3,063 Lakhs) denominated primarily in EURO currency for which the exchange differences (net) are being capitalised to cost of property, plant and equipment and foreign currency exposures (financial liabilities) of ₹ 2,020 Lakhs (31 March 2019: ₹ Nil) denominated in EURO currency for which hedge accounting as per Ind AS 109 is adopted.

b) Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the USD, EUR, CHF, 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:

(₹ in lakhs)

Currencies / Sensitivity	2020		2019	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
	(Loss) / Gain		(Loss) / Gain	
USD	96	(96)	218	(218)
EUR	(24)	24	(46)	46
CHF	(6)	6	(17)	17
GBP	(0)	0	(33)	33
Others	6	(6)	2	(2)

c) Hedge Accounting

The Company's business objective includes safe-guarding its earnings against adverse price movements of foreign exchange and interest rates. The Group has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value and Cash Flow hedges. Hedging instruments include non-derivative instruments to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date. Disclosure of effect of Hedge

i) Hedging Instruments

(₹ in lakhs)

Particulars	Nominal value	Carrying amount		Changes in fair value	Hedge maturity	Line items in consolidated balance sheet
		Assets	Liabilities			
As at 31 March, 2020						
Foreign currency risk						
Foreign currency risk component - loan payable	1,890	-	2,020	130	January 2020 to March 2021	Borrowings
As at 31 March, 2019						
Foreign currency risk						
Foreign currency risk component - loan payable	-	-	-	-	-	-

ii) Hedged Items

Particulars	Nominal value	Changes in fair value	Cash flow hedge reserve	Line item in consolidated balance sheet
As at 31 March, 2020				
Foreign currency risk				
Highly probable forecasted sales	1,890	130	130	Other equity
As at 31st March, 2019				
Foreign currency risk				
Highly probable forecasted sales	-	-	-	-

iii) Movement in cash flow hedge reserve

Particulars	2020	2019	Line items in consolidated balance sheet
At the beginning of the year	-	-	
Gain/ (loss) recognised in other comprehensive income during the year	(130)	-	Other comprehensive income -Items that will be reclassified to profit or loss
Hedge ineffectiveness recognised in profit or loss	-	-	
Amount reclassified to Profit and Loss during the year	-	-	
At the end of the year	(130)	-	Other comprehensive income -Items that will be reclassified to profit or loss

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)

	2020	2019
Variable rate borrowings	64,255	62,759
Fixed rate borrowings	472	663
Total borrowings	**64,727**	**63,422**

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 points 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	
	2020	**2019**
Interest rates - (increase) by 50 basis points	(321)	(314)
Interest rates - decrease by 50 basis points	321	314

55 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 plus net debt.

The capital composition is as follows:

(₹ in lakhs)

	2020	2019
Gross debt (inclusive of long term and short term borrowing)	64,727	63,422
Less: Cash and bank balances*	37,154	13,472
Net debt	**27,573**	**49,950**
Total equity (including non-controlling interest)	154,125	139,312
Total capital	**181,698**	**189,262**
Gearing ratio	**15%**	**26%**

* Including deposits with banks having original maturity period of more than 12 months of ₹ 32 lakhs (31 March 2019 ₹ 32 lakhs) shown under other current and non-current financial assets.

b) Loan covenants

Borrowings 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 Group meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of adoption of the consolidated financial statements. The Group 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.

56 Fair value measurements

i) Financial instruments by category:

(₹ in lakhs)

	2020		2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Loans	-	1,528	-	3,351
Trade receivables	-	49,028	-	49,340
Cash and bank balances*	-	37,154	-	13,472
Derivative instruments	-	-	3	-
Other financial assets	-	948	-	924
Total financial assets	-	88,658	3	67,087
Financial liabilities				
Borrowings (including current maturities)	-	64,570	-	63,250
Lease Liabilities	-	9,106	-	-
Trade payables	-	24,460	-	20,650
Derivative instruments	3	-	33	-
Other financial liabilities	-	15,465	-	14,686
Total financial liabilities	3	113,601	33	98,586

* Including deposits with banks having original maturity period of more than twelve months of ₹ 32 lakhs (31 March 2019 ₹ 32 lakhs) shown under other current and non-current financial assets.

