

# Message from Chairman and CEO



◀ **Sanjiv Saraf**  
Chairman

**Pranay Kothari**  
Chief Executive Officer



## Dear Shareholders,

The year under review has seen significant improvement in the operational profitability after adjusting for unrealized FX losses on long term debt due to appreciation in the Euro towards the second half of the year. With market conditions also becoming favourable, the near term outlook looks promising.

# 5.88

(₹ in billion)

Operational EBITDA at consolidated level for 2017-18

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Higher cash flows from operations and a strong balance sheet provides financial flexibility to access growth opportunities. The Company has commenced construction on a new greenfield facility near Jakarta in Indonesia for setting up the world's largest width PET film line, an integrated PET resin plant on direct melt technology as also a downstream Metallizer with start-up scheduled for the second quarter of FY 19-20. The Thai subsidiary is also adding a second (third in the Group) silicone coating line to enable further inroads into specific value added applications.

A slowdown in the pace of capacity addition has helped demand supply become more balanced with consequent increase in utilization rates globally. While this would inevitably lead to creation of additional capacity in the future to cater to the demand growth, we believe that growth in supply would be more moderate and rational as compared to the past.

Sales and Other Income were up 11% at ₹ 36.17 billion due to higher sales volume coupled with better selling prices partly resulting from increase in raw material prices. The Operational EBITDA (profit before interest, tax, depreciation and exceptional items) at the consolidated level was ₹ 5.88 billion, 19% higher as compared to the previous year.

The Company remains financially strong and confident about the future of this industry. A geographically diversified presence along with an extensive product offering and a widespread customer base has helped it to ensure higher sustainability in earnings. A new Metallizer in the US, a second

# 11%

Sales and other income growth as compared to previous year

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Blown Polypropylene film line in Thailand and new Offline Coater in India besides ongoing investments in Holography capacity would start up in 2018 and provide further impetus to operations and margins.

There are growing concerns, in general, on the usage of single-use plastics. Flexible packaging is held to be a more environment friendly form of packaging as compared to traditional formats due to its lower packaging weight to product ratio with a significantly lower carbon footprint (GHG emissions), etc. However, its recyclability is an issue arising from technical challenges and lack of efficient & economic collection mechanism for post-consumer waste. The industry is working towards finding effective solutions. The recycling plant in Thailand is our initiative to address these concerns.

On behalf of the Board, we would like to thank all the shareholders and other stakeholders including business partners and the employees of the Company for their continued support and hard work.

**Pranay Kothari**  
Chief Executive Officer

**Sanjiv Saraf**  
Chairman