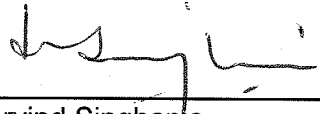
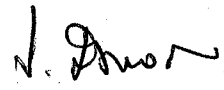


FORM A**Covering letter of the annual audit report to be filed with the Stock Exchange**

1.	Name of the Company	Ester Industries Limited
2.	Annual Financial Statements for the year ended	31 st March, 2015
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	Signed by	
	CEO/Managing Director	 Arvind Singhanla Chairman & CEO
	CFO	 Pradeep Kumar Rustagi Executive Director & CFO
	Auditor of the company	 Raman Sobti Partner S.R. Batliboi & Co. LLP Chartered Accountants
	Audit Committee Chairman	 Sandeep Dinodia Chairman of Audit Committee

29th
ANNUAL REPORT
2014-15

Ester Industries Limited

CONTENTS

Corporate Information	2
Notice of Annual General Meeting	3
Chairman's Message	10
Directors' Report	12
Management Discussion & Analysis	32
Corporate Governance Report	39
Auditors' Report	51
Balance Sheet	54
Profit and Loss Account	55
Cash Flow Statement	56
Notes to Financial Statement	57
Auditors' Report on Consolidated Financial Statement	85
Consolidated Balance Sheet	89
Consolidated Profit and Loss Account	90
Consolidated Cash Flow Statement	91
Notes to Consolidated Financial Statement	92
Form AOC 1	122
E-Communication Registration Form	123
NECS Mandate Form	124

CORPORATE INFORMATION

BOARD OF DIRECTORS	MR. ARVIND SINGHANIA MR. A. K. NEWATIA MR. M. S. RAMACHANDRAN MR. DINESH CHANDRA KOTHARI DR. ANAND CHAND BURMAN MR. P. S. DASGUPTA MR. SANDEEP DINODIA MRS. ARCHANA SINGHANIA MR. PRADEEP KUMAR RUSTAGI	CHAIRMAN & CEO INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR NON - EXECUTIVE DIRECTOR EXECUTIVE DIRECTOR & CFO
COMPANY SECRETARY	MR. DIWAKER DINESH	
STATUTORY AUDITORS	M/S S.R. BATLIBOI & CO. LLP, GURGAON	
BANKERS	BANK OF INDIA BANK OF BARODA UNION BANK OF INDIA CANARA BANK STATE BANK OF BIKANER & JAIPUR KARNATKA BANK LIMITED	
CORPORATE OFFICE	PLOT NO. 11, BLOCK-A, INFOCITY-I, SECTOR 33 & 34, GURGAON-122001, HARYANA	
REGISTERED OFFICE & WORKS	SOHAN NAGAR, P.O. CHARUBETA KHATIMA – 262 308, DISTRICT UDHAM SINGH NAGAR UTTARAKHAND	
REGISTRAR & SHARE TRANSFER AGENTS	MAS SERVICES LIMITED T-34, OKHLA INDUSTRIAL AREA, PHASE-II NEW DELHI – 110 020	
LISTING OF SECURITIES	BOMBAY STOCK EXCHANGE LIMITED PHIROZE JEEJEEBHOY TOWERS 25TH FLOOR, DALAL STREET MUMBAI 400 001 NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, PLOT NO. C/1, G BLOCK, BANDRA-KURLA COMPLEX, BANDRA (E) MUMBAI - 400 051	



CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

Phone : (05943) 250153-57, Fax No. (05943) 250158

Website – www.esterindustries.com, Email – shares.deptt@ester.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th ANNUAL GENERAL MEETING (AGM) of ESTER INDUSTRIES LIMITED will be held on Monday, 28th September, 2015 at 10.30 AM at the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2015 and the Profit and Loss account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pradeep Kumar Rustagi (DIN 00879345) who retires by rotation and being eligible, offers himself for re-appointment;
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for ratification of appointment of Statutory Auditors:-

"RESOLVED THAT subject to the provisions of Section 139, 140 & 142 and other applicable provisions, if any, of the Companies Act, 2013, appointment of M/s. S.R. Batliboi & Co. LLP (Regn. No. 301003E), Chartered Accountants, as Statutory Auditors of the Company (as approved in 28th Annual General Meeting) be and is hereby ratified to hold office from the conclusion of this 29th AGM till the conclusion of the 30th AGM of the Company to be held in the year 2016 at a remuneration to be fixed by the Board of Directors."

Special Business:

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:

As Ordinary Resolution

4. **APPOINTMENT OF MR. SANDEEP DINODIA AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Sandeep Dinodia (DIN 00005395), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25th May, 2015, in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member

proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2020."

5. **RATIFICATION OF REMUNERATION FIXED FOR COST AUDITOR OF THE COMPANY**

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) a Remuneration of Rs. 3,00,000 (Rupees Three Lacs) plus applicable taxes and out of pocket expenses payable to M/s R J Goel & Co. (Regn. No. 00026), the Cost Auditor of the Company for the financial year 2015-16, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby approved and ratified."

As Special Resolution

6. **RE-APPOINTMENT OF MR. AYUSH VARDHAN SINGHANIA AS GROUP LEADER – MARKETING & BUSINESS DEVELOPMENT**

"RESOLVED THAT pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, or any amendment or substitution thereof, approval of the Company be and is hereby accorded for the appointment of Mr. Ayush Vardhan Singhania (son of Mr. Arvind Kumar Singhania, Chairman & CEO and Mrs. Archana Singhania, Non-Executive Director) to hold office as 'Group Leader – Marketing & Business Development' (or any other designation and roles which the Board / Committee of the Board may decide from time to time) on the following terms and conditions –

- a. **Period of Appointment:** 5 years from 1st October, 2015 to 30th September, 2020
- b. **Details of Remuneration:** Rs. 4,00,000/- (Rupees Four Lacs only) p.m.

The remuneration may include Basic Salary, Special Allowance, House Rent Allowance and other benefits like Contribution to Provident Fund, Superannuation Fund and such other allowances, incentives, perquisites, benefits and amenities as may be provided by the Company to other employees in that grade from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase remuneration of appointee and to review, alter or vary designation and other terms and conditions of appointment of the appointee at the recommendation of Nomination and Remuneration Committee on annual basis or at such time when recommended by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

7. MODIFICATION IN TERMS AND CONDITIONS OF APPOINTMENT OF MR. JAI VARDHAN SINGHANIA AS GROUP LEADER – BUSINESS PLANNING AND SUPPORT

"RESOLVED THAT in modification of earlier resolution passed at 28th Annual General Meeting held on 22nd September, 2014 and pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, or any amendment or substitution thereof, approval of the Company be and is hereby accorded for the appointment of Mr. Jai Vardhan Singhania (son of Mr. Arvind Kumar Singhania, Chairman & CEO and Mrs. Archana Singhania, Non-Executive Director) to hold office as 'Group Leader – Business Planning and Support' (or any other designation and roles which the Board / Committee of the Board may decide from time to time) on the following terms and conditions-

a. Period of Appointment: 5 years from 1st October, 2015 to 30th September, 2020

b. Details of Remuneration: Rs. 4,00,000/- (Rupees Four Lacs only) p.m.

The remuneration may include Basic Salary, Special Allowance, House Rent Allowance and other benefits like Contribution to Provident Fund, Superannuation Fund and such other allowances, incentives, perquisites, benefits and amenities as may be provided by the Company to other employees in that grade from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase remuneration of appointee and to review, alter or vary designation and other terms and conditions of appointment of the appointee at the recommendation of Nomination and Remuneration Committee on annual basis or at such time when recommended by the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

**By Order of the Board of Directors
For Ester Industries Limited**

Sd/-

Diwaker Dinesh

Company Secretary

(Membership No.: A22282)

Place : New Delhi

Date : 27th July, 2015

NOTES

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT SOHAN NAGAR, P.O. CHARUBETA, KHATIMA-262308, DISTRICT UDHAM SINGH NAGAR, UTTARAKHAND NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2) Additional information pursuant to Clause 49 of the listing agreement with the stock exchanges in respect of the Directors seeking appointment/re-appointment as mentioned under items nos. 2 and 4 at the annual general meeting are furnished and forms part of this Notice.

3) The Register of Member and Share Transfer Books will remain closed from 22nd September, 2015 to 28th September, 2015 (both days inclusive) for the purpose of Annual General Meeting.

4) The Board of Directors has not recommended any Dividend for the financial year 2014-15.

5) In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.

6) Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

7) Members are requested to notify immediately:

I. In case shares are held in physical form: any change in address, if any, to the Company at Plot No.11, Block-A, Infocity-I, Sector 33 & 34, Gurgaon – 122001, India or to the Registrar and Share Transfer Agent of the Company viz. MAS Services Limited, T-34, Okhla Industrial Area, Phase II, New Delhi- 110 020 quoting their folio number.

II. In case shares are held in dematerialised form: any change in address, if any, to their Depository Participants

8) Members/Proxies should bring Annual Report along with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

9) Members desiring any information on the accounts are required to write to the Company at Plot No.11, Block-A,

Infocity-I, Sector 33 & 34, Gurgaon – 122001, India at least 7 days before the Meeting so as to enable the management to keep the information ready. Replies will be provided only at the Meeting.

- 10) All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during normal business hours on all the working days except Saturday up-to the date of the Annual General Meeting.
- 11) An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
- 12) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 13) Electronic copy of the Notice of the 29th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 29th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Annual Report is being sent through the permitted mode.
- 14) Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We therefore, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares).
- 15) Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for the financial year ended on 31.03.2015 will also be available on the Company's website www.esterindustries.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: shares.deptt@ester.in
- 16) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MAS Services Limited (Registrar & Share Transfer Agent).
- 17) As per SEBI Circular dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.

- 18) Pursuant to provisions of Section 125 of the Companies Act, 2013 (erstwhile section 205C of the Companies Act, 1956) the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company has transferred such unpaid or unclaimed dividends from time to time on due dates, to IEPF.

Further the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22nd September, 2014 (date of last Annual General Meeting) on the website of the Company viz. www.esterindustries.com and also on the website of the Ministry of Corporate Affairs viz. www.iepf.gov.in

19) VOTING THROUGH ELECTRONIC MEANS

Commencement of E-voting	09.00 AM, 25th September, 2015
End of E-voting	05.00 PM, 27th September, 2015

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **9.00 AM, 25th September, 2015 and ends on 5.00 PM, 27th September, 2015**. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on **21st September, 2015 (Cut off date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting through ballot paper at the AGM. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e 21st September, 2015 may follow the same instructions as mentioned in the notice for e-Voting.

VI. The process and manner for remote e-voting are as under:

(A) The instructions for members for voting electronically are as under:-

- (i) Log on to the e-voting website **www.evotingindia.com**
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field which is printed on the Attendance slip of Annual Report or as provided in email, if Annual Report sent through electronic mode.

DOB#

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders

for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Ester Industries Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **www.evotingindia.com** and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to **helpdesk.evoting@cdslindia.com**. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.co.in** under help section or write an email to **helpdesk.evoting@cdslindia.com**.

- 20) Mr. Akash Jain, Company Secretary in Practice (Membership No. 22735 and COP No. 9432) has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.

- 21) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of poll paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 22) The Scrutinizer shall immediately after the conclusion of voting at the AGM will count the votes casted at the meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than 3 days of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
- 23) The Results declared along with the report of the Scrutinizer shall be placed on the Company's website **www.esterindustries.com** and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him in writing. The Results shall also be simultaneously forwarded to the concerned stock exchanges
- 24) The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: **shares.deptt@ester.in**
- 25) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES

The particulars of Directors seeking appointment/re-appointment as required under clause 49 of the listing agreement are given below:

A. Mr. Sandeep Dinodia

Mr. Sandeep Dinodia has completed his Bachelor of Commerce from Shriram College of Commerce, Delhi University and his L.L.B. from Delhi University in 1986. He is a F.C.A. from the Institute of Chartered Accountants of India, since 1984. He is empanelled with the Institute of Internal Auditors –U.S.A. Mr. Sandeep Dinodia has rich experience in the fields of Assurance, Financial & Legal Corporate Consulting and Taxation.

Mr. Dinodia is on the Board of Directors of many large public listed companies as an independent director offering invaluable guidance on the companies' policies of good corporate governance and helping solve their compliance issues with the myriad of laws under SEBI, Companies Act, FEMA etc. He has over twenty years of experience in auditing Non- Government Funded projects of various entities, which have a socio-economic impact. He has also been involved with compilation of systems of developmental projects in India, funded by various international agencies.

Directorship of Mr. Sandeep Dinodia in other Companies are as follows:

S. No.	Name of the Company
1	Sandhar Tooling Private Limited
2	Lumax Auto Technologies Limited
3	Hi-Tech Gears Limited
4	Hero Cycles Limited

Membership of Mr. Sandeep Dinodia in Committees of the Board of other companies are as follows:

S. No.	Name of the Company	Nature of Committees	Designation
1	Lumax Auto Technologies Limited	● Audit Committee	Chairman
2.	Hi-Tech Gears Limited	● Audit Committee	Chairman
3.	Hero Cycles Limited	● Audit Committee	Chairman
4.	Lumax Auto Technologies Limited	● Stakeholders' Relationship Committee ● Nomination & Remuneration Committee	Member
5.	Hi-Tech Gears Limited	● Stakeholders' Relationship Committee ● Nomination & Remuneration Committee	Member
6.	Hero Cycles Limited	● Stakeholders' Relationship Committee ● Nomination & Remuneration Committee ● CSR Committee	Member

Mr. Dinodia does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

B. Mr. Pradeep Kumar Rustagi

Mr. Pradeep Kumar Rustagi serves as Executive Director & Chief Financial Officer (CFO) of Ester and oversees the finance and accounting department. Mr. Pradeep has 25 years experience with leadership roles in financial planning, accounts, budgeting & MIS, liaison with banks & financial institutions, statutory compliance and excise. As CFO, Mr. Pradeep is responsible for Ester's financial operations, purchase, IT operations and investor relations. Mr. Pradeep Kumar Rustagi is a qualified Chartered Accountant from the Institute of Chartered Accountants of India.

Directorship of Mr. Pradeep Kumar Rustagi in other Companies as on 31st March, 2015 are as follows:

S. No.	Name of the Company
1	Fenton Investments Private Limited
2	Rekha Finance and Investment Private Limited
3	PDJ Properties and Investment Services Private Limited

He is not holding any memberships of committees of any other Company. He holds 400 equity shares himself in the Company and does not hold any other person on a beneficial basis, any shares in the Company.

Disclosure in terms of Clause 49 (VIII) (E) of the Listing Agreement

None of the Directors have inter-se relationship except Mr. Arvind Kumar Singhania and Mrs. Archana Singhania. Mrs. Archana Singhania is wife of Mr. Arvind Kumar Singhania.

**By Order of the Board of Directors
For Ester Industries Limited**

Sd/-

Diwaker Dinesh

Company Secretary

(Membership No.: A22282)

Place : New Delhi

Date : 27th July, 2015

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF
SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

The Board of Directors at its meeting held on 25th May, 2015, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Sandeep Dinodia as an Additional Director under Section 161(1) of the Companies Act, 2013 to hold office as an Independent Director of the Company with effect from 25th May, 2015 till 31st March, 2020 subject to the approval of the Shareholders. The Company has received a notice from a member proposing Mr. Dinodia as a candidate for the office of Director of the Company. Mr. Dinodia is also a Chairman of the Audit Committee of the Board of Directors of the Company.

Mr. Dinodia does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Mr. Dinodia has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Dinodia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management.

The brief profile of Mr. Dinodia has been made part of the notice. The copy of the draft letter of appointment of Mr. Dinodia as an Independent Director setting out the terms and conditions of the appointment is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday upto the date of the AGM.

Based on his rich experience & knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Dinodia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dinodia to hold office as Independent Director for a term upto 31st March, 2020, for the approval by the shareholders of the Company. Except Mr. Dinodia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the said resolution.

Item No. 5

At the Board Meeting held on 27th July, 2015, after considering the recommendation of the Audit Committee, the Directors have

appointed M/s R J Goel & Co. (Firm Regn. 00026), as the Cost Auditor of the Company for the financial year 2015-16 on a remuneration of Rs. 3,00,000. Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

The Ordinary Resolution appearing in the Notice is sought to be passed for this purpose.

None of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is interested or concerned in the said Resolution.

Item No. 6

Mr. Ayush Vardhan Singhania is a graduate from Bentley University, Waltham, Massachusetts, USA. He has majored in Management and International Studies. He has also completed MBA from IE Business School Madrid, Spain. The shareholders of the Company in the Annual General Meeting held on 28th September, 2012 approved his appointment as 'Group Leader – Marketing & Business Development' for a period of 3 years from 1st October, 2012 to 30th September, 2015. After considering his performance during his job tenure, it is proposed by the Board of Directors to re-appoint him on such terms and condition as specified in the proposed resolution given under Item no. 6.

The Audit Committee, the Nomination and Remuneration Committee and the Board of Directors of the Company at respective meetings held on 27th July, 2015 have approved his re-appointment, subject to approval of the members pursuant to Section 188 of the Companies Act, 2013.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related Party	Mr. Ayush Vardhan Singhania
Name of the Director/KMP who is related and Nature of Relationship	Mr. Ayush Vardhan Singhania is son of Mr. Arvind Kumar Singhania, Chairman & CEO and Mrs. Archana Singhania, Non-Executive Director
Nature, material terms, monetary value and particulars of the Arrangement	Mr. Ayush Vardhan Singhania is proposed to be appointed as Group Leader – Marketing & Business Development for 5 years at such remuneration and other terms & conditions as specified in the proposed resolution given under Item no. 6.
Any other information relevant or important for the members to make a decision on the proposed transaction	-

The proposed remuneration to Mr. Ayush Vardhan Singhania is commensurate with his qualification and is in line with the industry standards. In terms of Section 188 of the Companies Act, 2013 and rules made thereunder, appointment of any related party to any office of place of profit in the Company should be approved by the Shareholders by way of Special Resolution. As Mr. Ayush Vardhan Singhania is a related party in terms of Companies Act, 2013, his appointment requires approval of Shareholders by way of Special Resolution.

Your Directors recommend the approval of proposed Special resolution by the Members.

Except Mr. Arvind Kumar Singhania, Mrs. Archana Singhania and their relatives, being related parties, none of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is concerned or interested in the said resolution

Item No. 7

Mr. Jai Vardhan Singhania (son of Mr. Arvind Kumar Singhania and Mrs. Archana Singhania) has completed Bachelor of Science and Business Administration, Concentration in Finance from School of Management, Boston University; Boston. The Shareholders of the Company, in the Annual General Meeting held on 22nd September, 2014, approved his appointment as 'Group Leader – Business Planning and Support' for a period of 3 years from 1st October, 2014 to 30th September, 2017. After considering his performance during his job tenure, it is proposed by the Board of Directors to increase his remuneration and change the tenure of appointment as specified in the proposed resolution given under Item no. 7.

The Audit Committee, the Nomination and Remuneration Committee and the Board of Directors of the Company at respective meetings held on 27th July, 2015 have approved the change in terms and conditions of his appointment, subject to approval of the members pursuant to Section 188 of the Companies Act, 2013.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related Party	Mr. Jai Vardhan Singhania
Name of the Director/ KMP who is related and Nature of Relationship	Mr. Jai Vardhan Singhania is son of Mr. Arvind Kumar Singhania, Chairman & CEO and Mrs. Archana Singhania, Non-Executive Director

Nature, material terms, monetary value and particulars of the arrangement	Mr. Jai Vardhan Singhania is proposed to be appointed as Group Leader – Business Planning & Support for 5 years at such remuneration and other terms & conditions as specified in the proposed resolution given under Item no. 7.
Any other information relevant or important for the members to make a decision on the proposed transaction	-

The proposed remuneration to Mr. Jai Vardhan Singhania is commensurate with his qualification and is in line with the industry standards. In terms of Section 188 of the Companies Act, 2013 and rules made thereunder, appointment of any related party to any office of place of profit in the Company should be approved by the Shareholders by way of Special Resolution. As Mr. Jai Vardhan Singhania is a related party in terms of Companies Act, 2013, his appointment requires approval of Shareholders by way of Special Resolution.

Your Directors recommend the approval of proposed Special resolution by the Members.

Except Mr. Arvind Kumar Singhania, Mrs. Archana Singhania and their relatives, being related parties, none of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is concerned or interested in the said resolution

**By Order of the Board of Directors
For Ester Industries Limited**

Sd/-

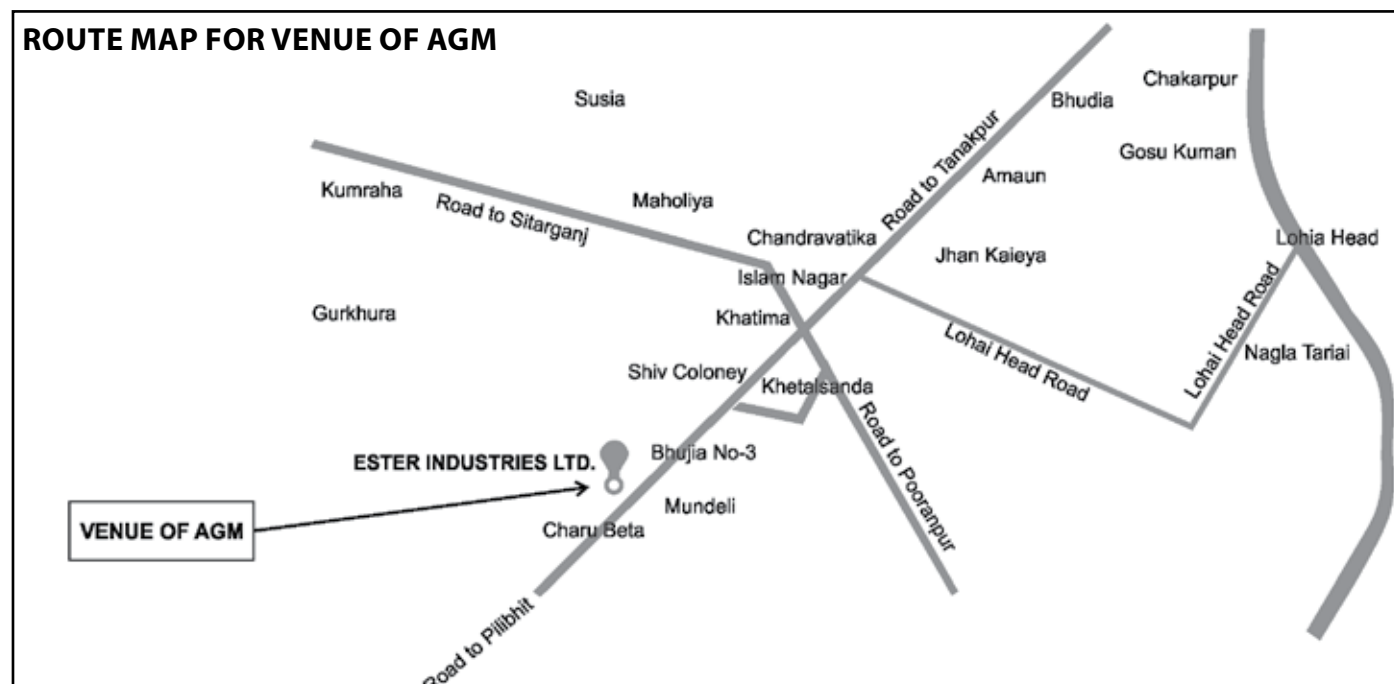
Diwaker Dinesh

Company Secretary

(Membership No.: A22282)

Place : New Delhi
Date : 27th July, 2015

ROUTE MAP FOR VENUE OF AGM



MESSAGE FROM CHAIRMAN & CEO



Dear shareholders,

It gives me great pleasure to present the Annual report for the financial year 2014-15.

The performance of your company during the year under review has not been as per expectation. This was primarily caused due to the sudden crash in prices of crude oil in the latter half of 2014. The freefall in finished goods price as a result of the fall in crude/ feedstock prices disrupted the markets tremendously. Customers continued to postpone purchases in expectation of falling prices resulting in margin pressure as there was a lag between falling finished goods price and input cost. The situation was exacerbated due to inventory valuation losses. However, in the long run, low crude price will help boost demand growth due to lower feedstock cost translating into lower finished goods prices.

Your company continues to tread on the path of transforming itself into a technology driven company with focus on innovative & speciality products. The foundation of your company now stands firmly on the platform of Research & Development, Sustainability and Intellectual Property. We will keep on looking out for profitable growth avenues, which will create long term value for the shareholders.

The financial year 2014-15 saw mild trends of macroeconomic recovery in several major economies, including the US and Europe even though structural weaknesses continue to be a threat in the medium term. The global growth was at 3.4¹ percent for year 2014 and is expected to receive a boost from lower oil prices. However, this boost could be muted on account of certain negative factors like investment weakness and adjustment to diminished expectations about medium-term growth, which continues in many advanced and emerging market economies.

The preceding year has been a fortuitously good one for the Indian economy with a sea change in the macroeconomic parameters. GDP² grew by 7.3% in FY15 compared to 6.9% for previous year. The current account deficit has contracted, the inflation has declined from peak levels, the fiscal deficit target has been met, and investment project approvals are progressing. At a time when some concerns have been raised about global growth prospects, the international investor community has begun voicing a very positive outlook towards India. The Government of India however needs to institute rapid reforms in order to accelerate large scale investment both by FDI and domestic investors.

Global supply-demand mismatch continues to be a challenge for the BOPET film SBU. While lower prices due to fall in crude will definitely help increase demand growth, continuous capacity additions will keep margins under check. As mentioned above, your company has been transforming itself into a technology driven enterprise with an intention of creating a portfolio of value added products, which will help mitigate the downside of commoditization & cyclicity and help protect margins in future. Substantial work has been done in this direction over the last few years and is discussed in greater detail in the Management Discussion and Analysis ("MDA"). Innovation will continue to be the key pillar of our strategy.

The Engineering Plastics SBU sustained its aggressive growth journey, registering a sales growth of approximately 21% in FY 2014-15, with a significant improvement in profitability as well. This continual growth ahead of industry – with an impressive CAGR of 35% from FY 2011-12 to FY 2014-15 – helped Ester in securing the Plasticon Gold Award for the "Fastest Growing Enterprise – Processing (Engineering Polymers)" at the Plastindia Exhibition in February 2015. Our focused customer acquisition process and improved product range contributed towards enhancing our active customer base by ~50%. Besides approvals secured from some

1. World Economic Outlook published by IMF
2. Central Statistics Office, India

key OEMs in the domestic market, Ester's EP SBU also registered its entry into the Exports market. We intend to sustain our ambitious growth aspirations – pursuing organic as well as inorganic options – whilst focusing on actions to further enhance profitability. We have engaged the services of a global consultant to assist in the formulation/implementation of the Growth Strategy for the EP business towards creating a sustainable and profitable long term business. Having secured our first success in the Exports market, we would be working towards actively expanding our geographic horizons as well.

The Specialty Polymer SBU was started in the year 2011 with a view to meet the growing demand for Performance Polyesters. The pain of customers across the spectrum for want of performance polyesters was ignored as the volumes were not attractive enough for the large PET players. Your company saw an opportunity and moved swiftly to capitalize on this. While we will discuss this at length in the MDA, I am very happy to report that your company has started reaping benefits of the efforts in Research & Development over the last 3-4 years with commercialization of six product, which cater to applications across the board like Food & Beverages, Textiles, Carpets, Rigid & Flexible Packaging etc. Technology and R&D again, are the mainstay of this SBU as well. Intellectual Property creates a significant entry barrier for competition and your company expects this SBU contributing substantially to both revenue and margins in the near future. We will continue to increase our investment in R&D with a view to enhance our portfolio of innovative products.

Continuing its relentless focus on Cost leadership, the Business Improvement Plans undertaken by the company last year has resulted in achievement of sustainable cost & quality advantage to Ester. Moreover, the second Bio-mass based Thermal Energy generation unit is fully operational now and has reduced Ester's dependence on FO based thermal energy generation units to a large extent.

Our people philosophy has always been to foster an entrepreneurial spirit and thereby inculcate a sense of responsibility and ownership in every Esterian. We continue our journey towards nurturing our talent pool, not only to achieve our current business objectives but also enabling them to deliver the Ester vision and strategy. Our learning and development framework focuses on capitalising on the strengths of our employees as well as addressing their areas of development. The leadership team works closely with employees to create a work environment that encourages creativity and innovation. The HR team continues to explore new opportunities to enhance engagement, team work and ensure high motivation levels.

While the profitability of your company has remained below expectation in recent past, we are confident of far better operational performance in the future. This will largely come through transforming your company from a Commodity to Technology play. Increasing presence in newer markets, diversification, cost optimisation and improved customer experience will further add to the performance. Your company will leave no stone unturned to keep creating long term shareholder's value by focussed approach of sustainable and profitable growth. Our best days are ahead of us, and we are determined to deliver for you.

I express my sincere gratitude to our shareholders, investors and banks who continue to support us. I wish to express my appreciation to my colleagues on the Board and our employees, for your continued support and confidence in your company. Let me assure you, we continue to stay focused in building a strong business at Ester and we solicit your unstinted support for the years to come.

With regards,

Arvind Kumar Singhania

Chairman & CEO

DIRECTORS' REPORT

To The Members

Your directors are pleased to present the 29th (Twenty Ninth) Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2015.