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 consolidated 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 Indian Accounting Standards. An explanation of each level follows underneath the table.

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

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 foreign exchange forward contract.

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 through profit or loss at each reporting date

(₹ in lakhs)

	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at FVTPL						
Derivative instruments	-	-	-	-	3	-
Total	-	-	-	-	3	-
Financial liabilities measured at FVTPL						
Derivative instruments	-	3	-	-	33	-
Total	-	3	-	-	33	-

iv) Non-current financial assets and liabilities measured at amortised cost at each reporting date

(₹ in lakhs)

	2020		2019	
	Fair value	Carrying amount	Fair value	Carrying amount
Non-current financial assets				
Loans	1,020	970	1,031	973
Other financial assets	255	255	261	261
Non-current financial liabilities				
Borrowings	32,950	32,950	46,929	46,929
Lease Liabilities	6,675	6,675	-	-

Notes:

a) The group's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

b) The fair values for "Non-current financial assets" comprising of lease rental deposits and bank deposits (due for maturity after twelve months from the reporting date) are based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs including counterparty credit risk.

c) The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, current loans, other current financial assets, current borrowings, trade payables and other financial liabilities approximates the fair values due to the short-term maturities of these financial assets / liabilities.

d) There have been no transfers between level 1, level 2 and level 3 for the years ended 31 March 2020 and 31 March 2019.

v) 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. The fair values of the remaining financial instruments is determined using discounted cash flow method.

57 Disclosures pertaining to Ind AS 115 "Revenue from Contracts with Customers"

a) Reconciliation of contract liabilities as at the beginning and at the end of the year

(₹ in lakhs)

	2020	2019
Opening balance of contract liabilities	371	315
Add: Contract liabilities recognised during the year	2,089	1,266
Less: Revenue recognised out of contract liabilities	2,176	1,210
Refund and write back made	4	-
Closing balance of contract liabilities as at 31 March	**280**	**371**

b) Revenue recognised during the year from performance obligations satisfied (or partially satisfied) in the previous period is ₹ Nil (31 March 2019: ₹127 lakhs) on account of change in the transaction price.

c) Disaggregated revenue by timing is as follows. Disaggregated revenue by geographical area is disclosed in note 60.

(₹ in lakhs)

Timing of transfer of goods/services	2020			2019		
	Sale of products*	Service charges	Total	Sale of products*	Service charges	Total
Revenue recognised at a point in time	273,162	1,018	274,180	267,582	1,117	268,699
Revenue recognised over time	-	1,491	1,491	-	1,467	1,467

* Includes sale of scrap

d) Revenue reconciliation as per Ind AS 115 is as under.

(₹ in lakhs)

	2020	2019
Revenue as per the contracted price*	276,909	272,100
Less: Discounts/rebates given	1,238	1,934
Revenue recognised in the consolidated statement of profit and loss	**275,671**	**270,166**

* Includes sale of scrap

58 The Group has evaluated events and transactions for potential recognition or disclosure post balance sheet date. The World Health Organization has also declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on the Group's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. The Group is monitoring the developments and are taking necessary measures to mitigate the impact on the Group, if any.

59 Reconciliation between opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(₹ in lakhs)

	As at 1 April 2019	Cash inflows	Cash outflows	Non cash changes		As at 31 March 2020
				Interest accrued	Other changes (Refer notes below)	
Equity share capital	6,306	4	-	-	-	6,310
Securities premium	8,683	122	-	-	45	8,850
Non-convertible debentures (including current maturities)	5,109	-	-	(21)	3	5,091
Long-term borrowings (including current maturities)	46,878	2,069	(9,090)	(134)	202	39,925
Lease liabilities	-	-	(2,213)	-	11,319	9,106
Short-term borrowings	11,263	31,415	(23,089)	(33)	(2)	19,554

Notes:

i) Other changes in securities premium are on account of transfer from share options outstanding account on exercise of share options (Refer note 19).

ii) Other changes in borrowings and lease liabilities are on account of amortisation of ancillary borrowing costs, exchange difference and lease liabilities recognised in accordance with Ind AS 116 (Refer note 38) respectively.

