

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 focus 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 bode 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 dividend (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.esselpack.com/corporate-governance/](https://www.esselpack.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 Chandiook & 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 Rohrhooff 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, functionalities, business model and others matters. The said Policy and details in this respect is displayed on the Company's website.

CORPORATE SOCIAL RESPONSIBILITY

As a part of its Corporate Social Responsibility (CSR) initiative, the Company has undertaken CSR projects and programs. Thrust areas for CSR include care and empowerment of the underprivileged, education, 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