FINANCIAL RESULTS

(Rs. in lacs)

	For the year ended 31.03.2015	For the year ended 31.03.2014
Sales and Other Income	98608.68	101956.88
Profit before Financial Expenses, Depreciation and Tax	7407.77	7931.83
Less: Interest & Other Financial Expenses	3709.55	3486.77
Profit / (Loss) before Depreciation, Extra Ordinary Items and Tax	3698.22	4445.06
Depreciation	3210.58	3030.39
Profit / (Loss) before Tax	487.64	1414.67
Deferred Tax	103.73	573.96
Impact of Scheme of amalgamation relating to earlier period	--	(3.76)
Profit / (Loss) after Tax	383.91	836.95
Balance brought forward from previous year	12317.40	11846.90
Appropriation: Dividend & Tax on Dividend	--	366.45
Balance Carried to Balance Sheet	12701.31	12317.40
Basic Earnings Per Share (Rupees)	0.61	1.34
Diluted Earnings Per Share (Rupees)	0.57	1.34

DIVIDEND AND RESERVES

Your directors have not recommended payment of dividend as the Net Profit after Tax earned during the year under review is marginal. Your Company has not transferred any amount of Profit & Loss account to any reserve.

OPERATIONS REVIEW

During the year under review, your Company earned a Net Profit after Tax, albeit at reduced levels as compared to FY 2013-14. Revenue from Operations during the year under review stood at Rs. 98608.68 lacs as compared to Rs. 101956.88 lacs during FY 2013-14, a reduction of 3.3%. A significant reduction was witnessed in the price of feedstock used by the Company – during the period from August 2014 to January 2015 – on account of the unprecedented fall in the price of Crude Oil. However, this benefit could not be realized as sluggish market conditions, coupled with an oversupply situation, resulted in a drop in the Company's product prices which was greater than the fall in feedstock prices. The consequential impact on margins, together with inventory valuation losses, resulted in a reduction in profits.

Despite sluggish market conditions, your Company was successful in improving sales of Chips, Polyester Films and Engineering Plastics – in quantitative terms – by 11%, 1.8% and 21% respectively. In order to mitigate the adverse effect of sluggish market conditions and an oversupply scenario, the Company sustained its focus towards increasing the proportion of Value Added & Specialty products in its portfolio aligned with its strategic objective. Sales of Value Added & Specialty Films contributed about 15% of the total sales volume of Polyester Films in FY 2014-15.

In the Engineering Plastics segment, the Company maintained its aggressive growth strategy, registering a compounded annual growth rate – in quantitative terms – of 35% over the last three years. This was significantly higher than the industry growth rate. During the year under review, the Company achieved a quantitative growth of 21% over the previous year in sales of Engineering Plastics products, primarily on account of a healthy growth of about 60% in sales of Engineering Plastics for OFC application. Consequently, Gross Revenue from sales of Engineering Plastics products increased from Rs. 16191.16 lacs in FY 2013-14 to Rs. 19406.17 lacs in FY 2014-15, translating to a growth of 20%. Continuous growth ahead of industry helped the Company in securing the *Plasticon Gold Award* for the "Fastest Growing Enterprise – Processing (Engineering Polymers)" at the Plastindia Exhibition in February 2015.

Various initiatives taken over the last five years – supported by capacity expansions – have resulted in Net Sales of the Company growing at a CAGR of 17.9% pa, from Rs. 39537.10 lacs in FY2009-10 to Rs. 89626.76 lacs in FY2014-15.

During the year under review, capacity utilization in Polyester Films was about 77%, with production marginally higher at 43788 MT as compared to 42846 MT during the year 2013-14.

Interest and financial expenses during the year under review were 4.14% of Net Sales, with overall leveraging at prudent levels of 1.55.

Details on operations, a view on the outlook for the current year and various strategies (internal and external) adopted by the Management are provided in the 'Management Discussion & Analysis Report' which forms an integral part of this Annual Report.

EXPENDITURE ON PLANT & MACHINERIES AND PROJECTS UNDER IMPEMENTATION

Your Company is continuously concerned about ongoing global environmental issues and accordingly commissioned a Bio-mass (Rice Husk) fuelled Thermic Fluid Heater of 10 MKCal capacity – during the year under review – to enhance its Thermal Energy generation capacity whilst reducing dependence on Furnace Oil and also achieving savings in the process. In addition to the existing UPS of 7950 KVA, a rotary type UPS of 1670 KVA has also been commissioned to improve quality and reliability of operations.

Aligned with the strategic objective of increasing the proportion of Value Added & Specialty products, the Company is in the process of modifying its Film Line # 1 by installing a Twin Screw Extruder and Primary Scanner for measuring Thickness. With this modification, Film Line # 1 will be able to produce various Specialty Films with reduced conversion cost and wastage. The modification is likely to be completed by August 2015.

To exploit opportunities likely to be created in the Optical Fiber Cable segment upon implementation of Digital India program of the Government of India, the Company is likely to commission two 24 cubic meters SSP dryers to enhance its Solid State Polymerization (SSP) capacity by 1800 TPA during the year 2015-16.

Your Company continues to make investments towards modernization, technical upgradation and debottlenecking initiatives in all the business segments. During the year under review, the Company undertook Business Improvement initiatives towards controlling costs, improving quality and operating efficiency. Your Company would continue to focus on Business Improvement initiatives to further improve operating efficiencies and reduce costs.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance, which forms part of this Board's Report is included as a part of the Annual Report along with the Practicing Company Secretary's Certificate on its compliance.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis Report on performance, state of affairs of the company, risk management system, industry trends and other material changes and commitments, if any, affecting the financial position of the company forms an integral part of this Report.

SUBSIDIARY COMPANIES

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is provided as part of this Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the Annual Report of the Company containing audited standalone and consolidated financial statements including all other documents required to be attached thereto and financial statements of subsidiaries have been uploaded on the website of the Company at www.esterindustries.com.

Further the financial statement of the Subsidiary Company shall be made available to the members of the Company on their request. Such Annual Accounts are also kept for inspection by any member at the Corporate Office and Registered Office of the Company on business hours on all working days except Saturday till the date of AGM.

The Board has formulated a Policy on Material Subsidiaries to set out the criteria to determine "Material Subsidiaries" in accordance with provision of Clause 49 of the Listing Agreement. The policy can be accessed on Company website at the following link -

http://www.esterindustries.com/ester_cms/userfiles/file/policies/Policy_on_material_subsidary.pdf

PUBLIC DEPOSIT

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding at the end of financial year 2014-15.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Arvind Kumar Singhania has been appointed as Whole-time Director from 21st May 2014 till 31st March 2017 by the Board in the meeting held on 21st May, 2014 and by the Shareholders in the AGM held on 22nd September, 2014. In the Board Meeting held on 11th February, 2015, he has been appointed as Managing Director of the company for the remaining tenure viz from 11th February, 2015 till 31st March 2017 and designated as Chairman & CEO by the Board of Directors and the appointment was approved by the Shareholder through Postal Ballot.

Mrs. Archana Singhania was appointed as Additional Director (Non-Executive) of your Company at the meeting of the Board of Directors held on 4th August, 2014 and subsequently appointed as a Non-Executive Director by the shareholders at the AGM held on 22nd September, 2014.

In the last Annual General Meeting of the Company held on 22nd September, 2014, Mr. V. B. Haribhakti, Mr. M. S. Ramachandran, Mr. Dinesh Kothari, Mr. P. S. Dasgupta, Mr. Anand Chand Burman, Mr. Ashok Newatia were appointed as Independent Directors to hold office till 31st March, 2019 in accordance with the requirement of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year Mr. V. B. Haribhakti has resigned from the directorship of the Company. He was also the Chairman of the Audit Committee and Nomination & Remuneration Committee. Your Directors record appreciation for the services and guidance rendered by him.

Mr. Sandeep Dinodia, Chartered Accountant was appointed as the Additional Director of the Company w.e.f. 25th May, 2015 in the capacity of Independent Director. He has also been appointed as the Chairman of Audit Committee. A resolution proposing his appointment as Independent Director to hold office up to 5 (five) consecutive years up to 31st March, 2020 forms part of the Notice of the forthcoming AGM.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Pradeep Rustagi will retire by rotation at the forthcoming AGM of Company and being eligible, offer themselves for re-election.

Mr. Arvind Kumar Singhania, Chairman & Managing Director (designated as Chairman & CEO), Mr. Pradeep Kumar Rustagi, Executive Director & CFO and Mr. Diwaker Dinesh, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) read with 203 of the Companies Act, 2013 and rules made thereunder.

DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 and other applicable provisions, if any, of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Clause 49 of the Listing Agreement.

COMPOSITION AND MEETING OF THE BOARD AND AUDIT COMMITTEE

The details of the composition of Board of Directors and Audit Committee and number of Board and Audit Committee meetings held during the year are given in the Corporate Governance Report which forms part of this Report.

AUDITORS AND AUDIT REPORT

Statutory Audit

During the year M/s. S. R. Batliboi & Associates LLP, Chartered Accountants had expressed their unwillingness to be considered for reappointment as Statutory Auditors of the Company in the 28th AGM held on 22nd September, 2014.

At the recommendation of Audit Committee and the Board, M/s S. R. Batliboi & Company LLP, Chartered Accountants, was appointed as Statutory Auditors by the Shareholders to hold office from 28th AGM till 31st AGM subject to the ratification by the Shareholders every year. The appointment is accordingly proposed in the Notice of AGM for ratification by the Shareholders.

The Auditors' Report read together with Annexures do not contain any qualification of significant nature and do not call for any explanation/clarification.

Cost Audit

The Board of Directors had appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as the Cost Auditor of your Company for the financial year 2014-15 to conduct the audit of the cost records of your Company. The Cost Auditor has submitted the report of the Audit Committee and the Board. There are no qualifications, reservation or adverse remark made by the auditor in the report.

In accordance with the Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of your Company has appointed M/s. R.J. Goel & Co., Cost Accountants as the Cost Auditor for the financial year 2015-16 on the recommendations made by the Audit Committee.

In terms of Section 148 of the Companies Act, 2013 and rules made thereunder, a resolution seeking your ratification of the remuneration of M/s. R.J. Goel & Co. is provided in the Notice of AGM.

Secretarial Audit

The Board, during the year, appointed M/s Sanjay Grover & Associates, Company Secretaries, to conduct secretarial audit of the Company for the financial year ended 31st March, 2015. The Report of M/s Sanjay Grover & Associates in terms of Section 204 of the Act is provided in the "Annexure-A" forming part of this Report.

There are no qualifications, reservation or adverse remark made by the auditor in the report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(C) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Directors confirm that: -

1. in the preparation of the annual accounts for the Financial Year ended 31st March 2015, the applicable Accounting Standards have been followed along with proper explanation relating to material departure, if any.
2. they have selected appropriate accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent, so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for the year under review;
3. they have taken proper and sufficient care 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; and
4. they have prepared the accounts of the Company for the financial year ended 31st March 2015 on a going concern basis.
5. proper internal financial controls laid down by them were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROLS

Your company has put in place adequate internal financial controls. The systems and procedures adopted by the company ensure the orderly and efficient conduct of its business and adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of records and the timely preparation of reliable financial information.

Your company operates in SAP, an ERP system, and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of accounts.

Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary actions, wherever necessary.

The Company's Internal Auditors have conducted periodic audits to evaluate the adequacy & effectiveness of financial and operating internal controls, to report significant findings to the Audit Committee of the Board and to provide reasonable assurance that the Company's established systems, policies and procedures have been followed. The Audit Committee constituted by the Board reviews the internal controls and financial reporting issues with Internal Auditors on a regular basis.

Compliance with laws and regulations is also monitored through a well laid down framework which requires individual functions to confirm and report statutory compliances on all laws and regulations concerning their respective functions. This gets integrated with the overall compliance reporting on all laws and regulations for the purpose of review and monitoring by the Board.

CODE OF CONDUCT

The Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors and senior management of the Company. They have affirmed compliance with the Code of Conduct. A declaration to this effect duly signed by Mr. Arvind Kumar Singhania, Chairman & CEO is enclosed as a part of the Corporate Governance Report which forms part of this report. A copy of the Code of Conduct is available on the Company's website viz. www.esterindustries.com

The Code of Conduct is based on the fundamental principles of good corporate governance and corporate citizenship. The Code covers the Company's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency, auditability and legal compliance.

CHANGES IN CAPITAL

During the financial year 2014-15 the following changes were effected in the Share Capital of your Company:-

1. Scheme of Amalgamation-

Pursuant to Scheme of Amalgamation between the Company and Sriyam Impex Private Limited (SIPL), 9972703 Equity Shares of Rs. 5/- each were issued to the Shareholders of SIPL and 1,02,22,650 held by SIPL in the Company were cancelled.

2. Preferential Allotment to Non-Promoter entity -

2,07,50,000 Warrant of Rs. 10.10/- each convertible into Equity Shares of Rs. 5/- at a premium of Rs. 5.10/- were issued to a Non-Promoter entity. The said warrants have been converted into Equity Shares in the Board Meeting held on 25th May, 2015.

LISTING OF SECURITIES

Your Company's Equity Shares are currently listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to BSE and NSE for the financial year 2015-16.

EXTRACT OF ANNUAL RETURNS

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure - B".

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

The particulars of the loan, if any (along with the purpose of utilization by recipient of loan) and investments covered under Section 186 of the Companies Act, 2013 are provided in Notes 12, 13 to financial statements. The Company has not issued any guarantee or provided any security as covered under Section 186 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and rule made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The details of the Composition of the Committee is set out in Corporate Governance Report which forms part of this report. The Committee has adopted a Corporate Social Responsibility Policy. Brief outline of the CSR Policy of the

Company are set out in "Annexure -C" of this report as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company viz. www.esterindustries.com

As per Section 135(5) of the Act, the Company needs to ensure that at least 2% of average net profit of preceding three financial years is spent on CSR activities as mentioned in CSR Policy. However, due to losses incurred in past and average of preceding three financial years (2011-12, 2012-13 and 2013-14) being a loss, the Company has not incurred amount on CSR activities during financial year 2014-15.

PERFORMANCE EVALUATION

The Company has devised a Policy for performance evaluation of all the Directors, Board as a whole and Committees of the Board.

An annual evaluation was carried out of the performance of the Board, Board committees, all the directors and Chairperson pursuant to the provisions of the Companies Act, 2013 and the requirements of Clause 49 of the Listing Agreement.

During the year the following evaluation process was adopted -

1. Independent Directors at their separate meeting without the presence of Non-Independent Director, had reviewed the performance of the Chairperson, Non-Independent Directors and the Board. While evaluation the performance of the Chairman, the views of executive directors and non-executive directors were also taken into account.
2. Nomination and Remuneration Committee carried out the evaluation of every Director's performance. The Committee, while doing so, considered the outcome of meeting of Independent Directors;
3. The Board had evaluated its own performance, performance of its Committees and each Director. While conducting the evaluation, the Board considered and discussed the outcome of the separate meeting of Independent Directors and the meeting of Nomination & Remuneration Committee

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The process of evaluation was based on the criteria prescribed in the Policy on Performance Evaluation. The Policy is uploaded on Company's website and the same can be accessed at the following link

http://www.esterindustries.com/ester_cms/userfiles/file/policies/Performance_Evaluation_Policy.pdf

POLICY AND DISCLOSURE RELATING TO THE NOMINATION AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNELS AND OTHER EMPLOYEES

The Nomination and Remuneration Committee has framed a Nomination and Remuneration policy for determining criteria selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel including determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors

and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in “Annexure – D” of this report. The same is open for inspection at the Registered Office of your Company at all working days except Saturday, till the date of AGM.

RISK MANAGEMENT SYSTEM

As per the requirements of Clause 49 of the Listing Agreement, the Board of the Company has formed a risk management committee of directors to frame, implement and monitor the risk management plan for the Company. The details of the Composition of the Committee is set out in Corporate Governance Report which forms part of this report. The Company has framed a Risk Management Policy covering risk management process, governance and execution of same. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

RELATED PARTY TRANSACTIONS

All contracts or arrangements with related parties, entered into or modified during the financial year, were on an arm's length basis and in the ordinary course of business.

All such contracts or arrangements, wherever required, have been approved by the Audit Committee and the Board. However no material contracts or arrangements with related parties were entered into during the year under review. Accordingly, no transactions are being reported in Form No. AOC-2 provided in “Annexure – E” pursuant to Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

The details of the related party transactions as required under Accounting Standard - 18 are set out in Note 34 to the standalone financial statements forming part of this Annual Report.

The Policy on Related Party Transactions, can be accessed on the Company website at

http://www.esterindustries.com/ester_cms/userfiles/file/policies/Related_Party_Transactions_Policy.pdf

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 is set out in the “Annexure – F” forming part of this report.

VIGIL MECHANISM

The Company has formulated Vigil Mechanism/Whistle Blower Policy with a view to provide a mechanism for employees of the Company to raise concerns of suspected frauds, any violations of legal/regulatory

requirements or code of conduct/policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc. The purpose of this Policy is to encourage employees and directors who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The policy aims to provide an avenue for employees and directors to raise concerns and reassure them that they will be protected from reprisals or victimization for whistle blowing in good faith.

The practice of the Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The Policy can be accessed on the Company website at following link -

http://www.esterindustries.com/ester_cms/userfiles/file/policies/Whistle_blower_policy.pdf

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There were no incidents of sexual harassment reported in the Company. For protection against sexual harassment, Company has formed an internal complaints committee to which employees can write in their complaints. The Company has a Prevention of Sexual Harassment Policy which has laid down a process for dealing with such issues.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

ACKNOWLEDGEMENT

Your Directors acknowledge the cooperation and assistance received from various departments of the Central & State Government, banks and Non-banking finance companies. Directors also express their gratitude and thanks to Customers, Suppliers and other Business Associates for their continued co-operation and patronage.

Your Directors wish to place on record their appreciation of the sincere services rendered by the workmen, staff and executives of the Company at all levels ensuring successful management of the Company. Your Directors also thank the shareholders for their continued support.

For and on behalf of the Board

Sd/-
New Delhi
27th July 2015

Arvind Kumar Singhania
Chairman & CEO

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[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,

Ester Industries Limited

(CIN: L24111UR1985PLC015063)

Sohan Nagar, P.O. Charubeta,

Khatima - 262308, Distt. Udham Singh Nagar,

Uttarakhand, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ester Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company'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, we hereby report that in our opinion, the company has, during the audit period covering the financial

year ended on 31st March, 2015 ("Audit Period") 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:

We 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, 2015 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 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 ('SEBI Act'):-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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;
 - (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

*Not Applicable on the company during the Audit period.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned.

(vi) The Company is carrying on the business of manufacturing of Polyester Film and Engineering Plastics having plant at Uttarakhand. As informed by the Management, following are some of the laws specifically applicable to the company:-

- Indian Boiler Act, 1923 and regulations made thereunder.
- Legal Metrology Act, 2009 and rules made thereunder.
- Petroleum Act, 1934 and rules & regulations made thereunder.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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.

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

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and

recorded as part of the minutes.

We 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.

We further report that during the audit period-

- i) the shareholders of the Company on September 11, 2014 through Postal Ballot approved-
 - creation of mortgage, charge and hypothecation, and creation of securities in such form and manner and such on terms and at such time(s) as the Board may deem fit, over the assets of the company under section 180(1)(a) of the Act; and
 - the borrowing limits of the Company for an amount not exceeding Rs. 750 Crores (Rupees Seven Hundred Fifty Crores only) under section 180(1)(c) of the Act.
- ii) the Company, vide Board resolution dated April 11, 2015 allotted 2,07,50,000 zero coupon warrants convertible into equity shares to M/s Vettel International Limited.
- iii) pursuant to order of the Hon'ble High Court of Nainital at Uttarakhand dated March 25, 2014 Sriyam Impex Private Limited (Transferor Company) was merged into the Company effective from May 7, 2014.

Further, during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of shares/sweat equity.
- (ii) Redemption/Buy Back of securities.
- (iii) Foreign Technical Collaboration

For Sanjay Grover & Associates
Company Secretaries

Sd/-

Sanjay Grover
CP No.: 3850

July 27th, 2015
New Delhi

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[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:

I. CIN	:	L24111UR1985PLC015063
II. Registration Date	:	4th February, 1985
III. Name of the Company	:	Ester Industries Limited
IV. Category / Sub-Category of the Company	:	Company Limited by Shares
V. Address of the Registered office and contact details	:	Sohan Nagar, PO Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand Ph.: (05943) 250153-57, Fax: (05943) 250158 Website: www.esterindustries.com Email: shares.deptt@ester.in
VI. Whether listed company	:	Yes
VII. Name, Address and Contact details of Registrar and Transfer agents	:	MAS Services Limited, T-34, Okhla Industrial Area, Phase-II, New Delhi - 110020, Tel. 011-26387281

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyester Films	22201	80.66%
2	Engineering Plastics	22207	19.34%
	Total		100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	Ester International (USA) Limited 80 Brunswick Wood Drive (East), Brunswick, New Jersey 08816, USA	NA	Wholly-owned Foreign Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	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	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	450	-	450	-	303191	-	303191	0.48	0.48
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	10222650	-	10222650	16.26	-	-	-	-	(16.26)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	10223100	-	10223100	16.26	303191	-	303191	0.48	(15.78)

Category of Shareholders	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	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	150	-	150	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	35120192	-	35120192	55.84	44915012	-	44915012	71.70	15.86
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	35120342	-	35120342	55.84	44915012	-	44915012	71.70	15.86
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	45343442	-	45343442	72.10	45218203	-	45218203	72.18	0.08
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	27500	27500	0.04	-	27500	27500	0.05	0.01
b) Banks / FI	1000	33800	34800	0.06	1000	11400	12400	0.02	(0.04)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	300	300	-	-	300	300	-	-
g) FIs	-	-	-	-	-	21300	21300	0.03	0.03
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1000	61600	62600	0.10	1000	60500	61500	0.10	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	2033010	31900	2064910	3.28	1689482	28900	1718382	2.74	(0.54)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9620419	1877632	11498051	18.28	9272910	1852210	11125120	17.76	(0.52)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2931961	22648	2954609	4.70	3151070	-	3151070	5.03	0.33
c) Others									
Non Resident Individual	952294	17800	970094	1.54	1082396	17800	1100196	1.76	0.22
Clearing Member	-	-	-	-	259288	-	259288	0.41	0.41
Trust	-	-	-	-	10000	-	10000	0.02	0.02
Sub-total (B)(2):-	15537684	1949980	17487664	27.80	15465146	1898910	17364056	27.72	(0.08)
Total Public Shareholding (B)=(B)(1)+(B)(2)	15538684	2011580	17550264	27.90	15466146	1959410	17425556	27.82	(0.08)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	60882126	2011580	62893706	100.00	60684349	1959410	62643759	100	-

(ii) Shareholding of Promoters

Sl 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	
1	Wilemina Finance Corp.	35120192	55.84	-	44915012	71.70	-	15.86
2	Sriyam Impex Private Limited	10222650	16.26	-	-	-	-	(16.26)
3	Uma Devi Singhania	150	-	-	150	-	-	-
4	Jai Vardhan Singhania	150	-	-	124858	0.20	-	0.20
5	Arvind Singhania	150	-	-	150	-	-	-
6	Ayush Vardhan Singhania	150	-	-	178033	0.28	-	0.28
	Total	45343442	72.10	-	45218203	72.18	-	0.08

(iii) Change in Promoters' Shareholding:

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2014)/ end of the year (31/03/2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Arvind Kumar Singhania	150	-	01/04/2014	-	Nil movement during the year	150	-
		150	-	31/03/2015	-		150	-
2	Uma Devi Singhania	150	-	01/04/2014	-	Nil movement during the year	150	-
		150	-	31/03/2015	-		150	-
3	Sriyam Impex Private Limited	10222650	16.26	01/04/2014	-	-	10222650	16.26
				07/05/2014	(10222650)	Cancelled due to Scheme of Amalgamation	-	-
		-	-	31/03/2015	-	-	-	-
4	Wilemina Finance Corp.	35120192	55.84	01/04/2014	-	-	35120192	55.84
				13/06/2014	9794820	Allotment under to Scheme of Amalgamation	44915012	71.70*
		44915012	71.70	31/03/2015	-	-	44915012	71.70
5	Ayush Vardhan Singhania	150	-	01/04/2014	-	-	150	-
				13/06/2014	177883	Allotment under to Scheme of Amalgamation	177883	0.28*
		178033	0.28	31/03/2015	178033	-	178033	0.28
6	Jai Vardhan Singhania	150	-	01/04/2014	-	-	150	-
				03/03/2015	1225	Purchase	1375	-
				04/03/2015	10775	Purchase	12150	0.02
				05/03/2015	17274	Purchase	29424	0.05
				09/03/2015	95434	Purchase	124858	0.20
		124858	0.20	31/03/2015	-	-	124858	0.20

* Percentage of shares were calculated on the basis of Post Amalgamation Share Capital viz. 62643759 Equity Shares.

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

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2014)/ end of the year (31/03/2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Abhish Kumar	80000	0.13	01/04/2014	-	Nil movement during the year	80000	0.13
		80000	0.13	31/03/2015	-		80000	0.13
2	G Venkata Rama Krishna	71773	0.11	01/04/2014	-	-	71773	0.11
				26/12/2014	(10000)	Sale	61773	0.10
		61773	0.10	31/03/2015	-	-	61773	0.10
3	Devyani Enterprises Private Limited	189000	0.30	01/04/2014	-	Nil movement during the year	189000	0.30
		189000	0.30	31/03/2015	189000		189000	0.30
4	Paramjit Singh Ajjan	100000	0.16	01/04/2014	-	-	100000	0.16
				13/06/2014	8000	Purchase	108000	0.17
				30/09/2014	(17000)	Sale	91000	0.15
				31/10/2014	9000	Purchase	100000	0.16
				02/01/2015	18000	Purchase	118000	0.19
		118000	0.19	31/03/2015	-	-	118000	0.19
5	Keswani Hareesh	386678	0.61	01/04/2014	-	-	386678	0.61
				13/06/2014	(25000)	Sale	361678	0.58
				30/06/2014	25377	Purchase	387055	0.62
				11/07/2014	(8114)	Sale	378941	0.60
				18/07/2014	12215	Purchase	391156	0.62
				25/07/2014	10000	Purchase	401156	0.64
				12/09/2014	(103201)	Sale	297955	0.48
				20/02/2015	4153	Purchase	302188	0.48
				27/02/2015	93167	Purchase	395275	0.63
		395275	0.63	31/03/2015	-	-	395275	0.63
6	Ricky Ishwardas Kirpalani	127883	0.20	01/04/2014	-	-	127883	0.20
				20/06/2014	39398	Purchase	167281	0.27
				11/07/2014	400	Purchase	167681	0.27
				30/09/2014	62721	Purchase	230402	0.37
				07/11/2014	73802	Purchase	304204	0.49
				12/12/2014	26600	Purchase	330804	0.53
				20/02/2015	32538	Purchase	363342	0.58
				13/03/2015	(7689)	Sale	355653	0.57
		355653	0.57	31/03/2015	-	-	355653	0.57
7	IL&FS Trust Co Ltd	241596	0.38	01/04/2014	-	-	241596	0.38
				12/09/2014	(20000)	Sale	221596	0.35
				14/11/2014	(16000)	Sale	205596	0.33
		205596	0.33	31/03/2015	-	-	205596	0.33
8	Shaunak Jagdish Shah	199195	0.32	01/04/2014	-	Nil movement during the year	199195	0.32
		199195	0.32	31/03/2015	-		199195	0.32
9	Jagdish Amritlal Shah	189547	0.30	01/04/2014	-	Nil movement during the year	189547	0.30
		189547	0.30	31/03/2015	-		189547	0.30
10	Jamson Securities Private Limited	144000	0.23	01/04/2014	-	Nil movement during the year	144000	0.23
		144000	0.23	31/03/2015	-		144000	0.23
11	Sudheer K Basetti	95312	0.15	01/04/2014	-	-	95312	0.15
				04/04/2014	5265	Purchase	100577	0.16
				11/04/2014	817	Purchase	101394	0.16

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2014)/ end of the year (31/03/2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				18/04/2014	(2000)	Sale	99394	0.16
				02/05/2014	706	Purchase	100100	0.16
				09/05/2014	520	Purchase	100620	0.16
				16/05/2014	2045	Purchase	102665	0.16
				23/05/2014	(501)	Sale	102164	0.16
				30/05/2014	(12550)	Sale	89614	0.14
				06/06/2014	(17000)	Sale	72614	0.12
				13/06/2014	(10126)	Sale	62488	0.10
				20/06/2014	9725	Purchase	72213	0.12
				30/06/2014	650	Purchase	72863	0.12
				11/07/2014	500	Purchase	73363	0.12
				18/07/2014	1050	Purchase	74413	0.12
				05/09/2014	1000	Purchase	75413	0.12
				12/09/2014	(2413)	Sale	73000	0.12
				19/09/2014	1400	Purchase	74400	0.12
				30/09/2014	850	Purchase	75250	0.12
				10/10/2014	1000	Purchase	76250	0.12
				31/10/2014	2600	Purchase	78850	0.13
				07/11/2014	(1675)	Sale	77175	0.12
				14/11/2014	501	Purchase	77676	0.12
				21/11/2014	(17555)	Sale	60121	0.10
				19/12/2014	(1956)	Sale	58165	0.09
		58165	0.09	31/03/2015	-	-	58165	0.09
12	Narendra Singhania	189441	0.30	01/04/2014	-	Nil movement during the year	189441	0.30
		189441	0.30	31/03/2015	189441		189441	0.30
13	Sushilaben Vijay Mehta	199900	0.32	01/04/2014	-	Nil movement during the year	199900	0.32
		199900	0.32	31/03/2015	-		199900	0.32
14	Neelam Bajaj	141000	0.23	01/04/2014	-	Nil movement during the year	141000	0.23
		141000	0.23	31/03/2015	-		141000	0.23
15	K C Poovanna	183309	0.29	01/04/2014	-	Nil movement during the year	183309	0.29
		183309	0.29	31/03/2015	-		183309	0.29
16	Rajagopalan Sugumar	200000	0.32	01/04/2014	-	-	200000	0.32
				04/04/2014	48500	Purchase	248500	0.40
				09/05/2014	(42774)	Sale	205726	0.33
				16/05/2014	24100	Purchase	229826	0.37
				23/05/2014	200	Purchase	230026	0.37
				06/06/2014	(159770)	Sale	70256	0.11
				13/06/2014	42988	Purchase	113244	0.18
				30/06/2014	(22810)	Sale	90434	0.14
				04/07/2014	(26769)	Sale	63665	0.10
				11/07/2014	672	Purchase	64337	0.10
				25/07/2014	5671	Purchase	70008	0.11
				01/08/2014	150	Purchase	70158	0.11
				22/08/2014	12100	Purchase	82258	0.13
				19/09/2014	15501	Purchase	97759	0.16
				30/09/2014	2241	Purchase	100000	0.16
				13/03/2015	4851	Purchase	104851	0.17
		104851	0.17	31/03/2015	-	-	104851	0.17

Note:

1. We have considered Top 10 Shareholder at the beginning of the year i.e. 1st April, 2014 and at the end of the year i.e. 31st March, 2015
2. For the purpose of calculating Cumulative % of total shares of the Company, we have taken Total Number of Share Capital as 62893706 for the transactions entered till 6th may, 2014 and thereafter Total Number of Share Capital as 62643759 due to change in capital pursuant to Scheme of Arrangement entered by the Company and effective from 7th May, 2014.