60 (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 and Philippines

(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 2020

Primary segment disclosure - Geographical segment

(₹ in lakhs)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
Revenue							
External sales and services	89,670	57,064	61,569	67,704	-	-	276,007
Inter-segment sales and services	3,848	5,236	268	10	96	(9,458)	-
Total revenue	**93,518**	**62,300**	**61,837**	**67,714**	**96**	**(9,458)**	**276,007**
Segment results	**10,757**	**9,978**	**8,880**	**3,826**	**(525)**	**102**	**33,018**
Add / (Less) :							
Other income (including interest income of ₹ 377 lakhs)							1,339
Exchange difference gain / (loss) (net)							(253)
Finance costs							(5,565)
Share of profit from associate							(63)
Profit before tax and exceptional items							**28,476**
Less : Exceptional items (net) (Refer note 43)							(939)
Profit before tax							**27,537**
Less: Tax expense							
Current tax							7,384
Deferred tax charge / (credit)							(1,005)
Profit after tax before non-controlling interest							**21,158**
Less: Non-controlling interest							433
Profit for the year attributable to owners of the parent							**20,725**

Other segment information:

(₹ in lakhs)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. Segment assets *	94,906	63,941	56,561	63,779	7,448	(6,042)	**280,593**
2. Segment liabilities	20,270	14,976	10,004	15,096	71,016	(4,894)	**126,468**
3. Non current assets **	45,849	27,071	30,686	35,770	3,782	(531)	**142,627**
4. Capital expenditure	1,985	3,898	3,550	3,574	-	(145)	**12,862**
5. Depreciation and amortisation expense	10,013	4,382	3,651	4,837	165	(69)	**22,979**

Note :

* Segment assets - unallocated includes investments in associate of ₹ 1,602 lakhs.

** Non-current assets are excluding financial assets, deferred tax assets and investment in associate and joint ventures.

Segment reporting as at and for the year ended 31 March 2019

Primary segment disclosure - Geographical segment

(₹ in lakhs)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
Revenue							
External sales and services	92,760	60,647	58,769	58,517	-	-	270,693
Inter-segment sales and services	3,203	6,083	119	-	83	(9,488)	-
Total revenue	**95,963**	**66,730**	**58,888**	**58,517**	**83**	**(9,488)**	**270,693**
Segment results	**12,721**	**10,473**	**8,180**	**1,790**	**(1,329)**	**(300)**	**31,535**
Add / (Less) :							
Other income (including interest income of ₹1,109 lakhs)							2,851
Exchange difference gain / (loss) (net)							(234)
Finance costs							(6,131)
Share of profit from associate							532
Profit before tax and exceptional items							**28,553**
Less : Exceptional items (net) (Refer note 43)							305
Profit before tax							**28,858**
Less: Tax expense							
Current tax							8,036
Deferred tax charge / (credit)							1,283
Profit after tax before non-controlling interest							**19,539**
Less: Non-controlling interest							286
Profit for the year attributable to owners of the parent							**19,253**

Other segment information:

(₹ in lakhs)

	AMESA	EAP	Americas	Europe	Unallocated	Eliminations	Total
1. Segment assets *	80,973	60,055	46,368	57,234	13,022	(5,641)	**252,011**
2. Segment liabilities	14,404	13,665	5,897	12,895	70,345	(4,507)	**112,699**
3. Non current assets **	46,486	26,268	28,092	34,993	3,900	(475)	**139,264**
4. Capital expenditure	13,849	4,263	7,988	4,427	-	(125)	**30,402**
5. Depreciation and amortisation expense	7,708	3,748	2,835	4,243	162	(85)	**18,611**

Note :

* Segment assets - unallocated includes investments in associate of ₹ 1,679 lakhs.

** Non-current assets are excluding financial assets, deferred tax assets and investment in associate and joint ventures.

(b) There is one customer accounting for more than 10% of revenue, amounting to ₹ 29,263 Lakhs (31 March 2019 ₹ 30,147 lakhs)

61 Previous year's figures have been regrouped / rearranged wherever necessary to correspond with current year's classifications / disclosures.