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2014)/ end of the year (31/03/2015)	% of total shares of the Company				No. of Shares	% of total shares of the Company
DIRECTORS								
1	Mr. Arvind Kumar Singhanian*	150	-	01/04/2014	-	Nil movement during the year	150	-
		150	-	31/03/2015	-		150	-
2	Mr. M S Ramachandran	-	-	01/04/2014	-	Nil movement during the year	-	-
		-	-	31/03/2015	-		-	-
3	Mr. V B Haribhakti	-	-	01/04/2014	-	Nil movement during the year	-	-
		-	-	31/03/2015	-		-	-
4	Mr. Ashok Newatia	-	-	01/04/2014	-	Nil movement during the year	-	-
		-	-	31/03/2015	-		-	-
5	Mr. P S Dasgupta	-	-	01/04/2014	-	Nil movement during the year	-	-
		-	-	31/03/2015	-		-	-
6	Mr. Anand Chand Burman	-	-	01/04/2014	-	Nil movement during the year	-	-
		-	-	31/03/2015	-		-	-
7	Mr. Dinesh Chandra Kothari	20000	0.03	01/04/2014	-	Nil movement during the year	20000	0.03
		20000	0.03	31/03/2015	-		20000	0.03
8	Mrs. Archana Singhanian	-	-	01/04/2014	-	Nil movement during the year	-	-
		-	-	31/03/2015	-		-	-
9	Mr. Pradeep Kumar Rustagi*	400	-	01/04/2014	-	Nil movement during the year	-	-
		400	-	31/03/2015	-		-	-
KMP								
10	Mr. Diwaker Dinesh	10	-	01/04/2014	-	Nil movement during the year	-	-
		10	-	31/03/2015	-		-	-

*Mr. Arvind Kumar Singhanian and Mr. Pradeep Kumar Rustagi are also the KMP in the Company.

V. INDEBTEDNESS

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

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	36,331.39	NIL	NIL	36,331.39
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	52.92	NIL	NIL	52.92
Total (i+ii+iii)	36,384.31	NIL	NIL	36,384.31
Change in Indebtedness during the financial year				
• Addition	6,778.63	NIL	NIL	6,778.63
• Reduction	(5,556.99)	NIL	NIL	(5,556.99)
Net Change	1,221.64	NIL	NIL	1,221.64

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	37,562.70	NIL	NIL	37,562.70
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	43.24	NIL	NIL	43.24
Total (i+ii+iii)	37,605.94	NIL	NIL	37,605.94

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Mr. Arvind Kumar Singhania, Chairman & CEO	Mr. Pradeep Kumar Rustagi, Executive Director & CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	102.90	89.04	191.94
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.34	0.32	0.66
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission as % of profit	-	-	-
3	Others (PF, SAF, sitting fee if any)	7.58*	4.95	12.53
	Total (A)	110.82	94.31	205.13
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013, in case of inadequacy of profit, the maximum limit of remuneration is Rs. 120.00 Lacs.		

* Includes sitting fee of Rs. 10,000/- for the meeting attended during the year as Non-Executive Director before appointment as Executive Director.

B. Remuneration to other directors:

(Rs. in Lacs)

Directors	PARTICULARS OF REMUNERATION			
	Fee for attending Board / Board Committee Meetings	Commission	Others	Total
1. INDEPENDENT DIRECTORS				
Mr. V B Haribhakti	0.90	-	-	0.90
Mr. M S Ramachandran	1.20	-	-	1.20
Mr. Dinesh Chandra Kothari	0.90	-	-	0.90
Mr. P S Dasgupta	0.40	-	-	0.40
Mr. Anand Chand Burman	0.30	-	-	0.30
Mr. Ashok Newatia	0.80	-	-	0.80
Total B (1)	4.50	-	-	4.50
2. OTHER NON-EXECUTIVE DIRECTORS				
Mrs. Archana Singhania	0.30	-	-	0.30
Total B (2)	0.30	-	-	0.30
TOTAL AMOUNT B(1) + (2)	4.80	-	-	4.80
Ceiling as per the Companies Act, 2013	Non-Executive Directors are paid Sitting fee only. The ceiling for payment of sitting fee is Rs. 1 (one) Lac per meeting for each director.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. in Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Diwaker Dinesh, Company Secretary	Mr. Pradeep Rustagi, Executive Director & CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.39	89.04	104.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.74	0.32	1.06
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others (PF & SAF)	0.74	4.95	5.69
	Total	16.87	94.31	111.18

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

ANNEXURE-C

- Brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

Ester CSR Policy outlines continuing commitment by the business to contribute towards economic, environmental and social development (a Triple Bottom Line approach) in the vicinity of our facilities/operations with a view to improving the quality of life and fostering sustainable development of the communities as well as our workforce and their families.

Ester intends to pursue its CSR program in a structured manner, making this an integral part of the business to minimize risks and build reputation and competitive advantage, whilst pursuing initiatives covering the following platforms – community, environment, work place & market place. Through this structured approach, Ester intends to enhance involvement of employees in progressing its CSR program, whilst addressing the needs of various stakeholders.

The policy has broadly focused on promoting health care including preventive health care, promoting sanitation and hygiene and promoting education and literacy enhancement. The CSR Policy of company can be accessed under policies section of the Company website at -

http://esterindustries.com/ester_cms/userfiles/file/policies/Corporate_Social_Responsibility_Policy.pdf

- The composition of the CSR committee:** The Composition of Committee comprises of Mr. M S Ramachandran, Chairman of the Committee, Mr. Ashok Newatia, Mr. Arvind Kumar Singhania and Mrs. Archana Singhania.
- Average net profit of the company for last three financial years for the purpose of computation of CSR:** Average of preceding three financial years (2011-12, 2012-13 and 2013-14) being loss, the Company has not incurred amount on CSR activities during financial year 2014-15.
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not Applicable as explained in Point No. 3.
- Details of CSR spent during the financial year:** Not Applicable as explained in Point No. 3.
- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :** Not Applicable as explained in Point No. 3.
- A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Sd/-

Arvind Kumar Singhania
Chairman & CEO

Sd/-

M. S. Ramachandran
Chairman of the Committee

Date : 27th July, 2015

Place : New Delhi

Disclosure in Board's report as per provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year along with percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary

Name of Director	Ratio of Remuneration director to median remuneration	% increase in Remuneration
Executive Director		
Mr. Arvind Kumar Singhanian ¹	37:1	-
Mr. Pradeep Kumar Rustagi	28:1	8%
Non-Executive Director²		
Mr. V B Haribhakti ³	0.30:1	No Increase
Mr. M S Ramachandran	0.40:1	33%
Mr. Dinesh Chandra Kothari	0.30:1	29%
Mr. P S Dasgupta	0.13:1	No Increase
Mr. Anand Chand Burman	0.10:1	No Increase
Mr. Ashok Newatia	0.27:1	33%
Mrs. Archana Singhanian ⁴	0.10:1	-

The percentage increase in remuneration of Chief Financial Officer is 8% and of the Company Secretary is 14%⁵.

1. Mr. Arvind Kumar Singhanian was appointed as Executive Director during the year. Last year he was holding position of Non-Executive Director, therefore no details of increase in remuneration can be given.
2. Only sitting fee is paid to Non-Executive Directors. Ratio/increase in remuneration have been derived based on total sitting fees paid during 2014-15 and 2013-14. However there is no increase in sitting fee for per meeting of the Board/Committee.
3. Resigned during the year.
4. Mrs. Archana Singhanian was appointed during the year. Therefore no details of increase in remuneration can be given.
5. The percentage of increment of CFO & Company Secretary is based on the management appraisal without considering the variable component.

II. The percentage increase in the median remuneration of employees in the financial year – around 12%

III. The number of permanent employees on the rolls of company – 537 as on 31st March, 2015

IV. The explanation on the relationship between average increase in remuneration and company performance

During the FY 2014-15, the Company earned profit of Rs. 383.91 Lacs. There are various factors to ensure fair compensation for the employee like industry trend, cost of living, individual performance of the employee, external environment etc. The increase in remuneration is a function of factors outlined above. The performance of the company has bearing on the quantum of variable pay declared for employees across levels.

Thus, there may be a positive correlation in the increase in remuneration of employees and your Company's performance, however, a perfect correlation will not be visible given the dependency on the other factors stated above.

V. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company

During the year the gross sales of the Company was Rs. 983.14 crores which was less than 3 % that of last year. Average increase in the remuneration of the KMP is 11% which is in line with the industry. The remuneration is not decided only based on one particular year's performance of the company but is also based on other factors like industry trend, cost of living, individual performance of the employee, external environment, company's performance in past and the future business plans of the company etc.

VI. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies

The market capitalisation of the Company as on 31st March, 2015 was Rs. 102.42 Crores as compared to Rs. 66.98 Crores as on 31st March, 2014. There were changes in capital as mentioned in Board's Report. The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer Price and the current market price of the Company's shares will not be relevant. However as compared to IPO in 1988, the percentage increase in market price is 63%.

The Price earnings ratio as on 31st March, 2015 was 26.80 as compared to 7.95 as on 31st March, 2014.

VII. Average percentile increase already made in the remuneration 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

Average percentage increase in the remuneration of employees other than Key managerial personal in the last financial year is around 9% (based on management appraisal without considering performance link incentive) while the average percentage increase in the remuneration of Key Managerial Personnel is 11%.

The increase in remuneration of employees other than the key managerial personnel is in line with the increase in remuneration of key managerial personnel. There is no exceptional increase in remuneration of managerial remuneration.

VIII. Comparison of remuneration of each of the Key Managerial Personnel against the performance of the company

During the year the gross sales of the Company was Rs. 983.14 crores which was less than 3 % that of last year. Increase in the remuneration of the CFO was 8% and Company Secretary was 14%. The remuneration is not decided only based on one particular year's performance of the company but is also based on other factors like industry trend, cost of living, individual performance of the employee, external environment, company's performance in past and the future business plans of the company etc.

IX. The key parameters for any variable component of remuneration availed by the directors

The key parameters for the variable component of remuneration availed by the directors are in line with Nomination and Remuneration Policy and decided by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee.

X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Mr. Arvind Kumar Singhania is the highest paid director during the year. Ratio of the employee receiving remuneration in excess of the highest paid director is as stated below -

Mr. Raahul Bhatia, Business Head- Polyester Film	1:1.51
Mr. Sanjay T Kulkarni, Business Head- Specialty Polymer	1:1.35

Due to inadequacy of profit, the remuneration paid to Mr. Arvind Kumar Singhania was restricted to the limit of as minimum remuneration prescribed under Schedule V of the Companies Act, 2013.

XI. It is hereby affirmed that the remuneration is as per the remuneration policy of the company

XII. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1.	Details of contracts or arrangements or transactions not at arm's length basis:	
	a) Name(s) of the related party and nature of relationship b) Nature of contracts/arrangements/transactions c) Duration of the contracts / arrangements/transactions d) Salient terms of the contracts or arrangements or transactions including the value, if any e) Justification for entering into such contracts or arrangements or transactions f) Date(s) of approval by the Board g) Amount paid as advances, if any h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188 of the Companies Act, 2013	NIL
2.	Details of material contracts or arrangement or transactions at arm's length basis:	
	a) Name(s) of the related party and nature of relationship b) Nature of contracts/arrangements/transactions c) Duration of the contracts/arrangements/transactions d) Salient terms of the contracts or arrangements or transactions including the value, if any e) Date(s) of approval by the Board, if any f) Amount paid as advances, if any	NIL

Sd/-

Arvind Kumar Singhania
Chairman & CEO

Date : 27th July, 2015

Place : New Delhi

Details as per Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

I. Steps taken or impact on conservation of energy

- Installed new energy efficient Air Compressor to save about 5,40,000 units per annum.
- Replaced old pumps with energy efficient pumps in Cooling Towers to save about 2,50,800 units per annum.
- Replaced 2 old VAM Chillers with energy efficient chillers to save about Rs. 61.20 lacs per annum.
- Installed Flash Recovery system to save about Rs. 14.64 lacs per annum.
- Installed Close Loop Heat Exchanger in EGR resulting in savings of 10800 cubic meters of soft water per annum & reduction in ETP load.

II. Steps taken by the company for utilizing alternate sources of energy:

Installed Bio-mass fuelled Thermic Fluid Heater of 10 MKCal that runs on Rice Husk instead of Furnace Oil.

III. The capital investment on energy conservation equipments during 2014-15:

During the year under review, Company has invested Rs. 54.13 lacs as capital investment on energy conservation equipment.

B. TECHNOLOGY ABSORPTION

I. Efforts made towards technology absorption

- Upgraded operating system of Atlas als Slitter
- Upgraded boat heating unit of Metallizer # 1
- Installed UPS system of 1670 KVA
- Enhanced Bio-mass based thermal energy generation capacity
- Strengthened pilot facilities by adding another 15 Kg Pilot Plant for melt polymerization
- Installed pilot Solid State Polymerization (SSP) plant of 25 Kg batch capacity

II. Benefits derived like product improvement, cost reduction, product development or import substitution

- Improved operating efficiency of Atlas Slitter
- Improved operating efficiency of Metallizer # 1.
- Improved quality and reliability of operations
- Reduced dependence on Furnace Oil and achieve cost savings.
- Infrastructure for product development and R & D activities

III. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)- Not Applicable

IV. Expenditure incurred on Research and Development - Rs. 82,800/-

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

	(Rs. in Lacs)	
	2014-15	2013-14
1. Earnings – FOB Value of Exports	19057.23	22667.24
2. Outgo – CIF Value of Imports	16312.66	14799.26

Sd/-

Arvind Kumar Singhania
Chairman & CEO

Date : 27th July, 2015

Place : New Delhi

Management Discussion and Analysis

Overview

The global economy faced diverse challenges during the last fiscal year. While the US economy seems to be recovering on the back of fiscal stimulus, the EU is facing a crisis due to the potential Greek exit from the Eurozone. The emerging markets, which hitherto were the prime drivers of economic growth, are also starting to face growth impediments. Several major forces are driving this phenomena, such as soft commodity prices, increasingly divergent monetary policies across major economies and weak world trade. While the sharp decline in oil prices since mid-2014 will help offset some of the growth challenges faced by oil-importing emerging economies, it will dampen growth prospects for oil-exporting countries, with significant regional repercussions. Overall, global growth is expected to rise moderately to 3.5¹ percent in 2015.

The Indian economy has been through challenging times in the last two years, faced with the twin problems of prolonged high inflation and low growth. However, investor confidence has been bolstered by the election of a reform-minded government. Over the medium-term, growth is expected to rise steadily to 8.2² percent as the reforms begin to yield enhanced productivity.

Ester is emerging as a technology player in Polyester Films, Engineering Plastics and Specialty Polymers. We enable clients, in more than 85 countries to stay a step ahead of business trends and outperform the competition, vide a strategy based on innovation, development, and partnership. Sustainability is a key denominator for all our endeavors in markets and with customers worldwide. Ester supports customers to thrive in an ever changing environment by co-creating breakthrough solutions that combine strategic insights and execution excellence.

Operational Performance

Business Segment

POLYESTER FILMS BUSINESS

The Product

PET is a versatile plastic used to produce a wide spectrum of packaging material for beverages, food, personal and home care, pharmaceuticals, as well as other consumer and industrial products. PET is used for its high tensile strength, chemical & dimensional stability, transparency, reflectivity, gas & aroma barrier properties, thus making an ideal product to protect food, beverages & pharmaceuticals against oxidation and aroma loss to enable longer shelf life. Various Health and Safety conscious agencies around the world have approved PET as a safe material for use in packaging foods and beverages. The PET Film industry comprises of both thin (50 micron and under) and thick films (above 50 microns)

Industry Overview

Global market ³

BOPET film is used in a wide number of packaging and industrial

applications. The worldwide market, which primarily consists of commodity films will be 3.7 million tons by end of 2015, is growing at ~6-7% a year, whereas the market for Specialty films is growing at significantly higher pace.

The industry over the last decade has seen many structural changes on the geographic front with Asian countries now dominating production and consumption. With investments in low cost and highly efficient modern extrusion plants, such producers have been successful in placing material volumes in the global market, albeit at very competitive prices. More than half of the world's BOPET film capacity as well as the demand is in Central and East Asia (China, Japan, South Korea & Taiwan). The BOPET film industry now operates on a global scale, with some producers having built large manufacturing capacities at a single location, while others have opted for a network of small capacities across the globe.

There are two types of growth strategies adopted by industry players: the first is basically volume driven and focusses on establishing significant supply capacities, while the other is based on providing customized solutions through use of innovation and technology to enhance packaging performance and contribute towards the environment. Ester is quickly establishing itself in the latter space.

Indian market

The total installed production capacity in India is now approx 530 KTPA of Thin BOPET films. Out of India's production of around 385 KTPA, around 64% is consumed within the country, while the balance is exported. The domestic demand for Thin BOPET film is estimated to be around 290,000 MT growing at a CAGR (Compounded Annual Growth Rate) of ~ 6-7%.

Performance Overview (FY 2014-15)

The overall sales volumes of the Polyester Films SBU grew from 43,005 MT to 43,337 MT, an increase of approx 1%. The business was impacted by a drastic reduction in raw material prices due to fall in crude in the latter half of the year. The freefall in crude prices resulted in customers postponing their purchases, thereby creating pressure on margins due to the time lag between the product price and input costs. Ester has started exploring new geo-markets (like China) for value added products, and has made further inroads in Latin America, Australia and East Europe.

The Polyester Film SBU continued the momentum of strategic initiatives started in FY 12-13, with respect to transforming Ester into a technology player. This involved increased investment in Research and Development, and intensive product evaluations both internally as well as at numerous customer sites. Such customer engagements resulted in better understanding of customer requirements thereby enabling Ester to develop products within its portfolio for wider acceptance in global markets.

1. World Economic Outlook by IMF

2. Asian Development Bank

3. Report on "World Markets for BOPET Films to 2017" by PCI Films

Moreover, the Marketing Team was restructured into two focused teams, viz. Sales and Business Development teams to ensure a swift move towards exploiting value added product opportunities in global markets. Your Company continues to focus on efficient execution of its long term strategy.

Growth drivers:

- Increasing awareness of environmental issues

Focus on sustainability, the adoption of new regulatory requirements regarding recycling of packaging material and environmental concerns are causing a shift from other substrates (such as PVC and PVDC) to BOPET, due to it being a more environment friendly material.

- 'On-the-go' lifestyles

'On-the-go' lifestyles have emerged as a result of longer working hours and, longer commuting time resulting in time being a scarce commodity. Thus consumers are less inclined to utilise the limited time at their disposal in preparing food. The main consequence of this has been an increased incidence of snacking during the day and rising out-of-home consumption.

- Convenience

Rising sales of convenience foods and developments in its packaging are playing a major role in the way that users and markets are looking at packaging. Packaging technology has developed to the extent that the ready-meal offer has improved significantly, as more and more consumers are prepared to pay a premium for quality, pre-prepared meals.

- Smaller households

Social change is indirectly leading to modifications in packaging design. The average size of households is declining in line with the rising number of nuclear families and as a result smaller pack sizes are on the rise.

- Brand enhancement / differentiation in an increasingly competitive environment

If differentiation is difficult (as in staples) then packaging provides the only marketing advantage at the point of sale.

- Fast growing organized retail industry

The retail industry is increasing in power and diversity. Organized retail (i.e. Hypermarkets) tends to shift the consumption from 'loose' items to branded packs on items like commodities, food grains, vegetable oil etc. This has resulted in increased demand for innovative and attractive high quality packaging.

Outlook

Flexible packaging has gained popularity worldwide due to its benefits such as functional convenience in handling & transportation, cost effectiveness and brand protection from counterfeiting.

While the performance of the Polyester Films business in FY 2014-15 has not been as per our expectation, Ester is confident to be able to significantly enhance the sales volumes of value added products from 15% to 35-40% in the coming years, which should more than offset the effect of rapid commoditization and cyclicity in the

markets it serves. Moreover, Ester will continue to focus on actions to optimize production and supply chain efficiencies thereby enhancing profitability.

The flagship value added products which are expected to lead Ester to the forefront of being a technology player are transparent barrier, shrink film, siliconized liner etc. These materials are a key component of the flexible packaging manufactured globally. It is worthwhile to mention that all of Ester's existing and future product developments are and will be based on the platform of sustainability. The use of Ester's film will lead to important economic and ecological benefits which enhances long term sustainability. The Ester transparent high barrier film is being keenly explored by global buyers to replace PVdC coated PET (environmentally hazardous material) and EVOH coextruded films (due to their higher mass).

Ester continues to regularly explore and evaluate organic and inorganic opportunities for growth. Such opportunities will be primarily linked to enhancing Ester's position as a technology player by way of developing or acquiring expertise and assets in adjacency areas.

The robust business model based on innovation, development and partnership will ensure value maximization for its shareholders and stakeholders.

ENGINEERING PLASTICS BUSINESS

The Product

Engineering Plastics (such as Polybutylene Terephthalate, Polyamides and Polycarbonate) have better mechanical and/or thermal properties as compared to commodity plastics (such as Polystyrene, Polypropylene and Polyethylene). Engineering Plastics usually exhibit a combination of properties (such as mechanical strength, heat resistance, and impact & abrasion resistance) that make them suitable for applications in various industries such as automotive, electrical and electronics, medical, consumer durables and telecommunication.

Ester manufactures and sells its products – which are compounds of PBT, PET, PA6, PA66, PC, ABS, POM and their respective blends – under the brand name "Estoplast".

Industry Overview

Global

The global engineering plastics market – estimated at USD 38 Bn in 2014 – is expected to grow at a CAGR of 4.5%, thus reaching ~USD 50 Bn by 2020, driven primarily by the increasing demand from the Asia Pacific region.

Factors such as increasing competition, volatility in raw material costs and a maturing customer base have been influencing structural changes in the engineering plastics industry. Some of the key trends impacting the industry include;

- Electrical & Electronics: Consumer preference for smaller & more sleek electronic products is leading to miniaturization of E&E components, thereby affecting consumption
- Automotive: The ongoing metal substitution trend is expected to sustain growth in this end-user segment. However,

upgraded commodity thermoplastics such as polypropylene would continue to pose a threat of substitution owing to cost reduction initiatives by OEMs

- Consumer goods: Increased spending capacity in APAC is expected to drive growth in this end-user segment
- Construction: Increasing construction activities in APAC is expected to result in strong growth in this segment
- Medical: Light-weighting requirements in this segment are expected to enhance the demand for engineering plastics.

Asia-Pacific

Asia-Pacific (which accounts for ~40% of the global engineering plastics market) has grown at a CAGR of 12.5% from 2008 to 2013, led by China and India. APAC is expected to contribute significantly towards global growth projections, with an expected CAGR of ~14% from 2013 to 2018. Market players in the more developed countries of the APAC region – like China, Japan & South Korea – are expected to focus mainly on customized demands. Development of new applications in end-user industries is also expected to fuel growth in this region.

India

The Engineering Plastics market in India has grown at a healthy CAGR of ~25% from 2009 to 2014. With untapped opportunities for metal replacement in the automotive, consumer appliances and other applications still existing, the engineering plastics industry in India has substantial growth potential and is expected to grow at a CAGR of over 20% from 2014 to 2019, reaching a market size of ~USD 5 Bn by 2019. The automotive sector (which accounts for approximately half of the EP consumption in India) is expected to witness a revival from the current financial year.

Performance Overview

Ester's Engineering Plastics business sustained its aggressive growth journey, registering a sales growth of approximately 21% in FY 2014-15, with a significant improvement in profitability as well. This was the third consecutive year wherein Ester grew ahead of industry, recording an impressive CAGR of 35% from FY 2011-12 to FY 2014-15. This continual growth ahead of industry helped Ester in securing the *Plasticon Gold Award* for the "Fastest Growing Enterprise – Processing (Engineering Polymers)" at the Plastindia Exhibition in February 2015.

Our focused customer acquisition process and improved product range helped in enhancing our active customer base by ~ 50%, with some key approvals being secured from Original Equipment Manufacturers (OEMs)/Tier 1 customers in the automotive, electrical and appliances industries.

Some key initiatives taken during the year towards creating a robust business include;

- Engagement of a global consultant to assist in the formulation/implementation of the Growth Strategy for the EP business towards creating a sustainable and profitable long term business

- Active participation in Plastindia 2015 at Ahmedabad. This contributed towards further enhancing Ester's Brand image/visibility and provided promising engagement opportunities for Business Development
- Continued focus on new product development to meet customer needs. This helped in expanding our product portfolio by ~40%, including specialized high wear resistance (MOS2/Teflon) grades, diffuser for LED application and GF50% nylon grades with good flow characteristics
- Commenced exports of Engineering Plastics. Creation of a dedicated team for exports opportunities has also been initiated
- Effective utilisation of the Application Development & Technical Services teams – formed in the previous year – to enhance customer satisfaction levels and realise new business development opportunities
- Sustained efforts towards productivity/efficiency improvement at the manufacturing facility
- Review of the Credit Policy – owing to the severe liquidity crunch scenario in the market – with a view to minimising business exposure and optimising working capital
- Continual evaluation of alternate vendors to improve supply chain efficiency and enhance robustness towards ensuring business continuity

Key drivers for Industry Growth

1. Government initiatives such as "Make in India" & "Digital India" are expected to favourably impact end-user segments viz. Automotive, Electrical & Electronics & Telecommunications.
2. Increased usage of plastics in the automotive industry to reduce weight of vehicles for better fuel efficiency & lesser emissions. Phasing out of old vehicles is also expected to drive consumption.
3. Increased focus by the government to promote usage of energy-saving lighting.
4. Enhanced safety awareness resulting in increased usage of low voltage switch gear.
5. New applications for engineering plastics being developed across various industries such as the Medical industry
6. Increased government & private spending in construction and infrastructure projects
7. Favourable demographic distribution with rise in working population / urbanization leading to increased per capita usage of plastics.

Business Prospects

Automotive Segment

The automotive segment comprises of automobile and auto-components and is one of the key drivers of the Indian economy. After two consecutive years of sluggish performance, this segment started showing signs of recovery with all the auto sub-sectors

(other than Commercial vehicles) having grown during the year. The sheer size of the market makes it one of the most important end-user segments for the engineering plastics market, accounting for about half of the EP consumption in India. India is the world's second largest two-wheeler manufacturer and this segment continued to perform well – registering a growth of 9.6% in 2014-15 – resulting in an overall growth of 8.7% for the automotive industry. The segment-wise growth in FY2014-15 is tabulated below;

Segment	Growth in FY2014-15
Passenger Vehicles	4.3%
Commercial Vehicles	(-) 0.3%
Two-Wheelers	9.6%
Three-Wheelers	14.3%
Overall	8.7%

India continues to be an attractive destination for manufacturers in view of the projected growth in demand. India's share in the global passenger vehicle market is expected to double from 4% in 2010-11 to 8% by 2020. Projected CAGR for various segments is tabulated below;

Segment	CAGR (FY 2014-21)
Passenger Vehicles	18%
Commercial Vehicles	19%
Two & Three Wheelers	8%

Over the years, the automotive industry has realized the importance of engineering plastics over metals due to reduction in vehicle weight and production costs, improvement in time-to-market and design freedom thus enhancing the overall safety of the vehicles. Today, plastics account for nearly 16% of the average vehicle weight which is expected to go up to 18% by 2020.

Electrical & Electronics Segment

The electrical industry comprises of the lighting and electrical equipment industries. The key segments in the electrical equipment industry, with respect to consumption of engineering plastic compounds, include the switchgear and the energy meters industries. The segment-wise growth in FY2014-15 is tabulated below;

Segment	Growth in FY2014-15
Capacitors	10.1%
Energy Meters	16.8%
LV Switchgear	7.2%
HV Switchgear	5.0%

While the energy meters industry is expected to maintain a steady growth rate of ~10%, the switch & control gears industry is expected to register a CAGR (FY12-22) of ~15%.

The size of India's lighting industry currently stands at USD 25 Bn, with the Lamps segment accounting for USD 3.2 Bn. The government has been promoting the usage of energy-saving lighting which has resulted in a high growth over the last two to three years, led by

CFL bulbs. The CFL market grew by ~11% in FY2014 and is expected to remain steady for the next few years. The LED segment – which picked up about 4 years ago – is already pegged at USD 5.3 Bn in the organized market and grew by 86% in FY2014, replacing traditional products. As per industry reports, LED products would replace about 70% of traditional products by 2020.

Electronics industry consists of applications like consumer electronics, industrial electronics, computers, communication & broadcasting equipment, strategic & electronic components. This industry is being strongly promoted by the government through various initiatives such as "Make in India" & "Digital India". The electronics market in India is expected to grow at a CAGR of ~24% from USD 69.6 Bn in 2012 to USD 400 Bn by 2020. This high growth is also expected to boost the consumption of engineering plastics in the Indian market.