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

Place: **Mumbai**
Date: 22 May 2020

Parag Shah
Chief Financial Officer

Suresh Savaliya
Head - Legal and Company Secretary

Consolidated statement of cash flows for the year ended 31 March 2020

(₹ in lakhs)

		2020	2019
A.	Cash flow from operating activities		
	Profit before tax	**27,537**	**28,858**
	Adjustments for:		
	Depreciation and amortisation expense	22,979	18,611
	Interest expense	4,428	4,851
	Interest income	(312)	(1,050)
	Unwinding of discount on security deposits	(66)	(59)
	Net loss on disposal of property, plant and equipment	61	101
	Exceptional items (Refer note 43)	939	(400)
	Gain on sale of current investments	(38)	(20)
	Share of (profit) / loss from associate	63	(532)
	Bad and doubtful debts/advances (net)	260	205
	Deferred rent amortisation	-	71
	Government grants	(491)	(741)
	Amortisation of ancillary borrowing costs	203	143
	Remeasurement gains/(losses) on defined benefit plan	(110)	(211)
	Exchange adjustments (net)	59	(1,131)
	Operating profit before working capital changes	**55,512**	**48,696**
	Adjustments for:		
	(Increase) / decrease in trade and other receivables	332	(3,819)
	(Increase) / decrease in inventories	(4,379)	(3,704)
	Increase / (decrease) in trade and other payables	4,826	3,479
	Cash generated from operations	**56,291**	**44,652**
	Direct taxes paid (net of refunds)	(7,530)	(9,013)
	Net cash from operating activities (A)	**48,761**	**35,639**
B.	Cash flow from investing activities		
	Purchase of property, plant and equipment / intangible assets (including under progress)	(12,862)	(30,402)
	Sale of property, plant and equipment	1,705	375
	(Increase) / decrease in other bank balances	17	(20)
	Investments in bank deposits	(5,853)	(4,308)
	Proceeds from maturity of bank deposits	4,308	5,684
	Purchase of current investments	(31,180)	(9,150)
	Sale of current investments	31,218	9,170
	Interest received	290	2,063
	Loan given repaid	-	7,628
	Dividend received from associate	-	173
	Net cash used in investing activities (B)	**(12,357)**	**(18,787)**

Consolidated statement of cash flows for the year ended 31 March 2020

(₹ in lakhs)

		2020	2019
C.	Cash flow from financing activities		
	Proceeds from issue of equity shares (including securities premium)	126	534
	Redemption of non-convertible debentures	-	(4,000)
	Proceeds from long-term borrowings	2,069	17,525
	Repayment of long-term borrowings	(9,090)	(16,057)
	Proceeds from short-term borrowings	31,415	28,378
	Repayment of short-term borrowings	(23,089)	(31,583)
	Principal payment of lease liabililies	(2,213)	(4,543)
	Interest on lease liabilities	(822)	-
	Interest paid	(3,793)	(4,853)
	Ancillary borrowing cost incurred	-	(15)
	Dividend paid (including tax)	(8,681)	(4,538)
	Dividend paid to non-controlling interests	(202)	(239)
	Net cash used in financing activities (C)	**(14,280)**	**(19,391)**
Net changes in cash and cash equivalents(A+B+C)		**22,124**	**(2,539)**
Cash and cash equivalents at the beginning of the year		9,035	11,574
Cash and cash equivalents at the end of the year		**31,159**	**9,035**

Notes :

1. As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 59 of the consolidated financial statements.
2. Previous year figures have been regrouped / rearranged wherever necessary.

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

Place: **Mumbai**
Date: 22 May 2020

Parag Shah
Chief Financial Officer

Suresh Savaliya
Head - Legal and Company Secretary

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures as per Companies Act 2013

(Pursuant to first provisio to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

FORM AOC - 1

Part "A" : Subsidiaries

(Amount in ₹ lakhs)

Sr.No.	Name of the Subsidiary	Currency	Exchange Rate as on 31.03.2020	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment (Other than in Subsidiary)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1	Essel Propack America, LLC	US Dollar	75.6650	8,620	35,723	56,837	12,494	-	46,359	6,837	1,796	5,041	-	100%
2	Lamitube Technologies Limited	US Dollar	75.6650	6,280	63,294	91,361	21,787	-	96	6,877	947	5,930	3,783	100%
3	Lamitube Technologies (Cyprus) Limited	US Dollar	75.6650	7,567	(1,295)	6,278	6	-	-	3,123	193	2,930	-	100%
4	Essel Packaging (Guangzhou) Limited	Chinese Yuan	10.5523	24,298	22,112	58,335	11,925	-	54,397	9,578	147	9,431	7,613	100%
5	Essel Propack Philippines, Inc	Philippine Peso	1.4705	552	844	4,030	2,634	-	4,879	557	170	387	506	100%
6	MTL de Panama S.A	US Dollar	75.6650	2,320	1,337	4,694	1,037	-	-	146	-	146	-	100%
7	Arista Tubes Limited (Refer note 2)	British Pound	92.5762	-	-	-	-	-	-	2,115	-	2,115	-	100%
8	Essel Propack UK Limited	British Pound	92.5762	6,268	(4,054)	2,373	159	-	1,507	(1,406)	1	(1,407)	-	100%
9	Essel de Mexico, S.A. de C.V	Mexican Peso	3.1456	3,695	(281)	5,789	2,375	-	7,869	864	253	611	-	100%
10	Tubopack de Columbia S.A.S.	Colombian Peso	0.0184	77	729	808	2	-	-	(102)	(1)	(101)	-	100%
11	Essel Colombia S.A.S.	Colombian Peso	0.0184	249	(58)	7,146	6,955	-	8,441	(42)	54	(96)	-	100%
12	Essel Propack LLC (Russia)	Russian Rouble	0.9502	3,555	(3,121)	2,062	1,628	-	2,709	(821)	(113)	(708)	-	100%
13	Essel Propack Misr for Advanced Packaging S.A.E	Egyptian Pound	4.7486	534	2,295	6,606	3,777	-	10,428	1,986	466	1,520	498	75%
14	Essel Propack Polska Sp. Z.O.O.	Polish Zloty	18.0723	30,604	(13,174)	33,393	15,963	-	37,424	2,676	43	2,633	-	100%
15	Arista Tubes, Inc. (Refer note 5)	US Dollar	75.6650	13,241	(14,454)	12,716	13,928	-	-	(0)	-	(0)	3,487	100%
16	Essel Packaging (Jiangsu) Limited	Chinese Yuan	10.5523	6,859	828	10,842	3,155	-	10,720	804	201	603	452	100%
17	Essel Deutschland GmbH & Co. KG	Euro	82.2959	2,057	7,064	20,234	11,113	-	31,554	1,774	145	1,629	1,030	100%
18	Essel Deutschland Management GmbH	Euro	82.2959	41	14	64	9	-	131	1	0	1	-	100%

Notes:

1. Name of subsidiary which is yet to commence operations : None
2. Name of subsidiary which has been liquidated or sold during the year : Arista Tubes Limited
3. The above financial numbers are based on the respective audited standalone financial statements without considering elimination / consolidation adjustments.
4. Zero denotes amount less than one lakh.
5. Excludes earnings of subsidiary, Essel Propack America, LLC included in its standalone financial statements.

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B" : Associate

(Amount in ₹ lakhs)

Sr. No.	Name of Associate	P.T.Lamipack Primula
1	**Latest audited Balance Sheet Date**	31 March 2020
2	**Shares of Associate held by the company on the year end**	
	Number of Shares	2,100
	Amount of Investment in Associate	1,602
	Extend of Holding %	30.00%
3	**Description of how there is significant influence**	30% Indirect holding in Associate
4	**Reason why the associate is not consolidated**	Equity Method as per Ind AS-28
5	**Networth attributable to Shareholding as per latest audited Balance Sheet**	1,684
6	**Profit / Loss for the year**	
	i. Considered in Consolidation	-78
	ii. Not Considered in Consolidation	-183

Note:

1. Names of associate which are yet to commence operations : None
2. Names of associate which have been liquidated or sold during the year : None
3. Networth (100%) and Profit / Loss for the year as mentioned above is as per the unaudited financials of respective companies.

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Parag Shah
Chief Financial Officer

Sharmila Abhay Karve
Director

Suresh Savaliya
Head - Legal and Company Secretary

Place: **Mumbai**
Date: 22 May 2020

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http://www.esselpropack.com

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