Optical Fiber Cable Segment

India is emerging as one of the fastest growing markets for OFC cables, driven by increasing deployments in backhaul and last mile networks and aided by government initiatives such as National Optical Fiber Network (NOFN) and cable TV digitisation projects. The NOFN project intends to connect 250000 *gram panchayats* in the country to high speed internet services. The project started gaining momentum from end-2014, with 23000 *gram panchayats* covered till April 2015. With the project lagging behind schedule, the government has decided to bring on board private players for the next phase which would cover 50000 to 70000 *gram panchayats*.

A Network For Spectrum (NFS) has been implemented by the Department of telecommunication which plans to strengthen the communication infrastructure of the Defense sector using optical fiber network. Broadband penetration in India is witnessing significant growth. The broadband subscriber base is expected to witness a tenfold growth from ~61 Mn in March 2014 to ~600 Mn by 2020.

During 2010-14, the Indian OFC market grew at a CAGR of 13.2% while the global market grew at a CAGR of 3.7%. The Indian OFC market – pegged at USD 180 Mn in 2014 – is expected to grow at a CAGR of ~15%, reaching a market size of USD 424 Mn by 2020.

Future Outlook

Having secured the Plasticon Gold Award for the fastest growing engineering polymers (processing) enterprise, Ester intends to continue with its aggressive growth strategy in FY2015-16 as well, whilst focusing on actions to further enhance profitability. Some of the key actions that would help in ensuring profitable growth include;

- Pursuing organic as well as inorganic options to support Ester's ambitious growth aspirations
- Identifying key Exports opportunities and formulating Ester's product-market strategy for capturing market share in key geographies, whilst focusing on "quick-wins" for 2015-16
- Enhancing relationship with OEMs/Tier 1/Tier 2 customers in the automotive & electrical segments and securing approvals

for long-term sustainability. Working on collaborative VAVE (Value Addition & Value Engineering) & localization projects with some of our OEM customers

- Building R&D capability (in-house or through strategic alliances) aligned with technological developments and acquiring advanced technical expertise in the field of EP compounding to address changing customer needs
- Aligned with the organisational objective of becoming a Technology-driven Company, pursuing acquisition options in Engineering Plastics as well
- Continued focus on new product/application development
- Evaluating options to enhance distribution reach and delivery capability in West/South markets for enhanced customer satisfaction
- Exploring options for maximizing machine utilization – including toll-compounding opportunities – having enhanced capacities in 2013-14
- Continuous improvement in systems & processes to enhance business robustness
- Strict implementation of the revised Credit Policy for risk mitigation
- Maintaining focus towards enhancing Ester's brand visibility and brand value
- Development of Halogen & Phosphorous free compounds in line with our "green initiatives" programme
- Development of specialized grades to exploit the opportunities available in the rapidly expanding LED market
- Evaluating options for introduction of additional polymer compounds for entering new market segments
- Securing UL certification for identified polyamide compounds

SPECIALTY POLYMERS BUSINESS

The global polyester (PET) business comprising of Textile, Industrial yarn & Carpets, Rigid packaging and Flexible packaging is in excess of 67 million tons per year (MTPA). The Textile and Rigid packaging form the largest component of this total volume standing at 30 & 28 MTPA respectively. The total PET resin market is growing at an annual rate of ~7.5%⁴. Moreover, there is a significant potential of unmet demand for performance PET polymers in all the above mentioned application areas. Ester saw this opportunity and moved swiftly to capitalize on it. The development of Performance PET polymers require extensive R&D to meet stringent property requirements for different applications. This required, setting up of state-of-the-art R&D facility manned by experienced engineers & scientists with the requisite skills and understanding of customer needs to develop these innovative products. We invested extensively in establishing pilot production and state-of-the-art testing facilities. Over the last 3-4 years, Ester has successfully developed 15 products. Out of this total, patents have been filed in respect of 7 products.

After three years of intensive R&D and product development, your company is happy to report that it has successfully commercialised 6 products. Being a highly technology oriented business, the time to market is generally long. On an average, it takes approximately 2 years from conceptualization to product approval by customers. Now that we have product approvals for many products across diverse applications like Carpets, Rigid Packaging and Textile – we expect volumes to grow significantly in the near future. The Specialty Polymer business leads the way in Ester's transformation towards being a technology driven company. Entry barriers into this business are extremely high due to Intellectual Property protection. This will help protect margins going forward unlike the commodity businesses, which are prone to cyclical and intense competition.

Below are some of the significant developments made by the Specialty Polymer SBU over the last few years, which are interesting and noteworthy

1. Stain resistant Master Batch for Carpets

Your Company has successfully developed a PET based master batch, which imparts permanent stain resistance in nylon carpets. The current technology being used for stain resistance is either "Sulphonated Nylon" or "Topical coating". While the use of Sulphonated Nylon suffers from high cost and inflexibility in usage, Topical coating suffers due to wash fastness & longevity. Ester's master batch provides total flexibility to producers of "nylon yarns for carpets" to adjust the content of the active ingredient for stain resistance to their specific need, thereby reducing the cost as well as providing total flexibility in the production process.

USA is the largest producer of Carpets & Rugs and boasts of an industry with annual revenues of ~USD 10 Billion. This product has already been approved by significant players in USA and commercial supplies have commenced since January 2015. We expect the volumes to grow substantially over the next 12-24 months. This product is patent pending.

2. PET resin for Hot-fill application

Bottles/Jar made out of normal commodity PET resin can't be hot-filled beyond 60-65 degree Centigrade. There is a huge potential for a resin, which can withstand higher filling temperatures viz. 90-95 degree Centigrade. Ester has successfully developed a polymer, with which bottles/jar can be blown with normal ISBM process without the need for heat-set and also permitting filling temperatures of up-to 90 degree Centigrade. Hot-filling is essential, as it helps preserve taste and also increase the package shelf life. Due to non-availability of suitable grade of PET, end-users were forced to use more expensive packaging materials like glass, metal etc. to fulfill their demand. The use of PET for packaging hot-fill products is highly desirable and preferred by end-users as it not only reduces the overall cost but also makes it user friendly by being lightweight and un-breakable. Ester has been working with one of Europe's largest converter's and we are happy to report

4. Global PET (Resin) Market Report by Konzept Analytics

that after extensive trials, the product has found complete acceptance with customers. This product is also expected to bring in substantial volumes over the coming months. This product is patent pending.

3. PET resin for Draught beer Kegs

The global beer industry stands at approximately 1.97 billion Hecta litres per annum, out of which draught beer comprises of 0.18 billion Hecta litres per annum. Majority of the draught beer is currently packaged in returnable stainless steel/ aluminum kegs, which is an extremely expensive way of packaging. Not only has steel become more expensive, steel keg requires to be transported back to manufacturer for cleaning and re-usage, thereby increasing the cost & complexity of doing business. The packaging of beer is very demanding as it should enable retention of carbon dioxide, prevention of oxygen ingress & blocking of UV rays amongst other things. While steel and aluminum provide these properties, it is an extensive and cumbersome process for packaging draught beer. Erstwhile attempts to convert draught beer packaging to one way plastic containers met with limited success. Some of the key factors for this were inability to withstand high ambient temperature of 50-55 degree Centigrade (thereby limiting the marketability of product to cooler climate only), inadequate barrier properties and inability of the packaging to be recycled as they were made with more than one component. Ester has developed a resin, which can be used to make mono-layer kegs of capacity between 5 & 30 litres for packaging draught beer. Our product can withstand ambient temperatures of upto 55 degree Centigrade (thereby enhancing market reach of the producers), has excellent barrier properties for retention of carbon dioxide & prevention of oxygen ingress and is fully recyclable under code SPI-1 (which is an absolute necessity from a sustainability and environment angle). This product is under final stages of testing with one of the world's most reputed beer brands and we expect final approval by end of August 2015. This product is expected to revolutionize the draught beer market globally, being a cost effective and easy to use material. This product is patent pending.

The success of this business lies entirely on the ability to develop technologically advanced solutions through extensive R&D. Ester will continue to strengthen its capability to continuously innovate and develop new products for different applications. Currently, we have 18 products at various stages of development. These are over and above the products already developed and commercialised. Ester is perhaps one of the only polyester company's in the world providing cutting edge technology and unique solutions. Ester also offers joint development programs to end-users for development of new products custom made to their requirement. We are also proud to mention that today we are working with some of the largest multi-nationals in the world to meet their demand for specialty PET products in different applications.

Future Outlook

The future outlook for Specialty Polymers SBU is extremely positive, as it offers a distinct competitive advantage due to high entry barrier

on account of Intellectual Property. The products already developed over the last 3-4 years are expected to start yielding results in terms of rapid volume build-up. This is expected to add substantially to the topline and operating margins of the company going ahead. We will continue to invest in enhanced R&D facilities and resources and to continuously build our capability for innovative product development. This will ensure continuous growth of this business over the medium to long run.

BUSINESS & FINANCIAL PERFORMANCE

	Quantity Produced (MT) (During 2014-15)	Quantity Produced (MT) (During 2013-14)	Growth
PET Chips (including Specialty Polymers)	65243	62731	4.0%
PET Film – Non Metallized	43788	42846	2.2%
PET Film – Metallized	9419	9323	1.0%
Engineering Plastics	11764	10258	14.7%

	Quantity Sold (During 2014-15)	Quantity Sold (During 2013-14)	Growth
PET Chips	19133	17177	11.4%
Specialty Polymers	1237	2037	(39.3%)
PET Film – Non Metallized	34170	33425	2.2%
PET Film – Metallized	9423	9380	0.46%
Sub Total – PET Film	43593	42805	1.84%
Engineering Plastics	11510	9509	21.0%

	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2014-15)	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2013-14)	Growth
PET Chips	14896.79	14981.88	(0.6%)
Specialty Polymers	1983.10	3849.83	(49.7%)
PET Film – Non Metallized	40633.54	43811.33	(7.3%)
PET Film – Metallized	13851.46	14764.31	(6.2%)
Sub Total - PET Film	54485.01	58575.64	(7.0%)
Engineering Plastics	17327.11	14388.28	20.4%

	(Rs. in Lacs) (During 2014-15)	(Rs. in Lacs) (During 2013-14)	Growth
EBITDA	7407.77	7931.83	(6.6%)
PBT	487.64	1414.67	(65.5%)
PAT	383.91	836.95	(54.1%)

Despite increase of about 20% in both sales volume and value in Engineering Plastics, there has been reduction in sales value (net of Excise Duty) primarily on account of reduction in volume of sales in Specialty Polymers and fall in the selling prices of Polyester Chips & Film.

Significant fall in the prices of feedstock coupled with sluggish market conditions and oversupply situation caused fall in the selling prices of Polyester Chips & Films manufactured by the company. As a result, during the year under review, sales turnover of the Company reduced by 3.3% despite marginal improvement in sales in quantitative terms in all the products, except Specialty Polymers.

Adverse impact on the margins in Polyester Chips & Films due to unfavourable market conditions & fall in prices of finished products consequent to fall in feedstock prices caused significant reduction in EBITDA, PBT and PAT.

Despite unfavourable market conditions, Company could earn profit during the year under review due to continuous focus on the strategic initiative of increasing the proportion of Value Added and Specialty films (along with rationalising its customer and market portfolio). In quantitative terms, proportion of Value Added & Specialty Films in the total sales stood at 15%.

Due to repayment of term borrowings strictly as per repayment schedule, the financial leveraging indicated by Total Debt: Tangible Net Worth ratio stands at the prudent level of 1.55 as on 31st March 2015. The book value per equity share stood at Rs. 42.77

Risk Management

Management realises that risk is an integral part of any enterprise and has classified the risks into following categories namely Strategic, Financial, Operational and Compliance. Management has adopted a proactive approach to manage the identified risks and is taking actions / steps in effective & efficient manner. Upon detailed review of the identified risks, the Board has opined that there are no risks which may threaten very existence of the Company.

A policy has been put in place that aims to detail the objectives and principles of risk management along with an overview of the risk management process and related roles and responsibilities. Business decisions are taken in a manner that risks and rewards are optimally balanced, ensuring that the Company's revenue-generating initiatives are consistent with the risks taken, so that shareholders get their desired total return.

As per the requirement of Clause 49 of the Listing Agreement, your Company has constituted a Risk Management Committee under the Chairmanship of Shri P S Dasgupta, an Independent Director. Details of the Committee are set out in the Corporate Governance Report.

Considering the current volatile and dynamic environment, identified risks and the progress in the implementation of mitigation plans to manage the identified / inherent risks are reviewed and if required, the risks and the mitigation plans are modified to align with the changed scenario / environment.

Intellectual Capital

The growing challenges in the global marketplace have made it abundantly evident that a competent and engaged work force can make the difference between organisations who succeed and those who continue to struggle. As Ester emerges as a technology player, creating a talent pool which will innovate, develop and establish its position in the global arena is no more a matter of choice, but a necessity.

This year, we successfully sustained the momentum of human capital development. The Learning and Development framework, which offers Esterians an opportunity to develop their skills and enhance their own professional competence, was taken to the next level. In addition to the existing content, we have designed and implemented a new set of modules to specifically address the development aspirations of Young Esterians. Keeping our vision and long term strategy in mind, we laid greater emphasis on technical and functional programs in the organisation to provide a holistic development opportunity to our employees. We continued to reinforce the *Behaviours We Live By* (Esterian DNA; Competency Framework), not only by way of refresher programs but also through regular multilevel engagements across the organisation.

In our pursuit to develop future leaders, we had identified High Potential candidates across levels in the organisation and provided them the opportunity to be part of high impact cross-functional teams engaging directly with senior management to deliver *Business Improvement Programs*. An effective Succession Planning Framework has been put in place to ensure a ready Talent Pool for future leadership roles.

Robust action plans emerging from the analysis of the Employee Engagement Survey – Viewpoint, conducted last year have been formulated and are under implementation. To further strengthen a healthy and open relationship amongst our employees, we continue to host various activities like sports tournaments, Fun at Work, Family Get Together and Cultural programs. We have designed the framework for Rewards and Recognition “Esteemed Esterian – Celebrating Success” and Employee Referral Scheme “Parichay” to further enhance the success of the organisation, which will be implemented shortly.

Cautionary statement

Statements in this section relating to future status, events, circumstances, plans and objectives are forward – looking statements based on estimates and anticipated effects of future events. Such statements are subject to risks and uncertainties and accordingly are not predictive of future results. Actual results may differ materially from those anticipated in the forward – looking statements. The Company cannot be held responsible in any manner for such statements. The company undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

CORPORATE GOVERNANCE REPORT

Corporate governance is about promoting corporate fairness, transparency, accountability and ethical business conduct. The ambit of governance involved all the stakeholders and how the corporation deals with those stakeholders, including the shareholders, employees, regulators, customers, suppliers and society. It is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization.

This corporate governance report sets out the governance framework adopted by the Board of Ester Industries Limited and highlights the key activities during the year.

In its approach to governance, the Board embraces best practices in the area of Corporate Governance to ensure the attainment of highest levels of transparency, accountability and equity in all the facets of its operations and in all its interactions with its stakeholders. The Board continues to hold and augment the standards of Corporate Governance by ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

1. Board of Directors

The Board of the Company is constituted in compliance with the Companies Act, 2013, Listing Agreement with the Stock Exchange(s) and in accordance with best practices in Corporate Governance with an optimum combination of Executive, Non-executive and Independent directors, having a pool of collective knowledge from various disciplines, Engineering,

Finance, Legal, Business Management, Corporate Planning etc. on its board.

Composition of the Board

Category	Name of Directors
Non-Independent Directors	Executive Directors Mr. Arvind Singhanian*, Chairman & CEO Mr. Pradeep Kumar Rustagi, Executive Director & CFO
	Non- Executive Director Mrs. Archana Singhanian*
Independent Directors	Mr. M. S. Ramachandran Mr. Ashok Kumar Newatia Mr. Dinesh Chandra Kothari Mr. Anand Chand Burman Mr. P. S. Dasgupta Mr. Sandeep Dinodia

* Promoter Directors

Number of Board Meetings held and the dates on which held

The Board of Directors and its committees meet at regular intervals. 6 (Six) Board Meetings were held during the year 2014-15. The dates on which the meetings were held are 11th April, 2014, 21st May, 2014, 13th June, 2014, 4th August, 2014, 14th November, 2014 and 11th February, 2015.

Details of Name, Composition, and Attendance record of the Directors for the year ended 31.03.2015 and the number of Directorship and Committee Chairmanship/Membership held by them in other Companies are as follows:

Name of the Director	Designation	Attendance Particulars		No. of directorships in other Companies ¹	No of Membership/ Chairmanship of Committees in other Companies ²	
		Board Meeting	Last AGM		Committee Membership	Chairperson of Committees
Mr. Arvind Singhanian ³	Chairman & CEO	6	No	1	None	None
Mr. V B Haribhakti ⁴	Independent Director	3	No	NA	NA	NA
Mr. Ashok Kumar Newatia	Independent Director	6	No	None	None	None
Mr. M S Ramachandran	Independent Director	4	No	5	2	None
Mr. Dinesh Chandra Kothari	Independent Director	3	No	3	3	1
Mr. Anand Chand Burman	Independent Director	3	No	7	None	None
Mr. P S Dasgupta	Independent Director	3	No	8	8	2
Mr. Sandeep Dinodia ⁵	Independent Director	-	-	3	6	3
Mrs. Archana Singhanian	Non-Executive Director	2	No	None	None	None
Mr. Pradeep Kumar Rustagi	Executive Director & CFO	5	Yes	None	None	None

Note –

- The other Directorships held by Directors as mentioned above do not include alternate directorship, directorships of Private Limited Company, Directorship in the Company incorporated outside India and Companies as per Section 8 of the Companies Act, 2013.
- As required by clause 49 of the Listing Agreement, the disclosure includes memberships/ chairpersonship of Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted) only.
- Mr. Arvind Singhanian has been appointed as Managing Director and designated as Chairman & CEO of the Company w.e.f. 11th February, 2015
- Mr. V B Haribhakti has resigned from the Directorship of the Company w.e.f. 12th February, 2015.
- Mr. Sandeep Dinodia was appointed as an Additional Director of the Company w.e.f. 25th May, 2015. The details of membership in committee/Board in other companies reflects the position on the date of his appointment.

Information provided to the Board of Directors

The Board of Directors has unrestricted access to the information within the Company, which inter alia includes –

1. Annual operating plans of the business, capital budgets, acquisitions etc.
2. Quarterly results of the company.
3. Quarterly Operational Performance Report of the Company
4. Minutes of the Board Meeting and all Committee Meetings
5. The information on recruitment and remuneration of Senior Management Personnel including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems
7. Information related to the shareholder services and share transfers.
8. Significant development on the human resources and industrial relations front.
9. Details of any investment, merger, joint venture or collaboration agreement, if any.
10. Sale of material nature, of investments, subsidiaries assets, which is not in normal course of business.
11. Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any
12. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

Familiarisation Programme

As per the requirement of Clause 49 of the Listing Agreement which inter-alia stipulates that the Company shall familiarize the independent directors, the Company undertakes various initiative to familiarise the Independent Directors with the Company, its business, operations, risks, nature of industry, their roles and responsibilities etc. The Independent Directors of the Company are given every opportunity to familiarize themselves with the Company, its management and its operations so as to understand the Company, its operations, business, industry and environment in which it functions.

Details of familiarization programs is uploaded on Company's website at the following link :

http://esterindustries.com/ester_cms/userfiles/file/policies/Familiarisatin_programme.pdf

Statutory Compliance

The Board quarterly reviews the Compliance Report of the law applicable to the Company as well as the steps taken by the company to rectify the instances of non-compliance, if any.

Compliance of Code of Conduct

We have laid down a code of conduct for all Board Members and senior management of the Company. The code of conduct is available on the website of the Company viz. **www.esterindustries.com**. All Board members and senior management personnel of the Company have affirmed their adherence to the code. The declaration to this effect from Mr. Arvind Kumar Singhania, Chairman & CEO forms a part of this report.

2. Audit Committee

The Audit Committee formed in pursuance of compliance with clause 49 of the listing agreement and Section 177 of the Companies Act, 2013 is instrumental in overseeing the financial reporting besides reviewing the quarterly, half yearly, annual financial result of the company. It reviews the company's financial and other management policies and the internal control system, internal audit system etc. through discussion with internal and external auditors. All members of the audit committee are knowledgeable in project finance, accounts and company law matters. Minutes of each audit committee meeting are placed before the board and discussed in depth.

The terms of reference stipulated by the Board to the Audit Committee inter-alia includes the following:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters
9. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
10. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
11. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
12. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

13. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
14. Approval or any subsequent modification of transactions of the company with related parties;
15. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in

the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. To review the functioning of the Whistle Blower mechanism;
21. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
22. Reviewing following matters –
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
23. The appointment, removal and terms of remuneration of the internal auditor
24. Any other matter as referred by the Board time to time

During the year 2014-2015, the Audit Committee has met on 21st May, 2014, 4th August, 2014, 14th November, 2014 and 11th February, 2015. The Composition of the Audit Committee and the particulars of meeting attended by the members of the Audit Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. V B Haribhakti*	Independent Director	4	3
Mr. M S Ramachandran	Independent Director	4	3
Mr. Dinesh Chandra Kothari	Independent Director	4	3
Mr. A K Newatia**	Independent Director	4	2
Mr. Sandeep Dinodia***	Independent Director	NA	NA

*During the year, Mr. V B Haribhakti, Chairman of the Committee has resigned from the Directorship of the Company w.e.f 12th February, 2015.

**Mr. Ashok Kumar Newatia was appointed as new Member of the Committee w.e.f. 14th November, 2014.

***Mr. Sandeep Dinodia was appointed as new member and Chairman of the Committee w.e.f. 25th May, 2015.

Mr. Sandeep Dinodia & Mr. Dinesh Chandra Kothari are qualified Chartered Accountant having rich experience in Accounting and Finance. Other members of the Committee also have the knowledge of accounting and finance with wide exposure in their relevant areas. The composition of the Committee is in conformity with Clause 49 and Section 177 of the Companies Act, 2013.

The Chairman of the Board and CFO are invited to the meetings.

Representatives of Statutory Auditors and Internal Auditors are also being invited to the meetings. All the Meeting of Audit Committee are attended by Statutory Auditors. Cost Auditors also attend the meeting when the Cost Audit Report is discussed.

Mr. V. B. Haribhakti, Ex Chairman of the Audit Committee could not attend the last Annual General Meeting held on 22nd September, 2014 due to cancellation of flight from Delhi to Pant Nagar at last moment.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is formed in pursuance of compliance with clause 49 of the listing agreement and Section 178 of the Companies Act, 2013. Minutes of each

Nomination and Remuneration committee meeting are placed before the board and discussed in depth.

Terms of reference of the Committee inter-alia include the following:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
- to recommend to the Board their appointment and removal
- to carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees,
- to devise a policy on Board diversity;
- to perform any other function, duty as stipulated by the Companies Act or under any applicable laws, as amended from time to time.

The Composition of the Nomination and Remuneration Committee and the particulars of meeting attended by the members of the Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. V B Haribhakti* Chairman	Independent Director	3	3
Mr. M S Ramachandran** Member	Independent Director	3	3
Mr. Dinesh Chandra Kothari, Member	Independent Director	3	2
Mr. P S Dasgupta*** Member	Independent Director	-	-
Mr. Arvind Kumar Singhania*** Member	Promoter Director (Chairman & CEO)	-	-

*Ceased to be a Chairman of the Committee w.e.f 12th February, 2015.

**Appointed as new Chairman of the Committee w.e.f. 25th May, 2015

*** Inducted as a Member of the Committee w.e.f. 25th May, 2015.

Remuneration Policy & Criteria of making payment to Executive and Non Executive Directors

Remuneration Policy of the Company is designed to act as a guideline for determining, inter-alia qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, and removal of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The objectives of the policy are as stated below

- To formulate the criteria for identification of the persons who are qualified to become directors and who may be appointed in senior management
- To formulate the criteria for determining qualifications, positive attributes and independence of a director
- To lay down a policy for remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company;
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage
- To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

This policy is divided into three parts. The salient aspects of the same are as stated below -

A. Appointment of Director, KMP and Senior Management Personnel

The Policy prescribes the criteria for determination of positive attributes, independence and qualifications of Directors and the criteria for appointment of Senior Management Personnel.

The Nomination and Remuneration Committee has the responsibility to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and KMP and recommend to the Board his / her appointment. The Committee is required to ensure that the person should possess adequate qualification, expertise and experience for the position. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

B. Board Diversity

All Board appointments are based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Nomination and Remuneration Committee seeks to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates are considered against objective criteria, having due regard to the benefits of diversity on the Board.

C. Remuneration to Director, KMP, Senior Management Personnel and other employees

The Company strives to provide fair compensation to Directors, KMP, Senior Management Personnel and other employee, taking into considerations factors like Industry benchmark, Company's performance vis a vis industry, scope of duties, roles and responsibilities, skill, knowledge, performance/track record, core performance requirements and expectations of individuals, legal and industrial obligations.

Details of Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of Rs. 10,000/- for attending each meeting of the Board of Directors and the Committee thereof (except Stakeholders' Relationship Committee and Borrowing Committee). The Shareholders have approved at the AGM of the Company on September 28, 2012, the payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company as computed under the

applicable provisions of the Companies Act, 2013. The quantum of the commission may be recommended by the Committee on year to year basis based on the profitability of the Company and on such recommendation, the Board may decide to pay commission to the directors. During the year no commission was paid to any director.

The details of sitting fees paid during the year 2014-15 to the Directors are given below -

Name of the Director	Sitting Fees Paid (In Rs.)
Mr. A K Newatia	80,000
Mr. V B Haribhakti	90,000
Mr. M S Ramachandran	1,20,000
Mr. Dinesh Chandra Kothari	90,000
Mr. P S Dasgupta	40,000
Mr. Anand Chand Burman	30,000
Mrs. Archana Singhania	30,000
Mr. Arvind Singhania	10,000

The Company has not given any Stock Option to any Director.

Details of remuneration to Executive Directors

Managing Director/ Whole-time Director are eligible for remuneration as may be approved by Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The remuneration payable to any one managing director or whole-time director does not exceed 5% of the net profits of the company and if there is more than one such director, remuneration don't exceed 10% of the net profits to all such directors taken together.

The break-up of the pay scale and quantum of allowances, performance linked incentives, perquisites including, employer's contribution to P.F, pension scheme, medical expenses, car & driver facility etc is decided and approved by the Board on the recommendation of the Committee.

During financial year 2014-15, following remuneration to Executive Directors were paid/payable -

(Rs. in lacs)

Name of Director	Salary	Performance Linked Incentives	Allowances & Perquisites	PF & SAF	Total
Mr. Arvind Singhania	62.36	-	40.88	7.48	110.73
Mr. Pradeep Kumar Rustagi	32.88	19.01	37.47	4.95	94.31

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available for the managing director and executive director. Services of the managing director and executive director may be terminated by either party, giving the other party three months' notice or the Company paying three months' salary in lieu thereof. There is no separate provision for payment of severance fees.

Details of Shareholding of Directors in Ester Industries Limited

Name of the Director	No. of Shares held
Mr. Arvind Singhania	150
Mr. V B Haribhakti	Nil
Mr. M S Ramachandran	Nil
Mr. Dinesh Chandra Kothari	20000
Mr. A K Newatia	Nil
Dr. Anand Chand Burman	Nil
Mr. P S Dasgupta	Nil
Mr. Sandeep Dinodia	Nil
Mrs. Archana Singhania	Nil
Mr. Pradeep Kumar Rustagi	400

4. Stakeholders' Relationship Committee

The present constitution of the Committee is as follow -

1. Mr. A. K. Newatia, Chairman of Committee
2. Mr. Arvind Singhania
3. Mr. Pradeep Kumar Rustagi

Mr. Diwaker Dinesh, Company Secretary, acts as Compliance Officer.

The terms of reference of the Committee which inter-alia includes the following:

1. To review and redress complaints from various shareholders which includes, such as non-receipt of dividend, non-receipt of interest on debentures, non-receipt of annual report, transfer of shares or debentures, issue of duplicate share / debenture certificates, etc.
2. To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities issued by the Company.
3. To oversee the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.
4. To review/take note of various investors presentations / communication with stakeholders

5. To affix or authorise affixation of the Common Seal of the Company on Share Certificate of the Company.
6. To perform any other function, duty as stipulated by the Companies Act or under any applicable laws, as amended from time to time.

During the year 11 meetings of the Committee were held.

The Company has received 51 Complaints from the shareholders and all of them have been resolved by furnishing requisite information/ documents. There was no complaint pending as on 31st March, 2015.

The Company gives utmost priority to the redressal of Shareholders Grievances which is evident from the fact that all complaint received from the shareholders are resolved expeditiously to the satisfaction of the shareholders.

5. Borrowing Committee

The Company has a Borrowing Committee, authorized and empowered to borrow such amount as Company may require for the operations and business of the company within the limits approved by the Board and the Shareholders of the Company.

The Composition of Borrowing Committee is as follows:

1. Mr. A K Newatia, Chairman
2. Mr. Arvind Kumar Singhania, Member
3. Mr. Pradeep Kumar Rustagi, Member

During the year 4 meetings were held.

The Company Secretary of the Company acts as the Secretary to the Committee.

6. Corporate Social Responsibility Committee

The Committee is constituted in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the Committee includes -

- formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy;
- to monitor the CSR Policy of the Company from time to time;
- to institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company;
- to perform any other function or duty as stipulated by the Companies Act, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time

The Composition of the Corporate Social Responsibility Committee and the particulars of meeting attended by the members of the Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. M. S. Ramachandran, Chairman	Independent Director	1	1
Mr. Ashok Kumar Newatia	Independent Director	1	1
Mrs. Archana Singhania	Non-Executive Director	1	1
Mr. Arvind Singhania	Chairman & CEO	1	1

7. Risk Management Committee

During the year, the Risk Management Committee was constituted to review and monitor the Risk Management Plans.

The terms of reference of the Committee includes -

- To frame, implement and monitor the risk management plan for the company.
- To ensure that the appropriate systems for risk management are in place.
- To review progress of Risk Mitigation Plan

The Composition of the Risk Management Committee and the particulars of meeting attended by the members of the Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. P. S. Dasgupta, Chairman	Independent Director	1	1
Mr. Dinesh Chandra Kothari	Independent Director	1	1
Mr. M. S. Ramachandran	Independent Director	1	1

8. General Body Meetings

Details of the Annual General Meetings and Extra Ordinary General Meetings held during the last three years are as follows:

Annual General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2013-14	22.09.2014	12.30 P.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Appointment of Mr. Jai Vardhan Singhania as Group Leader-Business Planning & Support 2. Alteration in Articles of Association of the Company
2012-13	30.09.2013	11.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	No Special Resolution was passed.
2011-12	28.09.2012	12.00 Noon	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Commission on Profits to Non Executive Director of the Company 2. Modification in terms and conditions of appointment of Mr. Ayush Vardhan Singhania

Extra Ordinary General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2013-14	31.10.2013	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	Approval for Preferential Allotment of Zero Coupon Compulsory Convertible Warrants
2012-13	07.04.2012	1.30 P.M	Sohan Nagar, P.O Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand	1. Modifications in the terms of appointment of Mr. Pradeep Kumar Rustagi as Whole-Time Director of the Company. 2. Modifications in the terms of appointment of Mr. Ashok Kumar Agarwal as Whole-Time Director of the Company.

Court Convened Meeting

Pursuant to the Scheme of Arrangement between Ester Industries Limited and Sriyam Impex Private Limited & their respective Shareholders, creditors and all concerned, a Court Convened Meeting of shareholders was held as detailed below:-

Financial Year	Date	Time	Venue	Special Resolution Passed
2012-13	30.09.2013	1.00 P.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	No Special Resolution was passed

Details of resolution passed through Postal Ballot during the year under review:

- Special Resolution pursuant to Section 180(c) of the Companies Act, 2013 as proposed in the Postal Ballot Notice dated 4th August, 2014 was passed on 11th September, 2014 to seek consent of Public Shareholders. Mr. Akash Jain, Practicing Company Secretary was appointed as the Scrutinizer for overseeing the postal ballot voting process.

Results of Postal Ballot -

Total No. of Shareholders	24666
Total No. of Equity Shares	62643759

Particulars	No. of Valid Postal Ballot Forms/e-votes	No. of Shares	% of valid votes polled
No. of valid postal ballot forms/ e-votes	160	45172785	100
No. of Votes - in favour	149	45168835	99.99
No. of Votes - against	11	3950	0.01

- Special Resolution pursuant to Section 180(a) of the Companies Act, 2013 as proposed in the Postal Ballot Notice dated 4th August, 2014 was passed on 11th September, 2014 to seek consent of Public Shareholders. Mr. Akash Jain, Practicing Company Secretary was appointed as the Scrutinizer for overseeing the postal ballot voting process.

Results of Postal Ballot -

Total No. of Shareholders	24666
Total No. of Equity Shares	62643759

Particulars	No. of Valid Postal Ballot Forms/e-votes	No. of Shares	% of valid votes polled
No. of valid postal ballot forms/ e-votes	160	45172785	100
No. of Votes - in favour	149	45168835	99.99
No. of Votes - against	11	3950	0.01

3. Special Resolution pursuant to Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 for change in designation and payment of remuneration of Mr. Arvind Singhania as proposed in the Postal Ballot Notice dated 11th February, 2015 was passed on 20th May, 2015 to seek consent of Public Shareholders. Mr. Akash Jain, Practicing Company Secretary was appointed as the Scrutinizer for overseeing the postal ballot voting process.

Results of Postal Ballot -

Total No. of Shareholders	23913
Total No. of Equity Shares	62643759

Particulars	No. of Valid Postal Ballot Forms/e-votes	No. of Shares	% of valid votes polled
No. of valid postal ballot forms/ e-votes	119	45415124	100
No. of Votes - in favour	103	45351527	99.85
No. of Votes - against	16	63597	0.15

4. Special Resolution pursuant to Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 for payment of remuneration of Mr. Pradeep Kumar Rustagi as proposed in the Postal Ballot Notice dated 11th February, 2015 was passed on 20th May, 2015 to seek consent of Public Shareholders. Mr. Akash Jain, Practicing Company Secretary was appointed as the Scrutinizer for overseeing the postal ballot voting process.

Results of Postal Ballot -

Total No. of Shareholders	23913
Total No. of Equity Shares	62643759

Particulars	No. of Valid Postal Ballot Forms/e-votes	No. of Shares	% of valid votes polled
No. of valid postal ballot forms/ e-votes	119	45415124	100
No. of Votes - in favour	104	45351774	99.86
No. of Votes - against	15	63350	0.14

9. Disclosures**Related Party Transactions**

During the financial year 2014-15, there was no materially significant related party that may have potential conflict with the interests of the Company at large.

Compliance by the company

The Company has complied with the requirement of the Stock Exchange, SEBI and other statutory authorities relating to the capital market during the last three years. No penalties or Strictures have been imposed on the company by the Stock Exchange, SEBI and other statutory authorities relating to the above.

Whistle Blower Policy

Brief details about the Whistle Blower Policy of the Company has been provided in the Directors' Report which forms part of this Annual Report.

Certification in terms of Clause 49 (IX) of the Listing Agreement

Certification by Chairman & CEO and Executive Director & CFO as stipulated in the Clause 49 (IX) of the Listing Agreement was placed before the Board along with the financial statement for the year ended 31st March 2015, and the Board reviewed the same.

The said Certificate is annexed with the Corporate Governance Report.

10. Means of communication

- The quarterly and yearly financial results are generally published in the following newspapers: Economic Times, Times of India, Financial Express, Dainik Najariya, Dehradun.
- **Website** - Ester's website www.esterindustries.com contains a separate dedicated section 'Investor Relations' which provides shareholders information like quarterly financial results, annual reports, shareholding patterns, news and announcements and other shareholder information. Further as all such information are also filed/ intimated to BSE and NSE, the shareholder can also obtain information from their website viz. www.bseindia.com and www.nseindia.com respectively.
- **NSE Electronic Application Processing System (NEAPS)**- NEAPS is a web based application designed by NSE for corporate. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report, Reconciliation of Share Capital Audit etc. are intimated/filed electronically on NEAPS.
- **BSE Listing Centre** - BSE has launched web based application for compliances and intimation under Listing Agreement for companies Listed in BSE. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report, Reconciliation of Share Capital Audit etc. are intimated/filed electronically on Listing Centre.
- **Designated e-mail address for investor services**- In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is shares.deptt@ester.in.

11. General Shareholder Information:**11.1 Forthcoming Annual General Meeting**

Date and Time	10:30AM, 28th September, 2015
Venue	Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand

11.2 Financial Calendar (Tentative and subject to change):

Financial Results for the Quarter ending 30th June 2015	July - 2015
Financial Results for the Quarter ending 30th September 2015	November - 2015
Financial Results for the Quarter ending 31st December 2015	February - 2016
Financial Results for the Quarter and year ending 31st March 2016	May - 2016
Annual General Meeting	Any date between August 2016 - September 2016

11.3 Books closure date : 22nd September, 2015 to 28th September, 2015 (both days inclusive)**11.4 Dividend**

No Dividend has been recommended for the financial year 2014-15

11.5 Listing of Equity Shares on Stock Exchanges

Ester Industries Limited is presently listed on Bombay Stock Exchange and National Stock Exchange the details of the same are mentioned as under:

Address of Stock Exchanges	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051
Listed Capital	83393759 Equity Shares of Rs. 5/- each*	83393759 Equity Shares of Rs. 5/- each*
Website of Stock Exchanges	www.bseindia.com	www.nseindia.com
Scrip Code	500136	ESTER

* 20750000 Equity Shares allotted on conversion of Zero Coupon Convertible Warrants were listed in both the Stock Exchange on 23 June, 2015.

11.6 Stock Market Data:

The data for trading in equity shares of the Company at Bombay Stock Exchange and National Stock Exchange are provided below:

Month	Bombay Stock Exchange			National Stock Exchange		
	Month's High Price (In Rs.)	Month's low Price (In Rs.)	Volume (No. of Shares)	Month's High Price (In Rs.)	Month's low Price (In Rs.)	Volume (No. of Shares)
Apr-14	14.95	10.40	2,60,344	13.70	10.35	2,64,198
May-14	18.11	11.64	5,01,063	17.90	11.70	3,68,136
Jun-14	23.25	17.05	10,14,185	23.15	16.95	8,48,575
Jul-14	23.30	19.45	5,20,320	23.50	19.00	4,38,580
Aug-14	23.35	20.10	5,53,018	22.65	20.00	4,84,576
Sep-14	31.50	21.00	21,24,938	31.60	20.90	26,72,241
Oct-14	25.20	23.00	2,74,251	25.15	22.55	5,62,225
Nov-14	27.95	20.60	4,21,036	27.95	20.50	4,82,832
Dec-14	23.70	18.15	2,28,927	22.40	18.10	3,38,145
Jan-15	23.15	18.25	3,36,237	23.00	18.40	3,73,914
Feb-15	20.70	16.00	3,30,392	23.75	15.80	4,26,974
Mar-15	22.00	15.10	3,31,559	21.90	15.30	3,76,860

11.7 Registrar and Share Transfer Agents:**MAS Services Limited,**

T - 34, Okhla Industrial Area Phase - II,

New Delhi - 110 020

Phone No. - 011-26387281/82/83

Fax No. - 011-26387384

E-Mail : info@masserv.com

11.8 Share Transfer System:

Presently, the share transfer which are received in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipts, subject to the documents being valid and complete in all respects.

11.9 Distribution of Shareholding as on 31st March 2015:

Shareholding of Nominal Value of Rs. 5 each	No. of Shareholders	% to total holders	No. of shares	% to total shares
Upto 5000	21841	91.404	5158156	8.234
5001-10000	978	4.093	1567226	2.502
10001-20000	498	2.084	1454762	2.322
20001-30000	203	0.850	1026123	1.638
30001-40000	94	0.393	674524	1.077
40001-50000	84	0.352	789220	1.260
50001-100000	113	0.473	1635243	2.610
100001 & Above	84	0.352	50338505	80.357
Total	23895	100	62643759	100

Shareholding Pattern as on 31st March 2015:

Category of Shareholder	No. of Shareholders	No. of Shares	% to total shares
A. PROMOTER AND PROMOTER GROUP			
1. Indian			
a. Individual/HUF	4	303191	0.48
b. Bodies Corporate	-	-	-
Sub Total	4	303191	0.48
2. Foreign			
a. Individuals (NRI/ Foreign Individuals)	-	-	-
b. Bodies Corporate	1	44915012	71.70
Sub Total	1	44915012	71.70
Total Shareholding of Promoter and Promoter Group	5	45218203	72.18
1. Institutions			
a. Mutual Funds/UTI	5	27500	0.05
b. Financial Institutions/Banks	6	12400	0.02
c. Insurance Companies	1	300	-
d. Foreign Institutional Investors	3	21300	0.03
Sub Total	15	61500	0.10
2. Non Institutions			
a. Bodies Corporate	313	1718382	2.74
b. Resident Individuals	23114	14276190	22.79
c. Non-Resident Individual	122	1100196	1.76
d. Clearing Member	47	259288	0.41
e. Trust	1	10000	0.02
Sub Total	23597	17364056	27.72
Total Public Shareholding	23612	17425556	27.82
GRAND TOTAL (A) + (B)	23617	62643759	100

11.10 Dematerialisation of Shares:

As on 31st March 2015, 96.87% of the Company's shares were held in dematerialised form.

11.11 Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments and their likely impact on equity:

As on 31st March, 2015, there were 20750000 Zero Coupon Convertibles Warrants were pending for conversion. However, they were converted into 20750000 Equity Shares on 25th May, 2015. Further the Company has not issued any GDR/ADR.

11.12 Plant location

Sohan Nagar, P.O. Charubeta, Khatima - 262 308, District Udham Singh Nagar, Uttarakhand

11.13 i) Investor Correspondence

(For transfer / dematerialisation of shares and any other query related to the shares of the Company)

For shares held in physical form

To Registrar & Transfer Agent (RTA)

MAS Services Limited,

T - 34, Okhla Industrial Area Phase - II,

New Delhi - 110 020

Phone No. - 011-26387281/82/83

Fax No. - 011-26387384

E-Mail : info@masserv.com

For shares held in Demat form

To the respective Depository Participant

ii) Any query on Annual Report

Legal & Secretarial Department

Plot No.11, Block-A, Infocity-I,

Sector 33 & 34, Gurgaon, Haryana - 122 001

Phone: 0124-4572100

Fax : 0124-4572199

E-Mail: shares.dept@ester.in

Web site: www.esterindustries.com

- (iii) Investor Grievances Redressal Mechanism** - In case of any complaint, the Investor can contact the Company or our Registrar & Transfer Agent. Further the Company process investor complaints through a centralized web based "SEBI complaints redress system" (SCORES) also. Investor can check online status of complaint and action taken on the same. It assists in speedy resolution of complaint in more transparent manner.

DECLARATION

This is to confirm that the Board of Directors has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website. It is further declared that all the Board Members and Senior Management of the Company have affirmed adherence to and compliance with the 'Code of Conduct' laid down by the Company.

For Ester Industries Limited

Sd/-

Arvind Singhania

Chairman & CEO

DIN: 00934017

Place : New Delhi

Date : 27th July, 2015

CERTIFICATE BY CHAIRMAN & CEO AND EXECUTIVE DIRECTOR & CFO

In terms of clause 49(IX) of the Listing Agreement, we certify as under:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended on 31st March 2015 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the Financial Year 2014-2015 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Arvind Singhania
Chairman & CEO

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO

Dated : 25th May, 2015

Place : New Delhi

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of M/s Ester Industries Limited

We have examined the compliance of conditions of Corporate Governance by M/s Ester Industries Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of said company with the Stock Exchanges.

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

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

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

For Dhananjay Shukla & Associates
Company Secretaries

Sd/-
Dhananjay Shukla
Proprietor

Place : Gurgaon

Date : 27th July, 2015

FCS-5886, CP No. - 8271

INDEPENDENT AUDITOR'S REPORT

To the members of Ester Industries Limited

Report on the financial statements

We have audited the accompanying standalone financial statements of Ester Industries Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Raman Sobti

Place of Signature: New Delhi

Partner

Date: May 25, 2015

Membership Number: 89218

Annexure referred to in paragraph 1 of our report of even date under section 'Report on other legal and regulatory requirements'

Re: Ester Industries Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of polyester films and engineering plastics, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Dispute on MODVAT credit taken on chips used in yarn and on exempted clearance of chips. Demand raised for duty on removal of PET Chips in custody	30.04	July 87 to June 93 and Jan 95	Commissioner Central Excise (Noida)
Central Excise Act, 1944	Dispute on MODVAT credit taken on inputs and Capital Goods used in chips which were cleared at NIL duty.	173.86	March 90 to Feb 92 and Oct 94 to Feb 95	Commissioner (Appeals), Central Excise Ghaziabad
Central Excise Act, 1944	Dispute on disallowance of MODVAT on TEG as documents were more than six months old.	4.80	March 92	Customs, Excise, Service Tax Appellate Tribunal (Delhi)
The Customs Act, 1962	Demand for Custom Duty forgone on value based advance license.	57.71	June 93 to April 95	Commissioner/Additional Commissioner Customs (DEEC) Mumbai
Central Excise Act, 1944	Demand on PET Chips waste cleared at nil rate of duty. MEG received under chapter X after rescinding of Notification No. 34/87 CE. Inadmissibility of MODVAT credit against PBT Chips and Polyester films.	4.57	July 93 to May 94 and Feb to Aug 2000	Deputy Commissioner Central Excise, Rampur

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand raised on account of differences in stocks as per physical and book records.	7.72	November 1992	Commissioner Meerut II
Central Excise Act, 1944	Reversal of Cenvat credit availed on HSD.	206.92	March 1994 to February 1997 and March 1997 to March 1998	High Court, Delhi
Central Excise Act, 1944	Demand on shortages on inputs on department physical verification.	3.09	July 2010	Assistant Commissioner, Rampur
The Customs Act, 1962	Dispute on disallowance of remission on MEG lost in Transit and utilization of MODVAT credit	32.99	June 87 to Oct 88, March 91 to May 91 and 1993	Assistant Commissioner, Rampur
Finance Act, 1944	Demand for short payment of Service Tax against brokerage and commission	13.54	F.Y. 2011-12	Additional Commissioner, Meerut
Income Tax Act, 1961	Dispute on Disallowance of advertisement expenditure pursuant to Rule 6B of IT Rules, 1962 by ITAT	1.16	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on Disallowances of club expenditure on the contention that expenses not incurred wholly and exclusively for the business needs.	0.47	A.Y. 1993-94 to 1994-95	Income Tax - Assessing officer & Commissioner of Income Tax (Appeals) Delhi
Income Tax Act, 1961	Dispute on Disallowances of 50% of entertainment expenses on the contention of non participation of the employee for incurring such expenditure.	5.10	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of expenses relating to previous year.	14.68	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, commission paid to agent, club expenses, provision for doubtful debts and expenses incurred on earning exempt income by invoking section 14A of the Act	16.94	AY: 2004-05 to 2005-06	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, bonus provision, expenses incurred on earning exempt income by invoking section 14A of the Act	18.08	A.Y. 2006-07 to A.Y. 2011-12	Commissioner of Income Tax (Appeals) Delhi & Income Tax Appellate Tribunal, Delhi

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution and bank. The Company does not have any dues outstanding to debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Raman Sobti

Partner

Place of Signature: New Delhi

Date: May 25, 2015

Membership Number: 89218

BALANCE SHEET as at March 31, 2015

(Rs. in Lacs)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	3,132.19	3,144.69
Share capital control account	41	-	(12.49)
Reserves & surplus	4	23,639.07	23,259.37
Money received against share warrants	42	524.23	-
		27,295.49	26,391.57
Non - Current Liabilities			
Long term borrowings	5	12,480.49	12,415.30
Deferred tax liability (net)	6	2,571.06	2,469.41
Long term provisions	7	550.50	518.58
		15,602.05	15,403.29
Current Liabilities			
Short term borrowings	8	20,755.90	20,793.51
Trade payables	9	1,962.22	2,023.18
Other current liabilities	10	5,635.36	4,647.78
Short term provisions	7	246.93	648.34
		28,600.41	28,112.81
Total		71,497.95	69,907.67
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	39,883.89	38,912.19
Intangible assets	11	48.74	86.83
Capital work in progress		1,208.62	1,808.21
Non-current investment	12	1.71	11.71
Long term loans & advances	13	975.45	982.37
Other non-current assets	14	66.84	64.77
		42,185.25	41,866.08
Current assets			
Inventories	15	12,766.84	12,411.04
Trade receivables	16	11,792.30	12,423.91
Cash & bank balances	17	2,290.07	824.41
Short term loans & advances	13	2,110.83	1,959.23
Other current assets	14	352.66	423.00
		29,312.70	28,041.59
Total		71,497.95	69,907.67
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 25, 2015

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2015

(Rs. in Lacs)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from operations (gross)	18	98,314.83	101,464.05
Less: - Excise duty		8,688.07	8,616.83
Revenue from operations (net)		89,626.76	92,847.22
Other income	19	293.85	492.83
Total revenues (I)		89,920.61	93,340.05
Expenses			
Cost of material consumed	20	62,581.13	66,265.07
(Increase) / decrease in inventories of finished goods & work in progress	21	373.70	(385.64)
Employee benefits expense	22	4,119.26	3,872.64
Other expenses	23	15,438.75	15,656.15
Total expenses (II)		82,512.84	85,408.22
Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)		7,407.77	7,931.83
Depreciation and amortisation expense	11	3,216.87	3,044.99
Less: Transferred from General reserve (Refer Note 2(b))		6.29	-
Less: Transferred from revaluation reserve		-	14.60
Finance costs	24	3,709.55	3,486.77
Profit / (loss) before tax		487.64	1,414.67
Tax expense			
Current tax		102.35	298.99
Mat credit		(102.35)	(298.99)
Deferred tax		103.73	573.96
Total tax expenses		103.73	573.96
Profit / (loss) after tax but before impact of scheme of arrangement		383.91	840.71
Impact of scheme of amalgamation relating to earlier period (refer note 41)		-	(3.76)
Profit / (loss) after tax		383.91	836.95
Earnings per share			
Basic (in Rs.)	25	0.61	1.34
Diluted (in Rs.)	25	0.57	1.34
{Nominal value per share Rs. 5 (previous year Rs. 5)}			
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 25, 2015

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	487.64	1,414.67
Adjustments for:		
Depreciation/Amortisation	3,210.58	3,030.39
Loss on fixed assets sold/discarded (net)	6.93	8.19
Interest expense	3,276.02	3,024.69
Interest income	(180.94)	(119.90)
Premium on forward contracts amortised	42.06	325.33
Unrealized foreign exchange loss (net)	(40.90)	50.39
Bad debts, advances and irrecoverable balances written off (net)	33.38	25.13
Provision for obsolete inventories	-	11.76
Loss on sale of investment	34.45	-
Profit on sale of Investment	(1.34)	-
Provisions / liabilities no longer required written back	(15.63)	(21.14)
Operating profit before working capital changes	6,852.25	7,749.51
Movements in working capital :		
Decrease / (Increase) in trade receivables	618.96	(1,379.79)
Decrease / (Increase) loans and advances/other current assets	25.37	(764.45)
Decrease / (Increase) in inventories	(355.79)	(152.69)
Increase/ (Decrease) in trade & other payables/ provisions	(153.16)	(256.19)
Cash generated from operations	6,987.63	5,196.39
Direct taxes paid	(141.36)	35.26
Net cash flow from operating activities	6,846.27	5,231.65
Impact of scheme of amalgamation relating to earlier period (refer note 41)	-	(25.11)
Net cash flow from operating activities (a)	6,846.27	5,206.54
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,738.66)	(5,718.93)
Sale of fixed assets	51.04	20.40
Deposits	(3,602.83)	(227.64)
Proceeds of deposits matured	3,495.14	48.51
Purchase of investment	(61.95)	(10.00)
Sale of investment	38.83	-
Interest received	177.44	125.97
Net cash flow from / (used) in investing activities (b)	(3,640.99)	(5,761.69)
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from short term borrowings	6.50	5,794.26
Proceeds from long term borrowings	7,322.93	14,012.65
Repayment of long term borrowings	(6,054.01)	(16,977.55)
Money received against share warrants	524.24	-
Interest paid	(3,285.70)	(3,035.27)
Dividend paid	(359.20)	(0.52)
Net cash flow from / (used) in financing activities (c)	(1,845.24)	(206.43)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	1,360.04	(761.58)
Cash and cash equivalents at the beginning of the year	259.81	984.88
Cash and cash equivalents acquired under scheme of amalgamation	-	36.51
Cash and cash equivalents at the end of the year	1,619.85	259.81
Components of cash and cash equivalents		
Cash on hand	9.18	9.83
Balances with scheduled banks :		
- On current Accounts	1,540.37	186.92
- On term deposits	737.06	629.37
- On unpaid dividend accounts*	70.30	63.06
Cash & bank balances	2,356.91	889.18
Less: fixed deposits not considered as cash and cash equivalents		
- Deposit pledged with banks	62.34	28.00
- Deposit having maturity period more than 3 months	674.72	601.37
	1,619.85	259.81

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 25, 2015

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

NOTES TO FINANCIAL STATEMENT for the year ended March 31, 2015**1. Nature of operations**

Ester Industries Limited (hereinafter referred to as 'the Company') is a manufacturer of polyester film and engineering plastics.

2. Statement of significant accounting policies**a) Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (accounts) rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy as explained below.

b) Change in accounting policy

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. Pursuant to the requirements of Schedule II to the Companies Act, 2013, with effect from April 1, 2014 management has reassessed the useful life of all fixed assets based on detailed technical evaluation. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Consequently, depreciation charge to the statement of profit and loss for the current year ended March 31, 2015, is higher by Rs. 50.87 lacs. Further, based on transitional provisions provided in Note 7(b) of Schedule II of the Companies Act, 2013 the carrying value of fixed assets, where the remaining useful life was nil as at April 1, 2014, amounting to Rs. 6.29 lacs (net of deferred tax of Rs. 4.21 lacs) has been adjusted with retained earnings.

Accounting for additional depreciation on account of revaluation of assets

On October 31, 1992, the company revalued all its land, buildings & plant and machinery existing as on that date. Till year ended March 31, 2014, the Guidance Note on Treatment of Reserve created on Revaluation of Fixed Assets issued by the ICAI allowed companies to transfer an amount equivalent to the additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss. Accordingly, the company was transferring an amount equivalent to additional depreciation arising due to upward revaluation of building from revaluation reserve to the statement of profit and loss. In contrast, Schedule II to the Companies Act, 2013 applicable from the current year, states that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Hence, in case of revalued assets, depreciation computed on the revalued amount needs to be charged to the statement of profit and loss, without any recoupment from revaluation reserve. Consequently, to comply with the Schedule II requirement, the company has discontinued the practice of recouping the impact of additional depreciation from revaluation reserve. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

Had the company continued its earlier policy of recouping the additional depreciation arising due to upward revaluation of fixed assets from revaluation assets, profits for the current year would have been higher by Rs 14.60 lacs. However, the change in accounting policy did not have any impact on reserves and surplus as at March 31, 2015.

c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d) Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any, except Land, Building and Plant & Machinery, which had been revalued on December 31, 1992 by a Government registered valuer on the basis of the then replacement value. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable

cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure directly relating to construction activity is capitalized (net of income, if any). Indirect expenditure specifically attributable to construction of a project or to the acquisition of the fixed assets or bringing it to working condition is capitalised as part of Construction project or as a part of Fixed assets. Other indirect expenditure incurred during the construction period which is not related to construction activity nor is incidental thereto is charged to Statement of profit and loss.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of profit and loss for the period during which such expenses are incurred.

e) Depreciation

- i) Depreciation on fixed assets (other than lease hold improvements) is provided using Straight Line Method as per useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Useful lives estimated by the management(years)

Factory buildings*	30
Administrative Buildings	61.34
Plant and machinery*	18.94
Furniture and fixtures*	15.79
A.C. & Refrigeration	10
Office equipment*	10
Computers*	6.16
Vehicles	8
Batteries under UPS project (Plant and Machinery)*	5

* For these class of assets, based on detailed technical assessment, the management believes that the useful life as given above best represents the period over which management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The life of plant and machinery based on triple shift working.

- ii) Leasehold improvements are depreciated on life based on lease period.
- iii) Fixed assets costing below Rs. 5,000 are depreciated at the rate of 100% per annum.
- iv) Depreciation on the amount of additions made to fixed assets due to up gradations / improvements is provided over the remaining useful life of the asset to which it relates.
- v) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

f) Intangibles

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. Softwares are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

g) Impairment of assets

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. 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 their present value at a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to asset.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over the remaining useful life.

h) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

i) Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined

on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

j) Inventories

Inventories are valued as follows:

Raw materials, components and stores & spares

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost of raw materials, components and stores & spares is determined on a moving weighted average basis.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Export Benefit

Export benefits constituting Duty Draw back, licenses under Focus Market Scheme and advance license scheme are accounted for on accrual basis when there is reasonable assurance that the company will comply with the conditions attached to them and the export benefits will be received. Export benefits under Duty Draw back & Focus Market Scheme are considered as other operating income.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Policy for Insurance Claims

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

l) Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. 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 the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the year.

ii) All other exchange differences are recognized as income or as expenses in the period in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of profit and loss in the year in which the

exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

m) Retirement and other employee benefits

- i. Retirement benefits in the form of Superannuation Fund (being funded to LIC), Provident Fund (where contributed to the Regional Provident Fund Commissioner) and employee state insurance are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective authorities. The Company recognizes contribution payable to respective authorities as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Retirement benefit in the form of provident Fund (Where administered by trust created and managed by Company) is a defined benefit obligation of the company and the contributions are charged to Statement of profit & loss of the year when the contribution to the respective funds are due. Shortfall in the funds, if any, is adequately provided for by the company based on the actuarial valuation on projected unit credit method carried out at the end of each financial year.
- iv. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- v. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

n) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation and carry forward of tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

o) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

q) Segment Reporting Policies**Identification of segments:****Primary Segment***Business Segment*

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing & Sale of Polyester film and Engineering plastics.

Secondary Segment*Geographical Segment*

The analysis of geographical segments is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Inter Segment Transfers:

Inter Segment transfers of goods, as marketable products produced by separate segments of the Company for captive consumption, are not accounted for in the books of account of the Company. For the purpose of segment disclosures, however, inter segment transfers have been taken at cost.

Allocation of common costs:

Common allocable costs are allocated to each segment in proportion to the turnover of the segment, except where a more logical allocation is possible.

Unallocated items:

Corporate income and expense are considered as a part of un-allocable income & expense, which are not identifiable to any business segment.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

r) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Contingent liabilities

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u) Measurement of EBITDA

As permitted by the guidance note on revised schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit & loss. The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company includes interest income but does not include depreciation and amortization expenses, finance cost and tax expenses.

3. Share capital

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Authorized shares (No.)		
150,000,000 (previous year: 150,000,000) equity shares of Rs. 5/- each	7,500.00	7,500.00
47,960,000 (previous year: 47,960,000) equity shares of Rs. 10/- each (refer note 41)	4,796.00	4,796.00
600,000 (previous year: 600,000) cumulative convertible preference shares of Rs. 50/- each	300.00	300.00
8,000,000 (previous year: 8,000,000) redeemable cumulative preference shares of Rs. 50/- each	4,000.00	4,000.00
Issued, subscribed & fully paid up shares (No.)		
62,643,759 (previous year: 62,893,706) equity shares of Rs. 5/- each fully paid	3,132.19	3,144.69

a) Terms / rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 5 per share. Each equity shareholder is entitled for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of dividend recognized as distribution to equity shareholders is nil (previous year : Rs. 0.50 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

b) Shares held by holding/ultimate holding company and/or their subsidiaries / their associates

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Wilemina Finance Corp., holding company		
44,915,012 (previous year 44,915,012) equity shares of Rs. 5 each fully paid (refer note 41)	2,245.75	2,245.75

c) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
7,391,306 equity shares allotted as fully paid-up pursuant to conversion of warrants and fully convertible debentures during the year 2009-10.	369.57	369.57
9,972,703 equity shares allotted pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company. (refer note 41)	498.64	-

d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2015 %	As at March 31, 2014 %
Wilemina Finance Corp., holding company		
44,915,012 (previous year 44,915,012) equity shares of Rs. 5 each fully paid (refer note 41)	71.70	71.70

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves & surplus

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Capital reserve		
Balance as per last financial statements	3,520.74	5,778.57
Less: Impact of scheme of amalgamation (refer note 41)	-	2,257.83
Closing balance	3,520.74	3,520.74
Capital redemption reserve	335.37	335.37
Securities premium account		
Balance as per last financial statements	5,062.76	2,718.77
Add: Impact of scheme of amalgamation (refer note 41)	-	2,343.99
Closing balance	5,062.76	5,062.76
Revaluation reserve		
Balance as per last financial statements	519.43	534.03
Less: Transferred to general reserve	14.60	-
Less: Transferred to statement of profit and loss as reduction from depreciation	-	14.60
Closing balance	504.83	519.43
General reserve		
Balance as per last financial statements	1,503.67	1,503.67
Add: Transferred from revaluation reserve	14.60	-
Less: Depreciation adjustment (Refer Note 2(b))	4.21	-
	1,514.06	1,503.67
Surplus in the statement of profit and loss		
Balance as per last financial statements	12,317.40	11,846.90
Add: Profit for the year	383.91	836.95
Less: appropriations		
Proposed dividend on equity shares	-	313.22
Tax on dividend	-	53.23
Net surplus in the statement of profit & loss	12,701.31	12,317.40
Total reserve & surplus	23,639.07	23,259.37

5. Long-term borrowings

(Rs. In lacs)

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Secured				
Term loans from banks	11,779.11	10,886.84	4,225.62	3,023.82
Vehicle loans	167.16	86.16	100.69	98.76
Buyers' credit for capital goods	534.22	1,442.30	-	-
	12,480.49	12,415.30	4,326.31	3,122.58
Amount disclosed under the head "other current liabilities" (Refer note 10)	-	-	(4,326.31)	(3,122.58)
Total Long-term borrowings	12,480.49	12,415.30	-	-

I. Term loans

- a) **From Bank of India** of Rs. 450.00 lacs (previous year Rs. 246.44 lacs) for Engineering Plastics Extruder, Twin Screw Extruder for Film Plant # 1 and UPS is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder & UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loans are repayable in 20 quarterly installments starting from June 2014. The outstanding amount as on March 31, 2015 is repayable in 16 quarterly installments starting from April 1, 2015.

- b) **From Bank of India** of Rs. 1900.00 lacs (previous year Rs. NIL) as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Karnataka Bank and Second Pari Passu charge on current assets and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the rate base rate plus 3.25% pa. As per sanction, the Corporate Loan is repayable in 20 quarterly installments starting from March 31, 2015. The outstanding amount as on March 31, 2015 is repayable in 19 quarterly installments starting from April 1, 2015.
- c) **From Bank of Baroda** of Rs. NIL (previous year Rs. 1,364.00 lacs) for corporate office project was secured by equitable mortgage created by way of deposit of title deeds in respect of the immovable property (land and building) at Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 4.25% pa. The loan has been taken over by Karnataka Bank & No Objection Certificate for the same has been issued by Bank of Baroda.
- d) **From Bank of Baroda** of Rs. 1,000.00 lacs as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Karnataka Bank and Second Pari Passu charge on current assets and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the base rate plus 3.25% pa. As per sanction, the Corporate Loan is repayable in 20 quarterly installments starting from April 1, 2015. The outstanding amount as on March 31, 2015 is repayable in 20 quarterly installments starting from April 1, 2015.
- e) **From Union Bank of India** of Rs. 607.75 lacs (previous year Rs.793.64 lacs) for Metalizer Project is secured by first exclusive charge by way of hypothecation of Metalizing Unit and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2013. The outstanding amount as on March 31, 2015 is repayable in 13 quarterly installments starting from April 1, 2015.
- f) **From Union Bank of India** of Rs. 934.79 lacs (previous year Rs. 709.56 lacs) for Bio Mass (Husk) fuelled Thermic Fluid Heater is secured by first exclusive charge by way of hypothecation of Bio Mass (Husk) fuelled Thermic Fluid Heater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2014. The outstanding amount as on March 31, 2015 is repayable in 17 quarterly installments starting from April 1, 2015.
- g) **From State bank of Bikaner and Jaipur** of Rs. 754.65lacs (previous year Rs. 111.82 lacs) is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from December 2011. The outstanding amount as on March 31, 2015 is repayable in 6 quarterly installments starting from April 1, 2015.
- h) **From Karnataka Bank** of Rs. 392.83 lacs (previous year Rs. NIL) towards reimbursement of cost of ceratin machinery already purchased / certain other machineries to be purchased is secured by hypothecation of ceratin plant & machinery purchased / to be purchased at factory premises at Utrakhnad and equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed there upon in Gurgaon as Collateral security and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). Sanction amount of the Term Loan is Rs. 480 Lacs whereas the disbursed amount till date is Rs. 432.85 Lacs. The term loan bears floating interest at the base rate plus 2.25% pa. As per sanction, the term loan is repayable in 72 monthly installments starting from October 25, 2014. The outstanding amount as on March 31, 2015 together with balance amount (Rs. 47.15 lacs) to be disbursed is repayable in 66 monthly installments starting from April 1, 2015.
- i) **From Karnataka Bank** of Rs. 1016.00 lacs (previous year Rs. Nil) was takenover from Bank of Baroda. The term loan is secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.25% pa. As per sanction, the term loan is repayable in 45 months or period remaining outstanding with Bank of Baroda i.e 41 months whichever is less. Accordingly terminal date of repayment of the term loan is 31st March 2018 with monthly installments starting from October 25, 2014. The outstanding amount as on March 31, 2015 is repayable in 35 monthly installments starting from April 1, 2015.
- j) **From Karnataka Bank** of Rs. 403.27 lacs (previous year Rs. NIL) towards reimbursement of extra cost incurred towards construction of Corporate Office building is secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). Sanctioned & disbursed amount of the Term Loan is Rs. 440.00 lacs. The term loan bears floating interest at the base rate plus 2.25% pa. As per sanction, the term loan is repayable in 72 months with monthly installments starting from October 25, 2014. The outstanding amount as on March 31, 2015 is repayable in 66 monthly installments starting from April 1, 2015.

- k) **From consortium member banks** of Rs. 8,545.45 lacs (previous year Rs. 10,685.19 lacs) are secured by first mortgage created by way of deposit of title deeds in respect of the immovable properties at Khatima, both present & future and first charge by way of hypothecation of Company's all movable assets (save and except inventories, book debts, vehicles acquired through vehicles loans and machinery acquired through term loan taken from banks / body corporate on exclusive charge basis), ranking pari passu interest and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loans bear floating interest rate ranging from base rate plus 2.75% pa. These term loans are repayable in 28 quarterly installments starting from April 1, 2012. The outstanding amount as on March 31, 2015 is repayable in 16 quarterly installments starting from April 1, 2015.

Term Loans from banks are further secured by second charge by way of hypothecation of stocks of raw material, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future).

- II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. Vehicle loans bears interest rates ranging from 8.25% to 13.50% pa. These loans are repayable in monthly installments till March 2019.

III. **Buyers' credit for capital goods**

- a) Buyers' Credit amounting to Rs. NIL (previous year Rs. 1,205.18 lacs) are against LOUs / LOCs issued by State bank of Bikaner & Jaipur (SBBJ). LOUs / LOCs facility from SBBJ is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater, and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).
- b) Buyers' Credit amounting to Rs. 534.22 lacs (previous year Rs. 237.12 lacs) are against LOUs / LOCs issued by Bank of India/ (Canara Bank to be taken over by Bank of India). LOUs / LOCs facility from BOI is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder and UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

Company has availed LOUs / LOCs facilities from the banks to avail the Buyers' Credit of Rs. 534.22 lacs (previous year - Rs. 1,442.30 Lacs). These LOU / LOC facilities are sanctioned to the company as a sub limit of term loans upto a period of 3 years till August 2017.

LOCs / LOUs facilities are sanctioned to the company as a sub limit of term loan, bears interest rate ranging from 0.81% to 1.18%. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable in 16 quarterly installments.

6. **Deferred tax liability**

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,242.36	4,159.88
Gross deferred tax liability	4,242.36	4,159.88
Deferred tax assets		
Unabsorbed depreciation and carry forward losses	1,433.38	1,269.76
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	237.92	420.71
Gross deferred tax assets	1,671.30	1,690.47
Net deferred tax liability	2,571.06	2,469.41

7. **Provisions**

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Long term provisions		
Provision for gratuity (refer note 29)	550.50	518.58
Total long term provision	550.50	518.58
Short term provisions		
Provision for taxation (net of advance tax payments)	60.30	105.56
Provision for wealth tax	2.87	2.95
Provision for proposed dividend	-	313.21
Provision for tax on proposed dividend	-	53.23
Provision for gratuity (refer note 29)	20.59	29.90
Provision for leave benefits	163.17	143.49
Total short term provision	246.93	648.34
Total provisions	797.43	1,166.92

8. Short Term Borrowings

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Secured		
Working capital loan from banks	8,456.76	7,527.88
Bills discounting	4,557.60	4,436.85
Buyers' credit for raw material	2,904.31	2,682.14
Acceptances	4,837.23	6,146.64
Total short term borrowings	20,755.90	20,793.51

Working capital loan, bills discounting and acceptances: These loans are secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of Wilemina Finance Corp. (Holding company). Working Capital and Bill discounting facilities are further secured by way of second charge in respect of immovable properties and movable fixed assets.

The working capital loans from banks bear floating interest rate at Base Rate plus ranging from 2.00% to 2.80% pa. The bill discounting from banks bear floating interest rate ranging from 10.25% to 11.75% pa.

Buyers' credit for raw material are against LOUs / LOCs issued by consortium of banks. The LOUs / LOCs facilities is sanctioned to the Company as a sub limit of Non Fund (LCs) based facility. The facility is secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of Wilemina Finance Corp. (Holding company). Buyers' credit for raw material taken in USD and Euro bears interest rate ranging from 0.43% to 2.01%.

9. Trade Payable

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Trade payables		
Total outstanding dues of other than micro & small enterprises	1,913.76	2,019.36
Total outstanding dues of micro & small enterprises (refer note 33)	48.46	3.82
Total trade payables	1,962.22	2,023.18

10. Other liability

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Current maturities of term loans from banks	4,225.62	3,023.82
Current maturities of vehicle loans	100.69	98.76
Capital creditors	180.40	310.20
Interest accrued but not due on borrowings	43.24	52.92
Deposits from dealer / customer & others	8.63	2.38
Advances from customers	312.06	237.42
Investor education & protection fund will be credited by this amount (as & when due) - Unpaid dividend	70.30	63.06
Others payables		
- dues to statutory authorities	61.59	66.23
- others	632.83	792.99
Total other liabilities	5,635.36	4,647.78

11. Fixed assets

(Rs. in lacs)

Description	Gross block				Accumulated depreciation / amortisation				Net block		
	April 1, 2014	Additions	Adjustment for amalgamation (refer note 41)	Deductions	March 31, 2015	April 1, 2014	Current year	Adjustment for amalgamation (refer note 41)	Deductions	March 31, 2015	March 31, 2014
Tangible assets:											
Land - freehold (ii)	1,504.36	-	-	-	1,504.36	-	-	-	-	1,504.36	1,504.36
Buildings (ii)	7,498.00	403.26	-	-	7,901.26	1,888.98	218.26	-	-	5,794.02	5,609.02
Plant & machinery (i) & (ii)	63,759.82	3,500.82	-	61.22	67,199.42	33,053.44	2,730.99	-	55.24	31,470.23	30,706.38
Furniture & fixtures	392.54	19.56	-	1.77	410.33	74.27	33.02	-	1.54	304.58	318.27
Office equipments	621.29	50.82	-	2.32	669.79	305.37	75.60	-	0.99	289.81	315.92
Vehicles	670.74	226.08	-	67.54	829.28	212.50	113.00	-	17.11	520.89	458.24
Intangible assets:											
Software	447.67	7.91	-	-	455.58	360.84	46.00	-	-	48.74	86.83
Total	74,894.42	4,208.45	-	132.85	78,970.02	35,895.40	3,216.87	-	74.88	39,937.39	38,999.02
Previous year	70,561.24	4,520.74	1.96	189.52	74,894.42	33,009.72	3,044.99	1.61	160.93	38,999.02	37,551.52

(i) (a) Amount of borrowing cost aggregating Rs. 271.80 lacs (Previous year Rs. 28.40 lacs) have been capitalised during the year.

Plant & Machinery - Rs. 271.80 lacs (previous year Rs. 28.40 lacs)

(b) Foreign Exchange Fluctuation aggregating Rs. 38.80 lacs on plant & machinery (Previous year Rs. 1430.98 lacs(Capitalized)) have been de-capitalised during the year.

(ii) (a) Gross block of fixed assets includes Rs. 7,299.53 lacs (previous year Rs.7,299.53 lacs) being the amount added on revaluation of fixed assets on October 31, 1992.

Revaluation was carried out by an external valuer as per "Existing Use Value" method using prevailing market prices of the assets and where such prices were not available, RBI indices were used.

Details of additions due to revaluation during 1992 are as follows:

Land - Rs. 39.93 Lacs (previous year Rs. 39.93 lacs)

Building - Rs. 526.23 Lacs (previous year Rs. 526.23 lacs)

Plant and machinery - Rs. 6,733.37 lacs (previous year Rs. 6,733.37 lacs)

12. Non-current Investments

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
A. Other than trade - quoted (valued at cost unless stated otherwise)		
Equity shares		
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Ltd.	0.04	0.04
- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Synthetics Ltd.	0.03	0.03
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Haryana Petrochemicals Ltd.	0.04	0.04
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Sanghi Polyester Ltd.	0.08	0.08
- 360 (previous year 360) equity shares of Rs.5 each fully paid up in Venlon Enterprises Ltd.	0.10	0.10
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Ltd.	0.11	0.11
	0.40	0.40
Less: provision for diminution in the value of Investments	0.22	0.22
	0.18	0.18
Units of mutual fund		
- Nil (previous year 99,990) units of BOI- AXA Equity Debt rebalancer Fund - Regular plan - Growth of Rs. 10.00 each fully paid up (units purchased during the year Nil (previous Year - 99,990)	-	10.00
	0.18	10.18
B. Other than trade - unquoted (valued at cost unless stated otherwise)		
Preference shares		
- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up Ispat Industries Limited	4.78	4.78
	4.78	4.78
Less : provision for diminution in the value of Investment Ispat Industries Limited	3.25	3.25
	1.53	1.53
C. In subsidiary companies (valued at cost unless stated otherwise)		
Other than trade (unquoted, fully paid up)		
- 25,000 (previous year 25,000) equity shares of Rs. 1 each fully paid Ester International [USA] Ltd. (a company under the same management under section 370(1B) of the companies Act, 1956.)	9.69	9.69
Less : provision for diminution in the value of Investment	9.69	9.69
	-	-
	1.71	11.71
Aggregate amount of quoted investments (market value Rs. 0.12 lacs, (previous year Rs. 10.19 lacs) (net of provision)	0.18	10.18
Aggregate amount of unquoted investments (net of provision)	1.53	1.53
Total investment net of provisions	1.71	11.71
Aggregate provision for diminution in value of investments	13.16	13.16

13. Loans & advances

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Non-current		
Unsecured, considered good		
Capital advances	346.31	423.77
Prepaid expenses	43.63	59.97
Deposits-others	517.62	430.74
Loans and advances to related parties (Refer note 34)	67.89	67.89
Total (A)	975.45	982.37

	As at March 31, 2015	As at March 31, 2014
Current		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	860.63	595.91
Prepaid expenses	348.92	359.81
Advance tax & tax deducted at source (net of provision of tax)	173.80	180.04
MAT credit entitlement	401.33	298.99
Balances with statutory / Government authorities	268.48	465.57
Loans to employees	57.67	49.08
Deposits-others	-	9.83
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	2,142.74	1,991.14
Less: provision for doubtful advances	31.91	31.91
Total (B)	2,110.83	1,959.23
Total (A+B)	3,086.28	2,941.60

14. Other assets

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Non-current		
Unsecured, considered good		
Other bank balances (refer note 17)	66.84	64.77
Total other non-current assets	66.84	64.77
Current		
Unsecured, considered good		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	12.30	-
Interest receivable on fixed deposits	26.90	23.40
Export benefit receivable	293.99	331.60
Unamortized premium on forward contracts	19.47	68.00
Total other current assets	352.66	423.00
Total other assets	419.50	487.77

15. Inventory (at lower of cost or net relizable value)

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Raw materials {including stock in transit Rs. 1,500.34 lacs (previous year Rs. 1,135.17 lacs)}	5,813.10	5,104.34
Work in process	611.00	679.84
Finished goods {including stock in transit Rs. 1,140.65 lacs (previous year Rs. 1,529.25 lacs)}	5,129.27	5,434.13
Stores and spares {including stock in transit Rs. 21.43 lacs (previous year Rs. 2.03 lacs)}	1,213.47	1,192.73
Total inventories	12,766.84	12,411.04

16. Trade receivables

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	200.55	13.44
Doubtful	45.54	21.64
	246.09	35.08
Less: Provision for doubtful trade receivables	45.54	21.64
Total (A)	200.55	13.44
Other receivables		
Un-secured, considered good	11,591.75	12,410.47
Total (B)	11,591.75	12,410.47
Total (A+B)	11,792.30	12,423.91

17. Cash and bank balances

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Cash on hand	9.18	9.83
Balances with banks in current accounts	1,540.37	186.92
Unpaid dividend accounts *	70.30	63.06
Total (A)	1,619.85	259.81
Other bank balance		
Short term deposits pledged	62.34	28.00
Deposits with maturity of more than 3 months but up to 12 months	301.66	528.24
Deposits with original maturity of more than 12 months	373.06	73.13
Total (B)	737.06	629.37
Total Cash & Bank Balance (A+B)	2,356.91	889.18
Less:- Amount disclosed under non-current assets (refer note 14)	(66.84)	(64.77)
Cash & Bank Balance	2,290.07	824.41

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities

18. Revenue from operations

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of products	97,503.96	100,517.86
Other operating revenue	810.87	946.19
Revenue from operations (gross)	98,314.83	101,464.05
Less: Excise duty	8,688.07	8,616.83
Revenue from operations (net)	89,626.76	92,847.22

Excise duty on sales amounting to Rs. 8,688.07 lacs (previous year Rs. 8,616.83 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/(decrease) of stock Rs. 7.48 lacs (previous year Rs. 85.13 lacs) has been considered as (income) / expenses in note 23 of the financial statements.

Other operating revenue comprises the following income:

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Other operating revenue		
Sales of scrap	43.24	26.78
Export incentive from FMS	203.95	142.52
Drawback earned	563.68	776.89
	810.87	946.19

Details of goods sold

	2014-15		2013-14	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	19,133	16,776.00	17,177	16,835.49
Speciality polymers	1,237	2,061.74	2,037	3,901.21
Polyester films	43,594	59,120.45	42,805	63,474.70
Engineering plastics	11,510	19,406.16	9,509	16,191.16
Others		139.61		115.30
Total		97,503.96		100,517.86

19. Other income

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest on:		
- Fixed deposits {tax deducted at source Rs. 6.23 lacs (previous year Rs. 4.46 lacs)}	63.49	43.45
- Trade receivable {tax deducted at source Rs. 3.96 lacs (previous year Rs. 0.40 lacs)}	75.73	41.95
- Others {tax deducted at source Rs. 4.17 lacs (previous year Rs. 3.50 lacs)}	41.72	34.50
Insurance claim	36.94	26.28
Profit on sale of investments	1.34	-
Provisions / liabilities no longer required written back	15.63	21.14
Foreign exchange fluctuation gain (net)	-	262.33
Miscellaneous income	59.00	63.18
Total other income	293.85	492.83

20. Cost of raw material consumed

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Cost of raw material consumed	62,581.13	66,265.07
Total	62,581.13	66,265.07

Details of raw material consumed

	2014-15		2013-14	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
PTA	55,861.29	32,641.14	52,711.06	36,261.18
MEG	21,911.70	13,548.59	21,016.52	13,802.67
PBT chips	6,387.86	7,517.35	5,517.43	7,245.50
NYLON	2,586.26	3,648.01	2,440.45	3,304.03
BUTANE DIOL	133.51	211.47	469.92	644.68
NDC	1.75	6.44	4.90	17.62
Others		5,008.13		4,989.39
Total		62,581.13		66,265.07

Inventory of Raw material

(Rs. In lacs)

	2014-15	2013-14
	Value (Rs. in lacs)	Value (Rs. in lacs)
PTA	696.59	608.62
MEG	341.58	301.57
PBT chips	1,652.30	1,389.08
NYLON	661.33	619.26
BUTANE DIOL	11.78	6.41
Others	2,449.52	2,179.40
	5,813.10	5,104.34

21. (Increase) / Decrease in Inventories

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014	(Increase) / Decrease
Closing stock			
- Finished goods	5,129.27	5,434.13	(304.86)
- Work in process	611.00	679.84	(68.84)
	5,740.27	6,113.97	(373.70)
Opening stock			
- Finished goods	5,434.13	5,292.08	142.05
- Work in process	679.84	436.25	243.59
	6,113.97	5,728.33	385.64
Total (Increase) / Decrease	373.70	(385.64)	

Inventory of finished goods

	2014-15		2013-14	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	904.50	683.32	714.83	637.26
Speciality Polymers	499.76	682.53	376.91	518.27
Polyester films	1,446.29	1,696.31	1,566.63	1,998.41
Engineering plastics	901.87	1,320.43	949.64	1,482.01
Recycled polyester chips	799.97	746.68	819.82	798.18
		5,129.27		5,434.13

Inventory of work in progress

	2014-15	2013-14
	Value (Rs. in lacs)	Value (Rs. in lacs)
Polyester chips	94.39	175.30
Speciality Polymers	54.75	21.36
Polyester films	361.85	385.03
Engineering plastics	100.01	98.15
	611.00	679.84

22. Employee benefit expenses

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, wages & bonus	3,220.08	3,025.19
Contribution to provident and other funds	271.61	256.30
Gratuity (refer note 29)	106.89	106.13
Staff welfare expenses	520.68	485.02
	4,119.26	3,872.64

23. Other Expenditure

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Manufacturing expenses		
Consumption of stores and spare parts	1,120.35	1,327.60
Consumption of packing material	1,654.69	1,562.47
Power & fuel	6,025.86	5,860.26
Material handling charges	400.80	357.96
Increase / (decrease) in excise duty on closing stock	7.48	85.13
Total manufacturing expenses (A)	9,209.18	9,193.42
Selling expenses		
Freight	2,856.83	2,688.70
Commission and brokerage (other than sole selling agents)	264.18	336.97
Discount, claims and rebates	143.57	89.39
Total selling expenses (B)	3,264.58	3,115.06
Administration and other expenses		
Rent	69.97	47.51
Rates and taxes	14.15	28.73
Insurance	253.06	251.17
Repairs & maintenance		
- Building	21.57	35.76
- Plant & machinery	193.18	196.42
- Others	189.50	166.47
Travelling & conveyance	899.25	936.62
Communication costs	107.41	97.22
Legal & professional charges	415.03	398.37
Printing & stationery	30.24	28.21
Donations (other than political parties)	7.87	14.06
Directors sitting fees	4.90	4.50
Auditors' remuneration		
- Statutory audit fee	16.00	16.79
- Limited review fee	12.00	12.00
- Certification services	-	0.51
- Out of pocket expenses	1.16	0.87
Loss on fixed assets sold / discarded	6.93	8.19
Loss on sale of investments	34.45	-
Bad debts, advances & irrecoverable balances written off	33.38	25.13
Foreign exchange fluctuation loss (net)	18.47	-
Provision for obsolete inventory	-	11.76
Premium on forward contract amortised	42.06	325.33
Miscellaneous expenses	594.41	742.05
Total administrative & other expenses (C)	2,964.99	3,347.67
Total other expenses (A+B+C)	15,438.75	15,656.15

24. Finance cost

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest		
- on term loans	1,677.78	1,468.26
- on working capital	1,559.88	1,468.29
- on buyers' credit facilities	38.36	88.14
- on Statutory Dues	3.44	-
Bank charges	430.09	462.08
	3,709.55	3,486.77

25. Earning per share (EPS)

	Year ended March 31, 2015	Year ended March 31, 2014
Net profit for calculation of basic /diluted EPS	383.91	836.95
Weighted average number of equity shares	62,643,759	62,893,706
Impact of scheme of amalgamation relating to earlier period (refer note 41)		
Shares cancelled on account of amalgamation	-	(10,222,650)
Shares issued as purchase consideration on account of amalgamation	-	9,972,703
Weighted average number of equity shares in calculating basic EPS	62,643,759	62,643,759
Effect of dilution:		
Share Warrants convertible in to equity shares	5,045,377	-
Weighted average number of equity shares in calculating diluted EPS	67,689,136	62,643,759
Basic EPS (in Rs.)	0.61	1.34
Diluted EPS (in Rs.)	0.57	1.34

26. Capital commitments

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	603.65	1,727.24

Capital Commitments are on account of installation twin screw extruder for film plant 1 and Upgradation in Speciality Polymer Plants.

27. Contingent liabilities

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
(A) Excise Duty and Customs Duty pending hearing of appeals/writ petitions:		
(i) Cenvat credit disallowed on inputs (for the period March 1990 to Mar 1991) not covered under rule 57A, mainly Santotherm, Diethyl Glycol, Delion etc. Disallowance was due to use of inputs for manufacture of exempted goods.	8.06	8.06
(ii) Removal of PET chips (exempted goods) from bonded warehouse without payment of duty.	3.00	3.00
(iii) Goods sold from depot at higher value than one declared at factory gate price for the period Jun 1988 to Mar 1992.	25.46	25.46
(iv) Cenvat credit disallowed on inputs like DMT, additives etc. for the manufacturing of polyester chips. Disallowance was due to use of inputs for manufacturing of exempted goods.	164.20	164.20
(v) Reversal of Cenvat credit availed on HSD. Department disallowed credit alleging that cenvat credit has been wrongly availed on HSD.	206.92	206.92
(vi) Cenvat credit availed on raw material. Disallowance on account of credit availed fully on raw material and not on pro-rata basis for clearance of dutiable goods i.e. polyester films.	11.72	11.72
(vii) Availment of credit on import of Dimethyl Terephthalate. Disallowance was due to use of inputs for manufacturing of exempted goods.	57.71	57.71
(viii) Other Miscellaneous Cases	33.82	33.82
(ix) Cenvat credit of Rs. 0.59 lacs not admissible on shape & section as capital goods and Rs. 2.5 lacs recoverable against shortage of cenvatable inputs.	3.09	3.09
(x) Demand raised on account of excess / shortfall in stocks alleged by preventative staff.	12.95	12.95
Total (A)	526.93	526.93
(B) Show cause notices related to Service Tax & Excise rebate on export	13.54	13.54
(C) Income Tax:		
(i) Disallowance of advertisement expenditure pursuant to rule 6B of IT rules, 1962 in the revised return of income which is based on the auditor's report in respect of A.Y. 1993-94 to 1997-98 by ITAT.	1.16	1.68

	As at March 31, 2015	As at March 31, 2014
(ii) Disallowance of club expenditure on the contention that they are not wholly and exclusively for the business needs of the company in respect of A.Y. 1993-94 to 1994-95 & A.Y. 2005-06 by ITAT.	0.47	1.80
(iii) Disallowance of 50% of entertainment expenses on the contention that there has been no participation of the employee for incurring such expenditure in respect of A.Y. 1993-94 to 1997-98 by ITAT.	5.10	5.10
(iv) Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68
(v) Demand of MAT (including interest) A.Y. 2004-05*	5.78	5.78
* Disallowances of expenses incurred on earning exempt income like dividend by invoking section 14A of the act by AO in respect of A.Y. 2004-05.		
* Disallowances of provision for doubtful debts and advances for computing book profits under section 115JB of the Act as they are in the nature of reserves as per assessing officer.		
* Disallowances of claim of profit under section 80HHC for computing book profits under section 115JB of the act on the contention that company should have adjusted unabsorbed business loss and depreciation with the profits of the business first before arriving at the deduction under section 80HHC of the Act. Since, the two exceed the current years profits, there can be no deduction under section 80HHC of the Act.		
(vi) Demand of MAT (including interest) A.Y. 2005-06@	11.16	11.16
@ Disallowance of carry forward of loss on sale of investment on which dividend income is earned which is exempt from tax by invoking section 94(7) of the Act.		
@ Disallowance of other expenses under MAT including foreign technician fees, unexplained investment.		
(vii) Liability in respect of disallowances of excess depreciation claimed by company, bonus provision, disallowance of expenses incurred on earning exempt income like dividend and interest by invoking section 14A of the Act in respect of A.Y. 2006-07 to A.Y. 2009-10.	11.66	11.66
(viii) Disallowances out of travelling exp and U/S 14A in respect of AY 2011-12	6.27	6.27
(ix) Disallowance u/s 14A, Rule 8D in respect of AY 2012-13	0.15	-
Total (C)	56.43	58.13
Total (D) = (A)+(B)+(C)	596.90	598.60
(E) Other claims not acknowledged as debts	88.87	83.14
(F) Bonds amounting to Rs 510 lacs executed in favour of Central Excise & Customs Authorities, out of which, amount to be re-credited on receiving the proof of export is yet to be submitted.	229.13	324.55
(G) Amount of duty saved on import under advance license - corresponding export obligation pending is Rs. 1,493.72 lacs (previous year Rs. 953.15 lacs)	34.95	7.77

Based on favorable decisions in similar cases, legal opinion taken by the company, discussions with the solicitors etc., the company believes that there is fair chance of decisions in its favour in respect of all the items listed in (a) to (e) above and hence no provision is considered necessary against the same.

The company is involved in various litigation, the outcome which are considered probable and in respect of which the company has made aggregate provision of Rs. 185.22 lacs (Previous Year 185.22 lacs) as at March 31, 2015.

28. Directors' Remuneration

Mr. Pradeep Kumar Rustagi was re-appointed as Whole-time Director w.e.f. April 1, 2014 for 3 years. Mr. Arvind Singhania was appointed w.e.f. May 21, 2014 as Whole-time Director of the Company. The shareholders approved their appointment in Annual General Meeting held on September 22, 2014.

The remuneration paid to Mr. Arvind Singhania and Mr. Pradeep Rustagi during financial year 2014-15 was within the limits prescribed in Schedule V of the Companies Act, 2013. In accordance with the requirements of Section 203 read with schedule V of the Companies Act, 2013, approval of Shareholders by way of Special Resolution through Postal Ballot was granted for payment of remuneration in case of inadequacy of profits to Mr. Pradeep Kumar Rustagi and Mr. Arvind Singhania.

29. Gratuity and other post employment benefits plan

Gratuity

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summaries the components of net benefit expense recognized in the Statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

Statement of profit and loss

Net employee benefit expense recognised in employee cost

(Rs. In Lacs)

	Gratuity	
	March 31, 2015	March 31, 2014
Current service cost	52.24	46.83
Interest cost on benefit obligation	46.62	37.57
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	8.02	21.72
Past service cost	-	-
Net benefit expense	106.89	106.12

Balance sheet

Details of provision for Gratuity

(Rs. In Lacs)

	March 31, 2015	March 31, 2014
Defined benefit obligation	571.09	548.47
Plan liability	571.09	548.47

Changes in the present value of the defined benefit obligation are as follows:

(Rs. In Lacs)

	March 31, 2015	March 31, 2014
Opening defined benefit obligation	548.48	469.60
Interest cost	46.62	37.57
Current service cost	52.24	46.83
Benefits paid	84.27	(27.24)
Actuarial losses on obligation	8.02	21.72
Closing defined benefit obligation	739.64	548.48

Since the entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets, categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	March 31, 2015	March 31, 2014
	%	%
Discount rate	7.75	8.50
Increase in compensation cost	5.25	6.00
Employee turnover – Age Group		
Up to 30 years	3	3
30 – 44 years	2	2
Above 44 years	1	1

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four years are as follows:

(Rs. In lacs)

	Gratuity				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligation	571.09	548.48	469.60	410.24	396.44
Deficit	571.09	548.48	469.60	410.24	396.44
Experience adjustments on plan liabilities Loss/(Gain)	0.01	21.40	20.86	(30.33)	29.30

Contribution to Defined Contribution Plans:

(Rs. In lacs)

	March 31, 2015	March 31, 2014
Superannuation fund	70.06	72.84
Provident fund contribution to Government authority	90.07	93.30

Provident Fund

Provident fund for certain eligible employees is managed by the company through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary have provided a valuation of provident fund liability and based on assumptions provided below there is no shortfall as at March 31, 2015 and March 31, 2014.

As per the guidance note on implementing AS-15, employee benefits (revised 2005) issued by the accounting standard board (ASB), provident fund trust set up by employers, which required interest shortfall to be met by employer, needs to be treated as defined benefit plan.

Changes in the present value of the projected benefit obligation are as follows:

(Rs. In lacs)

Projected Benefit Obligation	March 31, 2015	March 31, 2014
Projected benefit obligation at beginning of year	714.43	583.21
Current service cost	97.89	88.45
Interest cost	55.37	51.03
Contributions by plan participants / employees	115.80	105.17
Actuarial (gain) / loss due to interest guarantee	12.50	2.07
Benefits paid	(81.75)	(149.84)
Past service cost	-	-
Settlements / Transfer In	6.34	34.33
Projected benefit obligation at end of year	920.57	714.43

Changes in the present value of the plan assets are as follows:

(Rs. In lacs)

Reconciliation of Plan Assets	March 31, 2015	March 31, 2014
Plan asset at beginning of year	761.40	626.63
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Expected return on plan asset	66.62	54.83
Employer contribution	97.89	88.45
Plan participants / employee contribution	115.80	105.17
Benefit payments	(81.75)	(149.84)
Asset gain /(loss)	0.60	1.82
Settlements / Transfer In	6.34	34.33
Ending asset at fair value	966.90	761.40

The principal assumptions used in determining liability towards shortfall in provident liability are shown below:

Economic Assumptions	March 31, 2015	March 31, 2014
i) Interest rate	8.75%	8.75%
Demographic Assumptions	March 31, 2015	March 31, 2014
i) Mortality	IALM (2006-08)	IALM (2006-08)
ii) Disability	None	None
iii) Normal Retirement Age	58	58

30. Leases:

The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed under the lease agreement and there are no subleases. The company have paid Rs. 69.97 lacs (previous year Rs. 47.51 lacs) towards operating lease rentals.

31. Forward contract outstanding as at Balance sheet date:

Particulars	Currency	As at March 31, 2015	As at March 31, 2014	Purpose
Purchase - Buyers' Credit Capital Goods	EURO	-	587,200	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) for import of capital goods.
	USD	-	630,978	
Purchase - Buyers' Credit Raw Material	USD	63,000	3,734,743	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
	EURO	-	278,288	
Sales	USD	1,769,427	500,000	Forward contract to hedge foreign currency receivables in respect of export of goods.

32. Particulars of Un-hedged foreign Currency Exposure as at the Balance Sheet date

Particulars	Currency	Amount In Foreign Currency (In absolute figures)		Rates		Amount (Rs in lacs)	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Import Creditors (including acceptances)	Euro	-	8,800.00	-	82.62	-	7.27
	GBP	-	6,500.00	-	99.90	-	6.49
	USD	4,322,526.05	3,517,031.51	62.53	60.14	2,702.88	2,115.14
Export trade receivables	USD	-	2,303,988.75	-	60.09	-	1,384.47
	Euro	241,401.63	67,422.66	67.14	82.53	162.08	55.64
	GBP	-	3,981.22	-	99.83	-	3.97
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	260,977.50	-	62.49	-	163.08	-
	Euro	552,200.00	700,000.00	67.19	82.58	371.02	578.06
- For Raw material	USD	2,887,003.62	345,599.58	62.49	60.10	1,804.09	207.71
	Euro	1,578,879.43	-	67.19	-	1,060.85	-

33. Details of dues to Micro & Small Enterprises as per MSMED Act, 2006

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
i) The principal amount & the interest due thereon remaining unpaid to any supplier as at the end of year		
Principal Amount	48.46	3.82
Interest Due thereon	-	-
ii) Payments made to supplier beyond the appointed day during the year		
Principal	700.84	880.01
Interest Due thereon	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The information has been given in respect of such vendors to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with the company.

34. a) Names of related parties

Nature of Relationship	Name of Related Party
Names of related parties where control exists	
- Ultimate Holding Company	- Goldring Investments Corp.
- Holding Company	- Wilemina Finance Corporation
- Subsidiary Company	- Ester International USA Limited (EIUL)
Key Management Personnel	
	- Mr. Arvind Kumar Singhania (Chairman & CEO)
	- Mr. Ashok Kumar Agrawal (Executive Director)(Upto March 31,2014)
	- Mr. Pradeep Rustagi (Executive Director & CFO)
Relatives of Key Management Personnel	
	- Mr. Ayush Vardhan Singhania (Son of Mr. Arvind Kumar Singhania)
	- Mr. Jai Vardhan Singhania (Son of Mr. Arvind Kumar Singhania)
Individuals, which directly or indirectly through subsidiaries, control or exercise significant influence over the company.	
	- Mr. Arvind Kumar Singhania (Chairman & CEO)
Enterprises owned or significantly influenced by Key management personnel or their relatives	
	- Fenton Investments Private Limited
	- PDJ Properties & Investment Services Private Limited

b) Related party transaction

(Rs. in lacs)

Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Transactions during the year						
Managerial Remuneration						
Arvind Kumar Singhania	-	-	110.73	-	-	110.73
	-	-	-	-	-	-
Ashok.K.Agrawal	-	-	-	-	-	-
	-	-	(86.23)	-	-	(86.23)
Pradeep Rustagi	-	-	94.31	-	-	94.31
	-	-	(81.81)	-	-	(81.81)
Rent Paid						
Fenton Investment Pvt. Ltd.	-	-	-	-	20.22	20.22
	-	-	-	-	(20.22)	(20.22)
Salary Paid						
Ayush Vardhan Singhania	-	-	-	30.68	-	30.68
	-	-	-	(31.50)	-	(31.50)
Jai Vardhan Singhania	-	-	-	15.00	-	15.00
	-	-	-	-	-	-

Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Education, Training & Development*						
Ayush Vardhan Singhania	-	-	-	73.02	-	73.02
	-	-	-	(43.99)	-	(43.99)
Balances Outstanding as at year end						
Ester International USA Limited	-	60.00	-	-	-	60.00
	-	(60.00)	-	-	-	(60.00)
Balance Recoverable						
Ester International USA Limited	-	67.89	-	-	-	67.89
	-	(67.89)	-	-	-	(67.89)
Security deposit						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
Guarantees given against Loans Taken (jointly and severally) by the Company						
- Wilemina Finance Corporation	37,294.86	-	-	-	-	37,294.86
	(36,146.46)	-	-	-	-	(36,146.46)
- Arvind Kumar Singhania	-	-	2,900.00	-	-	2,900.00
	-	-	-	-	-	-

-Previous year figures are given in brackets.

* Expenses incurred for Education, Training and Development is as per company's policy applicable to all employee above a certain level.

35. Capitalization of expenditure:

During the year, the company has capitalized the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, wages & bonus	21.92	Nil
Finance costs	271.80	28.40
	293.72	28.40

36. Segment Reporting

The Company operates in two segments manufacturing and sale of polyester film and engineering plastics. The Company has chosen business segments as its primary segments considering the dominant source of nature of risks and returns, internal organization and management structure. A brief description of the reportable segment is as follows:

Polyester Film: Polyester Films that are used in primarily flexible packaging and other industrial application. Polyester Film is known for high tensile strength, chemical and dimensional stability, transparency, reflective, gas and aroma barrier properties and electrical insulation. PET Chips is the main raw material used to manufacture the film.

Engineering Plastics: Engineering Plastics are group of plastic materials that exhibit superior mechanical and thermal properties over the more commonly used commodity plastics. Engineering Plastics are equipped with certain electrical properties which enable it to be used in specific industries such as automotive, telecommunication, electrical, electronics and lighting, consumer durable etc.

A. Segment Disclosure

(Rs. In lacs)

Particulars	Polyester Film		Engineering Plastics		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
REVENUE						
External sales	72,296.14	78,458.41	17,330.62	14,388.82	89,626.76	92,847.22
Inter segment sale	-	-	-	-	-	-
Total revenue	72,296.14	78,458.41	17,330.62	14,388.82	89,626.76	92,847.22
SEGMENT RESULT	6,637.24	7,794.08	1,248.54	906.15	7,885.78	8,700.22
Unallocated corporate expenses					3,982.44	4,029.28
Operating Profit					3,903.34	4,670.94
Finance costs					3,709.55	3,486.77
Other income					293.85	230.50
Profit Before Tax / (Loss)					487.64	1,414.67
Income taxes					103.73	573.96
Net Profit / (Loss)					383.91	840.71
OTHER INFORMATION						
Segment assets	43,340.49	45,983.77	11,205.79	10,411.79	54,546.29	56,395.56
Unallocated corporate assets					16,932.13	13,512.11
Total assets					71,478.42	69,907.67
Segment liabilities	4,234.84	6,450.71	3,007.57	2,360.28	7,242.41	8,810.99
Unallocated corporate liabilities					36,940.52	34,705.12
Total liabilities					44,182.93	43,516.10
Capital expenditure	914.48	2,737.94	137.52	1,289.68	1,052.00	4,027.61
Unallocated Capital expenditure					2,479.40	1,972.11
Total Capital expenditure					3,531.40	5,999.72
Depreciation/Amortisation	2,735.23	2,687.54	132.10	101.17	2,867.32	2,788.71
Unallocated Depreciation/Amortisation					343.26	241.68
Total Depreciation/Amortisation					3,210.58	3,030.39
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation					16.89	74.33
Total Non-cash expenses other than depreciation and amortisation					16.89	74.33

B. INFORMATION ABOUT SECONDARY SEGMENTS

a) Revenue as per Geographical Markets

(Rs. in lacs)

	March 31, 2015	March 31, 2014
India *	69,854.52	69,518.17
Outside India	19,772.24	23,329.05
Total	89,626.76	92,847.22

* Includes Deemed export with in India

b) Carrying amount of Segment Assets (Trade receivable) by geographical location of assets

(Rs. in lacs)

	March 31, 2015	March 31, 2014
India	8,142.73	7,443.75
Outside India	3,649.57	4,980.16
Total	11,792.30	12,423.91

Rest of the current assets are common and not segregable geographical segment wise.

c) Capital expenditure by geographical location of assets

	March 31, 2015	March 31, 2014
India	3,531.40	5,999.72
Outside India	-	-
Total	3,531.40	5,999.72

37. Value of imports calculated on CIF basis

(Rs. in lacs)

	March 31, 2015	March 31, 2014
Raw Materials	15,196.15	12,659.34
Stores & Spare Parts	545.02	687.37
Capital Goods	571.49	1,452.55
Total	16,312.66	14,799.26

38. Earning in foreign currency:

(Rs. in lacs)

	March 31, 2015	March 31, 2014
FOB value of export of goods and R&D Charges received	19,057.23	22,667.24
Total	19,057.23	22,667.24

(FOB Value of Exports does not include Deemed Exports of Rs. 513.45 lacs (previous year Rs. 523.23 lacs)).

39. Imported and indigenous raw material and spare parts consumed

(Rs. In lacs)

	March 31, 2015		March 31, 2014	
	Percentage	Value	Percentage	Value
Raw Material				
Imported	27.35	17,112.93	19.45	12,890.15
Indigenous	72.65	45,468.20	80.55	53,374.92
Total	100.00	62,581.13	100.00	66,265.07
Stores & spares				
Imported	53.47	599.04	59.08	784.38
Indigenous	46.53	521.31	40.92	543.22
Total	100.00	1,120.35	100.00	1,327.60

40. Expenditure in foreign currency:

(Rs. in lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Bank charges	38.92	39.45
Legal & professional	20.90	35.51
Expense on foreign technicians	23.04	56.78
Commission and brokerage	174.28	240.74
Traveling expenses	99.83	107.24
Discount, claims and rebates	57.94	-
Miscellaneous expenses	31.93	109.98
Total	446.84	589.69

41. Scheme of amalgamation

The shareholders of the Company had approved a scheme of amalgamation between the Company (transferee Company) and fellow subsidiary Sriyam Impex Private Limited (transferor Company) with an appointed date of April 1, 2012. This scheme of amalgamation was approved by the High Court of Uttarakhand on March 25, 2014 and was subsequently submitted with Registrar of Companies (RoC), Uttarakhand on May 7, 2014. Accordingly, from April 1, 2012, the operation of the Transferor Company stood transferred to and vested in the company on a going concern basis.

Equity shares of transferee Company held by the transferor Company were cancelled and new equity shares were issued to equity shareholders of transferor Company in the exchange ratio as specified in the Scheme. The effect of cancellation and issuance of equity shares has been disclosed under head "Share Capital Control Account" in previous year's Balance Sheet. The excess of book value of the investment held by the transferor Company in the transferee Company over the face value of equity shares was adjusted in the Capital Reserve of the transferee Company.

In previous year, the credit balance of security premium account and capital reserve account of the transferor company was transferred to the transferee company.

The reduction in the share capital and security premium account of the transferee Company was effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Companies Act, 1956 and the order of the High Court sanctioning the Scheme was deemed to be the order under Section 102 of the Companies Act, 1956 for the purpose of confirming the reduction.

Since the impact of amalgamation was considered in previous year's financial statements, the loss after tax of Rs. 3.76 lacs of transferor Company from April 1, 2012 to March 31, 2013, was accounted for in the previous year's statement of profit & loss as a separate line item. However, debit balance of profit and loss and Goodwill as on March 31, 2012 was adjusted from Securities Premium account. Further, net cash flows for the period April 1, 2012 to March 31, 2013 pertaining to the transferor Company on account of operating, investing and financing activities aggregating Rs. 25.11 lacs, Rs. nil and Rs. nil respectively were included in the previous year's statement of cash flows as a separate line item under the respective heads.

- 42.** In the Board Meeting held on October 3, 2013, the Board of Directors approved the proposal for preferential allotment of 20,750,000 Zero Coupon Warrants of Rs. 10.10 each and convertible into 20,750,000 equity shares of Rs. 5 each fully paid up at a price of Rs. 10.10 each including premium of Rs. 5.10 each to a Non-Promoter entity in compliance with the Companies Act, 1956 and SEBI regulations and subject to the shareholders and other necessary approvals required.

After obtaining approval from Shareholders, Stock Exchanges and FIPB, the Company allotted Warrants in its Board Meeting held on April 11, 2014. As on March 31, 2015 the company has received an amount of Rs. 524.23 lacs which is 25% of the total amount of warrants including premium.

- 43.** Pursuant to Section 135 of the Companies Act, 2013 and rule made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee has adopted a Corporate Social Responsibility Policy. As per Section 135(5) of the Act, the Company needs to ensure that at least 2% of the average net profit of preceding three financial years is spent on CSR activities as mentioned in CSR Policy. However, due to losses incurred in past, the average result of preceding three financial years (2011-12, 2012-13 and 2013-14) is loss. Consequently the Company is not required to spend any amount on CSR during the current year.
- 44.** Previous year figure have been regrouped / reclassified whenever considered necessary, so as to confirm with the current year's classification.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 25, 2015

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Ester Industries Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ester Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered

Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The order does not apply to the subsidiary.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 27 to the consolidated financial statements;

- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary Company.

Other Matter

The accompanying consolidated financial statements include total assets of Rs. 1.75 lacs as at March 31, 2015 and total revenues and net cash outflows of Rs. Nil and Rs. Nil for the year ended on that date, in respect of Ester International (USA) Limited (wholly owned subsidiary), which have not been audited, which unaudited financial statements and other unaudited financial information have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements above, is not modified in respect of the above matter with respect to the financial statements and other financial information certified by the Management.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Raman Sobti

Partner

Place of Signature: New Delhi

Date: May 25, 2015

Membership Number: 89218

Annexure referred to in paragraph 1 of our report of even date under section 'Report on other legal and regulatory requirements'

The Group, comprises [Ester Industries Limited] ('Holding Company') to whom the provisions of the Order applies. The order does not apply to the subsidiary Company.

- (i) (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Holding Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
- (c) The Holding Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Holding Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Holding Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business, for the purchase of inventory and

fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Holding Company in respect of these areas.

- (v) The Holding Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of polyester films and engineering plastics, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Holding Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Holding Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Dispute on MODVAT credit taken on chips used in yarn and on exempted clearance of chips. Demand raised for duty on removal of PET Chips in custody	30.04	July 87 to June 93 and Jan 95	Commissioner Central Excise (Noida)
Central Excise Act, 1944	Dispute on MODVAT credit taken on inputs and Capital Goods used in chips which were cleared at NIL duty.	173.86	March 90 to Feb 92 and Oct 94 to Feb 95	Commissioner (Appeals), Central Excise Ghaziabad
Central Excise Act, 1944	Dispute on disallowance of MODVAT on TEG as documents were more than six months old.	4.80	March 92	Customs, Excise, Service Tax Appellate Tribunal (Delhi)
The Customs Act, 1962	Demand for Custom Duty forgone on value based advance license.	57.71	June 93 to April 95	Commissioner/Additional Commissioner Customs (DEEC) Mumbai
Central Excise Act, 1944	Demand on PET Chips waste cleared at nil rate of duty. MEG received under chapter X after rescinding of Notification No. 34/87 CE. Inadmissibility of MODVAT credit against PBT Chips and Polyester films.	4.57	July 93 to May 94 and Feb to Aug 2000	Deputy Commissioner Central Excise, Rampur

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand raised on account of differences in stocks as per physical and book records.	7.72	November 1992	Commissioner Meerut II
Central Excise Act, 1944	Reversal of Cenvat credit availed on HSD.	206.92	March 1994 to February 1997 and March 1997 to March 1998	High Court, Delhi
Central Excise Act, 1944	Demand on shortages on inputs on department physical verification.	3.09	July 2010	Assistant Commissioner, Rampur
The Customs Act, 1962	Dispute on disallowance of remission on MEG lost in Transit and utilization of MODVAT credit	32.99	June 87 to Oct 88, March 91 to May 91 and 1993	Assistant Commissioner, Rampur
Finance Act, 1944	Demand for short payment of Service Tax against brokerage and commission	13.54	F.Y. 2011-12	Additional Commissioner, Meerut
Income Tax Act, 1961	Dispute on Disallowance of advertisement expenditure pursuant to Rule 6B of IT Rules, 1962 by ITAT	1.16	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on Disallowances of club expenditure on the contention that expenses not incurred wholly and exclusively for the business needs.	0.47	A.Y. 1993-94 to 1994-95	Income Tax - Assessing officer & Commissioner of Income Tax (Appeals) Delhi
Income Tax Act, 1961	Dispute on Disallowances of 50% of entertainment expenses on the contention of non participation of the employee for incurring such expenditure.	5.10	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of expenses relating to previous year.	14.68	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, commission paid to agent, club expenses, provision for doubtful debts and expenses incurred on earning exempt income by invoking section 14A of the Act	16.94	A.Y. 2004-05 to 2005-06	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, bonus provision, expenses incurred on earning exempt income by invoking section 14A of the Act	18.08	A.Y. 2006-07 to A.Y. 2011-12	Commissioner of Income Tax (Appeals) Delhi & Income Tax Appellate Tribunal, Delhi

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Holding Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Holding Company has not defaulted in repayment of dues to a financial institution and bank. The Holding Company does not have any dues outstanding to debenture holders.
- (x) According to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Holding Company has been noticed or reported during the year.

S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Raman Sobti

Partner

Place of Signature: New Delhi

Date: May 25, 2015

Membership Number: 89218

CONSOLIDATED BALANCE SHEET as at March 31, 2015

(Rs. in Lacs)

	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	3,132.19	3,144.69
Share capital control account	42	-	(12.49)
Reserves & surplus	4	23,539.07	23,162.13
Money received against share warrants	43	524.23	-
		27,195.49	26,294.33
Non - current liabilities			
Long term borrowings	5	12,480.49	12,415.30
Deferred tax liability (net)	6	2,571.06	2,469.41
Long term provisions	7	550.50	518.58
		15,602.05	15,403.29
Current liabilities			
Short term borrowings	8	20,755.90	20,793.51
Trade payables	9	1,904.25	2,042.11
Other current liabilities	10	5,726.55	4,667.14
Short term provisions	7	246.93	648.34
		28,633.63	28,151.10
Total		71,431.17	69,848.72
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	39,883.89	38,912.19
Intangible assets	11	48.74	86.83
Capital work in progress		1,208.62	1,808.21
Non-current investment	12	1.71	11.71
Long term loans & advances	13	907.56	914.48
Other non-current assets	14	66.84	64.77
		42,117.36	41,798.19
Current assets			
Inventories	15	12,766.83	12,411.04
Trade receivables	16	11,792.31	12,423.91
Cash & bank balances	17	2,290.94	825.26
Short term loans & advances	13	2,111.07	1,967.32
Other current assets	14	352.66	423.00
		29,313.81	28,050.53
Total		71,431.17	69,848.72

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 25, 2015

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2015

(Rs. in Lacs)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from operations (gross)	18	98,314.83	101,464.05
Less: - Excise duty		8,688.07	8,616.83
Revenue from operations (net)		89,626.76	92,847.22
Other income	19	293.85	492.83
Total revenues (I)		89,920.61	93,340.05
Expenses			
Cost of material consumed	20	62,581.13	66,265.07
(Increase) / decrease in inventories of finished goods & work in progress	21	373.70	(385.64)
Employee benefits expense	22	4,119.26	3,872.64
Other expenses	23	15,438.76	15,656.15
Total expenses (II)		82,512.85	85,408.22
Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)		7,407.76	7,931.83
Depreciation and amortisation expense	11	3,216.87	3,044.99
Less: Transferred from General reserve (Refer Note 2(b))		6.29	-
Less: Transferred from revaluation reserve		-	14.60
Finance costs	24	3,709.55	3,486.77
Profit / (loss) before tax		487.63	1,414.67
Tax expense			
Current tax		102.35	298.99
Mat credit		(102.35)	(298.99)
Deferred tax		103.73	573.96
Total tax expenses		103.73	573.96
Profit / (loss) after tax but before impact of scheme of arrangement		383.90	840.71
Impact of scheme of amalgamation relating to earlier period (refer note 41)		-	(3.76)
Profit / (loss) after tax		383.90	836.95
Earnings per share			
Basic (in Rs.)	25	0.61	1.34
Diluted (in Rs.)	25	0.57	1.34
{Nominal value per share Rs. 5 (previous year Rs. 5)}			
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 25, 2015

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	487.63	1,414.67
Adjustments for:		
Depreciation/Amortisation	3,210.58	3,030.39
Loss on fixed assets sold/discarded (net)	6.93	8.19
Interest expense	3,276.02	3,024.69
Interest income	(180.94)	(119.90)
Premium on forward contracts amortised	42.06	325.33
Unrealized foreign exchange loss (net)	(43.66)	50.39
Bad debts, advances and irrecoverable balances written off (net)	33.38	25.13
Provision for obsolete inventories	-	11.76
Loss on sale of investment	34.45	-
Profit on sale of Investment	(1.34)	-
Provisions / liabilities no longer required written back	(15.63)	(21.14)
Operating profit before working capital changes	6,849.48	7,749.51
Movements in working capital :		
Decrease / (Increase) in trade receivables	618.96	(1,379.79)
Decrease / (Increase) loans and advances/other current assets	33.22	(764.45)
Decrease / (Increase) in inventories	(355.79)	(152.69)
Increase/ (Decrease) in trade & other payables/ provisions	(158.23)	(256.19)
Cash generated from operations	6,987.64	5,196.39
Direct taxes paid	(141.36)	35.26
Net cash flow from operating activities	6,846.28	5,231.65
Impact of scheme of amalgamation relating to earlier period (refer note 41)	-	(25.11)
Net cash flow from operating activities (a)	6,846.28	5,206.54
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,738.66)	(5,718.93)
Sale of fixed assets	51.04	20.40
Deposits	(3,602.83)	(227.64)
Proceeds of deposits matured	3,495.14	48.51
Purchase of investment	(61.95)	(10.00)
Sale of investment	38.83	-
Interest received	177.44	125.97
Net cash flow from / (used) in investing activities (b)	(3,640.99)	(5,761.69)
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from short term borrowings	6.50	5,794.26
Proceeds from long term borrowings	7,322.93	14,012.65
Repayment of long term borrowings	(6,054.01)	(16,977.55)
Money received against share warrants	524.23	-
Interest paid	(3,285.70)	(3,035.27)
Dividend paid	(359.20)	(0.52)
Net cash flow from / (used) in financing activities (c)	(1,845.25)	(206.43)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	1,360.04	(761.58)
Cash and cash equivalents at the beginning of the year	260.66	985.64
Effect of exchange differences on cash & cash equivalents held in foreign currency	0.02	0.09
Cash and cash equivalents acquired under scheme of amalgamation	-	36.51
Cash and cash equivalents at the end of the year	1,620.72	260.66
Components of cash and cash equivalents		
Cash on hand	9.18	9.83
Balances with scheduled banks :		
- On current Accounts	1,540.37	186.92
- On term deposits	737.06	629.37
- On unpaid dividend accounts*	70.30	63.06
Balances with other bank:		
- On current accounts	0.87	0.85
Cash & bank balances	2,357.78	890.03
Less: fixed deposits not considered as cash and cash equivalents		
- Deposit pledged with banks	62.34	28.00
- Deposit having maturity period more than 3 months	674.72	601.37
	1,620.72	260.66

*These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 25, 2015

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENT for the year ended March 31, 2015**1. Principles of consolidation**

- a) The consolidated financial statement relate to Ester Industries Limited and its wholly owned subsidiary companies. The consolidated financial statements have been prepared on the following basis:

The financial statement of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, Income and expenses. Intra group balances and intra group transaction and resulting unrealized profits are eliminated in full as per Accounting Standard – 21, consolidated Financial statement notified under companies accounting standard rules, 2006 (as amended). Unrealized losses resulting from intra group transaction are also eliminated unless cost cannot be recovered.

The financial statement of the subsidiary companies used in the consolidation is drawn for the same period as that of the parent company i.e. March 31, 2015.

- b) Details of subsidiary company which is considered in the consolidation and the parent company's holding therein are as under:

Sl. No.	Name of the subsidiary company	Country of incorporation	Extent of holding (%)	Extent of holding (%)
			As on March 31, 2015	As on March 31, 2014
1.	Ester International (USA) Limited	USA	100%	100%

The consolidated financial have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the parent company's separate financial statement.

2. Statement of significant accounting policies**a) Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (accounts) rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy as explained below.

b) Change in accounting policy

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Useful lives/ depreciation rates

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Pursuant to the requirements of Schedule II to the Companies Act, 2013, with effect from April 1, 2014 management has reassessed the useful life of all fixed assets based on detailed technical evaluation. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Consequently, depreciation charge to the statement of profit and loss for the current year ended March 31, 2015, is higher by Rs. 50.87 lacs. Further, based on transitional provisions provided in Note 7(b) of Schedule II of the Companies Act, 2013 the carrying value of fixed assets, where the remaining useful life was nil as at April 1, 2014, amounting to Rs. 6.29 lacs (net of deferred tax of Rs.4.21 lacs) has been adjusted with retained earnings.

Accounting for additional depreciation on account of revaluation of assets

On October 31, 1992, the company revalued all its land, buildings & plant and machinery existing as on that date. Till year ended March 31, 2014, the Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets issued by the ICAI allowed companies to transfer an amount equivalent to the additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss. Accordingly, the company was transferring an amount equivalent to additional depreciation arising due to upward revaluation of building from revaluation reserve to the statement of profit and loss. In contrast, Schedule II to the Companies Act, 2013 applicable from the current year, states that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Hence, in case of revalued assets, depreciation computed on the revalued

amount needs to be charged to the statement of profit and loss, without any recoupment from revaluation reserve. Consequently, to comply with the Schedule II requirement, the company has discontinued the practice of recouping the impact of additional depreciation from revaluation reserve. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

Had the company continued its earlier policy of recouping the additional depreciation arising due to upward revaluation of fixed assets from revaluation assets, profits for the current year would have been higher by Rs 14.60 Lacs. However, the change in accounting policy did not have any impact on reserves and surplus as at March 31, 2015.

c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d) Tangible fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any, except Land, Building and Plant & Machinery, which had been revalued on December 31, 1992 by a Government registered valuer on the basis of the then replacement value. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure directly relating to construction activity is capitalized (net of income, if any). Indirect expenditure specifically attributable to construction of a project or to the acquisition of the fixed assets or bringing it to working condition is capitalised as part of Construction project or as a part of Fixed assets. Other indirect expenditure incurred during the construction period which is not related to construction activity nor is incidental thereto is charged to Statement of profit and loss.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of profit and loss for the period during which such expenses are incurred.

e) Depreciation

- i) Depreciation on fixed assets (other than lease hold improvements) is provided using Straight Line Method as per useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

	Useful lives estimated by the management(years)
Factory buildings*	30
Administrative Buildings	61.34
Plant and machinery*	18.94
Furniture and fixtures*	15.79
A.C. & Refrigeration	10
Office equipment*	10
Computers*	6.16
Vehicles	8
Batteries under UPS project (Plant and Machinery)*	5

* For these class of assets, based on detailed technical assessment, the management believes that the useful life as given above best represents the period over which management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The life of plant and machinery based on triple shift working.

- ii) Leasehold improvements are depreciated on life based on lease period.
 iii) Fixed assets costing below Rs. 5,000 are depreciated at the rate of 100% per annum.
 iv) Depreciation on the amount of additions made to fixed assets due to up gradations / improvements is provided over the remaining useful life of the asset to which it relates.
 v) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

f) Intangibles

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. Softwares are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

g) Impairment of assets

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. 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 their present value at a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to asset.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over the remaining useful life.

h) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

i) Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

j) Inventories

Inventories are valued as follows:

Raw materials, components and stores & spares

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products, in which they will be incorporated, are expected to be sold at or above cost. Cost of raw materials, components and stores & spares is determined on a moving weighted average basis.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Export Benefit

Export benefits constituting Duty Draw back, licenses under Focus Market Scheme and advance license scheme are accounted for on accrual basis when there is reasonable assurance that the company will comply with the conditions attached to them and the export benefits will be received. Export benefits under Duty Draw back & Focus Market Scheme are considered as other operating income.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Policy for Insurance Claims

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

l) Foreign currency transactions**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. 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 the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

- i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the year.
- ii) All other exchange differences are recognized as income or as expenses in the period in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

m) Retirement and other employee benefits

- i. Retirement benefits in the form of Superannuation Fund (being funded to LIC), Provident Fund (where contributed to the Regional Provident Fund Commissioner) and employee state insurance are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective authorities. The Company recognizes contribution payable to respective authorities as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Retirement benefit in the form of provident Fund (Where administered by trust created and managed by Company) is a defined benefit obligation of the company and the contributions are charged to Statement of profit & loss of the year when the contribution to the respective funds are due. Shortfall in the funds, if any, is adequately provided for by the company based on the actuarial valuation on projected unit credit method carried out at the end of each financial year.
- iv. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- v. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

n) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation and carry forward of tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

o) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

q) Segment Reporting Policies

Identification of segments:

Primary Segment

Business Segment

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing & Sale of Polyester film and Engineering plastics.

Secondary Segment

Geographical Segment

The analysis of geographical segments is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

Inter Segment Transfers:

Inter Segment transfers of goods, as marketable products produced by separate segments of the Company for captive consumption, are not accounted for in the books of account of the Company. For the purpose of segment disclosures, however, inter segment transfers have been taken at cost.

Allocation of common costs:

Common allocable costs are allocated to each segment in proportion to the turnover of the segment, except where a more logical allocation is possible.

Unallocated items:

Corporate income and expense are considered as a part of un-allocable income & expense, which are not identifiable to any business segment.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

r) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Contingent liabilities

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u) Measurement of EBITDA

As permitted by the guidance note on revised schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit & loss. The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company includes interest income but does not include depreciation and amortization expenses, finance cost and tax expenses.

3. Share capital

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Authorized shares (No.)		
150,000,000 (previous year: 150,000,000) equity shares of Rs. 5/- each	7,500.00	7,500.00
47,960,000 (previous year: 47,960,000) equity shares of Rs. 10/- each (refer note 42)	4,796.00	4,796.00
600,000 (previous year: 600,000) cumulative convertible preference shares of Rs. 50/- each	300.00	300.00
8,000,000 (previous year: 8,000,000) redeemable cumulative preference shares of Rs. 50/- each	4,000.00	4,000.00
Issued, subscribed & fully paid up shares (No.)		
62,643,759 (previous year: 62,893,706) equity shares of Rs. 5/- each fully paid	3,132.19	3,144.69

a) Terms / rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 5 per share. Each equity shareholder is entitled for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of dividend recognized as distribution to equity shareholders is nil (previous year : Rs. 0.50 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

b) Shares held by holding/ultimate holding company and/or their subsidiaries / their associates

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Wilemina Finance Corp., holding company		
44,915,012 (previous year 44,915,012) equity shares of Rs. 5 each fully paid (refer note 42)	2,245.75	2,245.75

c) **Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
7,391,306 equity shares allotted as fully paid-up pursuant to conversion of warrants and fully convertible debentures during the year 2009-10.	369.57	369.57
9,972,703 equity shares allotted pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company. (refer note 42)	498.64	-

d) **Details of shareholders holding more than 5% shares in the Company**

	As at March 31, 2015 %	As at March 31, 2014 %
Wilemina Finance Corp., holding company		
44,915,012 (previous year 44,915,012) equity shares of Rs. 5 each fully paid (refer note 42)	71.70	71.70

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. **Reserves & surplus**

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Capital reserve		
Balance as per last financial statements	3,520.74	5,778.57
Less: Impact of scheme of amalgamation (refer note 42)	-	2,257.83
Closing balance	3,520.74	3,520.74
Capital redemption reserve	335.37	335.37
Securities premium account		
Balance as per last financial statements	5,062.76	2,718.77
Add: Impact of scheme of amalgamation (refer note 42)	-	2,343.99
Closing balance	5,062.76	5,062.76
Revaluation reserve		
Balance as per last financial statements	519.43	534.03
Less: Transferred to General reserve (Refer note 2(b))	14.60	-
Less: Transferred to statement of profit and loss as reduction from depreciation	-	14.60
Closing balance	504.83	519.43
General reserve		
Balance as per last financial statements	1,503.67	1,503.67
Add: Transferred from Revaluation Reserve	14.60	-
Less: Depreciation adjustment (Refer note 2(b))	4.21	-
	1,514.06	1,503.67
Foreign Exchange Translation reserve		
Balance as per last financial statements	(16.90)	(7.70)
Add: Addition during the year	(2.75)	-
Less: Reduction during the year	-	9.20
Closing balance	(19.65)	(16.90)
Surplus in the statement of profit and loss		
Balance as per last financial statements	12,237.06	11,766.56
Add: Profit for the year	383.90	836.95
Less: appropriations		
Proposed dividend on equity shares	-	313.22
Tax on dividend	-	53.23
Net surplus in the statement of profit & loss	12,620.96	12,237.06
Total reserve & surplus	23,539.07	23,162.13

5. Long-term borrowings

(Rs. In lacs)

	Non Current Portion		Current Maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Secured				
Term loans from banks	11,779.11	10,886.84	4,225.62	3,023.82
Vehicle loans	167.16	86.16	100.69	98.76
Buyers' credit for capital goods	534.22	1,442.30	-	-
	12,480.49	12,415.30	4,326.31	3,122.58
Amount disclosed under the head "other current liabilities" (Refer note 10)	-	-	(4,326.31)	(3,122.58)
Total Long-term borrowings	12,480.49	12,415.30	-	-

I. Term loans

- a) **From Bank of India** of Rs. 450.00 lacs (previous year Rs. 246.44 lacs) for Engineering Plastics Extruder, Twin Screw Extruder for Film Plant # 1 and UPS is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder & UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loans are repayable in 20 quarterly installments starting from June 2014. The outstanding amount as on March 31, 2015 is repayable in 16 quarterly installments starting from April 1, 2015.
- b) **From Bank of India** of Rs. 1900.00 lacs (previous year Rs. NIL) as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Karnataka Bank and Second Pari Passu charge on current assets and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the rate base rate plus 3.25% pa. As per sanction, the Corporate Loan is repayable in 20 quarterly installments starting from March 31, 2015. The outstanding amount as on March 31, 2015 is repayable in 19 quarterly installments starting from April 1, 2015.
- c) **From Bank of Baroda** of Rs. NIL (previous year Rs. 1,364.00 lacs) for corporate office project was secured by equitable mortgage created by way of deposit of title deeds in respect of the immovable property (land and building) at Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 4.25% pa. The loan has been taken over by Karnataka Bank & No Objection Certificate for the same has been issued by Bank of Baroda.
- d) **From Bank of Baroda** of Rs. 1,000.00 lacs as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Karnataka Bank and Second Pari Passu charge on current assets and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the base rate plus 3.25% pa. As per sanction, the Corporate Loan is repayable in 20 quarterly installments starting from April 1, 2015. The outstanding amount as on March 31, 2015 is repayable in 20 quarterly installments starting from April 1, 2015.
- e) **From Union Bank of India** of Rs. 607.75 lacs (previous year Rs. 793.64 lacs) for Metalizer Project is secured by first exclusive charge by way of hypothecation of Metalizing Unit and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2013. The outstanding amount as on March 31, 2015 is repayable in 13 quarterly installments starting from April 1, 2015.
- f) **From Union Bank of India** of Rs. 934.79 lacs (previous year Rs. 709.56 lacs) for Bio Mass (Husk) fuelled Thermic Fluid Heater is secured by first exclusive charge by way of hypothecation of Bio Mass (Husk) fuelled Thermic Fluid Heater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2014. The outstanding amount as on March 31, 2015 is repayable in 17 quarterly installments starting from April 1, 2015.

- g) **From State bank of Bikaner and Jaipur** of Rs. 754.65lacs (previous year Rs. 111.82 lacs) is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from December 2011. The outstanding amount as on March 31, 2015 is repayable in 6 quarterly installments starting from April 1, 2015.
- h) **From Karnataka Bank** of Rs. 392.83 lacs (previous year Rs. NIL) towards reimbursement of cost of certain machinery already purchased / certain other machineries to be purchased is secured by hypothecation of certain plant & machinery purchased / to be purchased at factory premises at Uttarakhand and equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed there upon in Gurgaon as Collateral security and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). Sanction amount of the Term Loan is Rs. 480 Lacs whereas the disbursed amount till date is Rs. 432.85 Lacs. The term loan bears floating interest at the base rate plus 2.25% pa. As per sanction, the term loan is repayable in 72 monthly installments starting from October 25, 2014. The outstanding amount as on March 31, 2015 together with balance amount (Rs. 47.15 lacs) to be disbursed is repayable in 66 monthly installments starting from April 1, 2015.
- i) **From Karnataka Bank** of Rs. 1016.00 lacs (previous year Rs. Nil) was takenover from Bank of Baroda. The term loan is secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.25% pa. As per sanction, the term loan is repayable in 45 months or period remaining outstanding with Bank of Baroda i.e 41 months whichever is less. Accordingly terminal date of repayment of the term loan is 31st March 2018 with monthly installments starting from October 25, 2014. The outstanding amount as on March 31, 2015 is repayable in 35 monthly installments starting from April 1, 2015.
- j) **From Karnataka Bank** of Rs. 403.27 lacs (previous year Rs. NIL) towards reimbursement of extra cost incurred towards construction of Corporate Office building is secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). Sanctioned & disbursed amount of the Term Loan is Rs. 440.00 lacs. The term loan bears floating interest at the base rate plus 2.25% pa. As per sanction, the term loan is repayable in 72 months with monthly installments starting from October 25, 2014. The outstanding amount as on March 31, 2015 is repayable in 66 monthly installments starting from April 1, 2015.
- k) **From consortium member banks** of Rs. 8,545.45 lacs (previous year Rs. 10,685.19 lacs) are secured by first mortgage created by way of deposit of title deeds in respect of the immovable properties at Khatima, both present & future and first charge by way of hypothecation of Company's all movable assets (save and except inventories, book debts, vehicles acquired through vehicles loans and machinery acquired through term loan taken from banks / body corporate on exclusive charge basis), ranking pari passu inter-se and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loans bear floating interest rate ranging from base rate plus 2.75% pa. These term loans are repayable in 28 quarterly installments starting from April 1, 2012. The outstanding amount as on March 31, 2015 is repayable in 16 quarterly installments starting from April 1, 2015.

Term Loans from banks are further secured by second charge by way of hypothecation of stocks of raw material, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future).

- II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. Vehicle loans bears interest rates ranging from 8.25% to 13.50% pa. These loans are repayable in monthly installments till March 2019.

III. **Buyers' credit for capital goods**

- a) Buyers' Credit amounting to Rs. NIL (previous year Rs. 1,205.18 lacs) are against LOUs / LOCs issued by State bank of Bikaner & Jaipur (SBBJ). LOUs / LOCs facility from SBBJ is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater, and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).
- b) Buyers' Credit amounting to Rs. 534.22 lacs (previous year Rs. 237.12 lacs) are against LOUs / LOCs issued by Bank of India/ (Canara Bank to be taken over by Bank of India). LOUs / LOCs facility from BOI is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder and UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

Company has availed LOUs / LOCs facilities from the banks to avail the Buyers' Credit of Rs. 534.22 lacs (previous year - Rs. 1,442.30 Lacs). These LOU / LOC facilities are sanctioned to the company as a sub limit of term loans upto a period of 3 years till August 2017.

LOCs / LOUs facilities are sanctioned to the company as a sub limit of term loan, bears interest rate ranging from 0.81% to 1.18%. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable in 16 quarterly installments.

6. Deferred tax liability

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,242.36	4,159.88
Gross deferred tax liability	4,242.36	4,159.88
Deferred tax assets		
Unabsorbed depreciation and carry forward losses	1,433.38	1,269.76
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	237.92	420.71
Gross deferred tax assets	1,671.30	1,690.47
Net deferred tax liability	2,571.06	2,469.41

7. Provisions

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Long term provisions		
Provision for gratuity (refer note 29)	550.50	518.58
Total long term provision	550.50	518.58
Short term provisions		
Provision for taxation (net of advance tax payments)	60.30	105.56
Provision for wealth tax	2.87	2.95
Provision for proposed dividend	-	313.21
Provision for tax on proposed dividend	-	53.23
Provision for gratuity (refer note 29)	20.59	29.90
Provision for leave benefits	163.17	143.49
Total short term provision	246.93	648.34
Total provisions	797.43	1,166.92

8. Short Term Borrowings

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Secured		
Working capital loan from banks	8,456.76	7,527.88
Bills discounting	4,557.60	4,436.85
Buyers' credit for raw material	2,904.31	2,682.14
Acceptances	4,837.23	6,146.64
Total short term borrowings	20,755.90	20,793.51

Working capital loan, bills discounting and acceptances: These loans are secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of Wilemina Finance Corp. (Holding company). Working Capital and Bill discounting facilities are further secured by way of second charge in respect of immovable properties and movable fixed assets.

The working capital loans from banks bear floating interest rate at Base Rate plus ranging from 2.00% to 2.80% pa. The bill discounting from banks bear floating interest rate ranging from 10.25% to 11.75% pa.

Buyers' credit for raw material are against LOUs / LOCs issued by consortium of banks. The LOUs / LOCs facilities is sanctioned to the Company as a sub limit of Non Fund (LCs) based facility. The facility is secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of Wilemina Finance Corp. (Holding company). Buyers' credit for raw material taken in USD and Euro bears interest rate ranging from 0.43% to 2.01%.

9. Trade Payable

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Trade payables		
Total outstanding dues of other than micro & small enterprises	1,855.79	2,038.29
Total outstanding dues of micro & small enterprises (refer note 33)	48.46	3.82
Total trade payables	1,904.25	2,042.11

10. Other liability

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Current maturities of term loans from banks	4,225.62	3,023.82
Current maturities of vehicle loans	100.69	98.76
Capital creditors	180.40	310.20
Interest accrued but not due on borrowings	43.24	52.92
Deposits from dealer / customer & others	8.63	2.38
Advances from customers	312.06	237.42
Investor education & protection fund will be credited by this amount (as & when due) - Unpaid dividend	70.30	63.06
Others payables		
- dues to statutory authorities	152.78	145.59
- others	632.83	732.99
Total other liabilities	5,726.55	4,667.14

11. Fixed assets

(Rs. in lacs)

Description	Gross block					Accumulated depreciation / amortisation				Net block	
	April 1, 2014	Additions	Adjustment for amalgamation (refer note 41)	Deductions	March 31, 2015	April 1, 2014	Current year	Adjustment for amalgamation (refer note 41)	Deductions	March 31, 2015	March 31, 2014
Tangible assets:											
Land - freehold (ii)	1,504.36	-	-	-	1,504.36	-	-	-	-	1,504.36	1,504.36
Buildings (ii)	7,498.00	403.26	-	-	7,901.26	1,888.98	218.26	-	-	5,794.02	5,609.02
Plant & machinery (i) & (ii)	63,759.82	3,500.82	-	61.22	67,199.42	33,053.44	2,730.99	-	55.24	35,729.19	30,706.38
Furniture & fixtures	392.54	19.56	-	1.77	410.33	74.27	33.02	-	1.54	105.75	318.27
Office equipments	621.29	50.82	-	2.32	669.79	305.37	75.60	-	0.99	379.98	315.92
Vehicles	670.74	226.08	-	67.54	829.28	212.50	113.00	-	17.11	308.39	458.24
Intangible assets:											
Software	447.67	7.91	-	-	455.58	360.84	46.00	-	-	406.84	86.83
Total	74,894.42	4,208.45	-	132.85	78,970.02	35,895.40	3,216.87	-	74.88	39,037.39	38,999.02
Previous year	70,561.24	4,520.74	1.96	189.52	74,894.42	33,009.72	3,044.99	1.61	160.93	35,895.40	37,551.52

(i) (a) Amount of borrowing cost aggregating Rs. 271.80 lacs (Previous year Rs. 28.40 lacs) have been capitalised during the year.

Plant & Machinery - Rs. 271.80 lacs (previous year Rs. 28.40 lacs)

(b) Foreign Exchange Fluctuation aggregating Rs. -38.80 lacs on plant & machinery (Previous year Rs. 1430.98 lacs) have been capitalised during the year.

(ii) (a) Gross block of fixed assets includes Rs. 7,299.53 lacs (previous year Rs.7,299.53 lacs) being the amount added on revaluation of fixed assets on October 31, 1992.

Revaluation was carried out by an external valuer as per "Existing Use Value" method using prevailing market prices of the assets and where such prices were not available, RBI indices were used.

Details of additions due to revaluation during 1992 are as follows:

Land	-	Rs. 39.93 Lacs (previous year Rs. 39.93 lacs)
Building	-	Rs. 526.23 Lacs (previous year Rs. 526.23 lacs)
Plant and machinery	-	Rs. 6,733.37 lacs (previous year Rs. 6,733.37 lacs)

12. Non-current Investments

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
A. Other than trade - quoted (valued at cost unless stated otherwise)		
Equity shares		
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Ltd.	0.04	0.04
- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Synthetics Ltd.	0.03	0.03
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Haryana Petrochemicals Ltd.	0.04	0.04
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Sanghi Polyester Ltd.	0.08	0.08
- 360 (previous year 360) equity shares of Rs.5 each fully paid up in Venlon Enterprises Ltd.	0.10	0.10
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Ltd.	0.11	0.11
	0.40	0.40
Less: provision for diminution in the value of Investments	0.22	0.22
	0.18	0.18
Units of mutual fund		
Nil (previous year 99,990) units of BOI- AXA Equity Debt rebalancer Fund - Regular plan Growth of Rs. 10.00 each fully paid up (units purchased during the year Nil (previous Year - 99,990)	-	10.00
	0.18	10.18
B. Other than trade - unquoted (valued at cost unless stated otherwise)		
Preference shares		
- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up Ispat Industries Limited	4.78	4.78
	4.78	4.78
Less : provision for diminution in the value of Investment Ispat Industries Limited	3.25	3.25
	1.53	1.53
	1.71	11.71
Aggregate amount of quoted investments (market value Rs. 0.12 lacs, (previous year Rs. 10.19 lacs) (net of provision)	0.18	10.18
Aggregate amount of unquoted investments (net of provision)	1.53	1.53
Total investment net of provisions	1.71	11.71
Aggregate provision for diminution in value of investments	3.47	3.47

13. Loans & advances

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Non-current		
Unsecured, considered good		
Capital advances	346.31	423.77
Prepaid expenses	43.63	59.97
Deposits-others	517.62	430.74
Total (A)	907.56	914.48
Current		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	860.87	604.00
Prepaid expenses	348.92	359.81
Advance tax & tax deducted at source (net of provision of tax)	173.80	180.04
MAT credit entitlement	401.33	298.99
Balances with statutory / Government authorities	268.48	465.57
Loans to employees	57.67	49.08
Deposits-others	-	9.83
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	2,142.98	1,999.23
Less: provision for doubtful advances	31.91	31.91
Total (B)	2,111.07	1,967.32
Total (A+B)	3,018.63	2,881.80

14. Other assets

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Non-current		
Unsecured, considered good		
Other bank balances (refer note 17)	66.84	64.77
Total other non-current assets	66.84	64.77
Current		
Unsecured, considered good		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	12.30	-
Interest receivable on fixed deposits	26.90	23.40
Export benefit receivable	293.99	331.60
Unamortized premium on forward contracts	19.47	68.00
Total other current assets	352.66	423.00
Total other assets	419.50	487.77

15. Inventory (at lower of cost or net relizable value)

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Raw materials {including stock in transit Rs. 1,500.34 lacs (previous year Rs. 1,135.17 lacs)}	5,813.09	5,104.34
Work in process	611.00	679.84
Finished goods {including stock in transit Rs. 1,140.65 lacs (previous year Rs. 1,529.25 lacs)}	5,129.27	5,434.13
Stores and spares {including stock in transit Rs. 21.43 lacs (previous year Rs. 2.03 lacs)}	1,213.47	1,192.73
Total inventories	12,766.83	12,411.04

16. Trade receivables

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	200.56	13.44
Doubtful	45.54	21.64
	246.10	35.08
Less: Provision for doubtful trade receivables	45.54	21.64
Total (A)	200.56	13.44
Other receivables		
Un-secured, considered good	11,591.75	12,410.47
Total (B)	11,591.75	12,410.47
Total (A+B)	11,792.31	12,423.91

17. Cash and bank balances

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Cash on hand	9.18	9.83
Balances with banks in current accounts	1,541.24	187.77
Unpaid dividend accounts *	70.30	63.06
Total (A)	1,620.72	260.66
Other bank balance		
Short term deposits pledged	62.34	28.00
Deposits with maturity of more than 3 months but up to 12 months	301.66	528.24
Deposits with original maturity of more than 12 months	373.06	73.13
Total (B)	737.06	629.37
Total Cash & Bank Balance (A+B)	2,357.78	890.03
Less:- Amount disclosed under non-current assets (refer note 14)	(66.84)	(64.77)
Cash & Bank Balance	2,290.94	825.26

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities

18. Revenue from operations

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of products	97,503.96	100,517.86
Other operating revenue	810.87	946.19
Revenue from operations (gross)	98,314.83	101,464.05
Less: Excise duty	8,688.07	8,616.83
Revenue from operations (net)	89,626.76	92,847.22

Excise duty on sales amounting to Rs. 8688.07 lacs (previous year Rs. 8,616.83 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/(decrease) of stock Rs. 7.48 lacs (previous year Rs. 85.13 lacs) has been considered as (income) / expenses in note 23 of the financial statements.

Other operating revenue comprises the following income:

(Rs. In lacs)

Other operating revenue	For the year ended March 31, 2015	For the year ended March 31, 2014
Sales of scrap	43.24	26.78
Export incentive from FMS	203.95	142.52
Drawback earned	563.68	776.89
	810.87	946.19

Details of goods sold

	2014-15		2013-14	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	19,133	16,776.00	17,177	16,835.49
Speciality polymers	1,237	2,061.74	2,037	3,901.21
Polyester films	43,594	59,120.45	42,805	63,474.70
Engineering plastics	11,510	19,406.16	9,509	16,191.16
Others		139.61		115.30
Total		97,503.96		100,517.86

19. Other income

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest on:		
- Fixed deposits {tax deducted at source Rs. 6.23 lacs (previous year Rs. 4.46 lacs)}	63.49	43.45
- Trade receivable {tax deducted at source Rs. 3.96 lacs (previous year Rs. 0.40 lacs)}	75.73	41.95
- Others {tax deducted at source Rs. 4.17 lacs (previous year Rs. 3.50 lacs)}	41.72	34.50
Insurance claim	36.94	26.28
Profit on sale of investments	1.34	-
Provisions / liabilities no longer required written back	15.63	21.14
Foreign exchange fluctuation gain (net)	-	262.33
Miscellaneous income	59.00	63.18
Total other income	293.85	492.83

20. Cost of raw material consumed

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Cost of raw material consumed	62,581.13	66,265.07
Total	62,581.13	66,265.07

Details of raw material consumed

	2014-15		2013-14	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
PTA	55,861.29	32,641.14	52,711.06	36,261.18
MEG	21,911.70	13,548.59	21,016.52	13,802.67
PBT chips	6,387.86	7,517.35	5,517.43	7,245.50
NYLON	2,586.26	3,648.01	2,440.45	3,304.03
BUTANE DIOL	133.51	211.47	469.92	644.68
NDC	1.75	6.44	4.90	17.62
Others		5,008.13		4,989.39
Total		62,581.13		66,265.07

Inventory of Raw material

(Rs. In lacs)

	2014-15	2013-14
	Value (Rs. in lacs)	Value (Rs. in lacs)
PTA	696.59	608.62
MEG	341.58	301.57
PBT chips	1,652.30	1,389.08
NYLON	661.33	619.26
BUTANE DIOL	11.78	6.41
Others	2,449.52	2,179.40
	5,813.09	5,104.34

21. (Increase) / Decrease in Inventories

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014	(Increase) / Decrease
Closing stock			
- Finished goods	5,129.27	5,434.13	(304.86)
- Work in process	611.00	679.84	(68.84)
	5,740.27	6,113.97	(373.70)
Opening stock			
- Finished goods	5,434.13	5,292.08	142.05
- Work in process	679.84	436.25	243.59
	6,113.97	5,728.33	385.64
Total (Increase) / Decrease	373.70	(385.64)	

Inventory of finished goods

	2014-15		2013-14	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	904.50	683.32	714.83	637.26
Speciality Polymers	499.76	682.53	376.91	518.27
Polyester films	1,446.29	1,696.31	1,566.63	1,998.41
Engineering plastics	901.87	1,320.43	949.64	1,482.01
Recycled polyester chips	799.97	746.68	819.82	798.18
		5,129.27		5,434.13

Inventory of work in progress

	2014-15	2013-14
	Value (Rs. in lacs)	Value (Rs. in lacs)
Polyester chips	94.39	175.30
Speciality Polymers	54.75	21.36
Polyester films	361.85	385.03
Engineering plastics	100.01	98.15
	611.00	679.84

22. Employee benefit expenses

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, wages & bonus	3,220.08	3,025.19
Contribution to provident and other funds	271.61	256.30
Gratuity (refer note 29)	106.89	106.13
Staff welfare expenses	520.68	485.02
	4,119.26	3,872.64

23. Other Expenditure**(Rs. In lacs)**

	For the year ended March 31, 2015	For the year ended March 31, 2014
Manufacturing expenses		
Consumption of stores and spare parts	1,120.35	1,327.60
Consumption of packing material	1,654.69	1,562.47
Power & fuel	6,025.86	5,860.26
Material handling charges	400.80	357.96
Increase / (decrease) in excise duty on closing stock	7.48	85.13
Total manufacturing expenses (A)	9,209.18	9,193.42
Selling expenses		
Freight	2,856.83	2,688.70
Commission and brokerage (other than sole selling agents)	264.18	336.97
Discount, claims and rebates	143.57	89.39
Total selling expenses (B)	3,264.58	3,115.06
Administration and other expenses		
Rent	69.97	47.51
Rates and taxes	14.15	28.73
Insurance	253.06	251.17
Repairs & maintenance		
- Building	21.57	35.76
- Plant & machinery	193.18	196.42
- Others	189.50	166.47
Travelling & conveyance	899.25	936.62
Communication costs	107.41	97.22
Legal & professional charges	415.03	398.37
Printing & stationery	30.24	28.21
Donations (other than political parties)	7.87	14.06
Directors sitting fees	4.90	4.50
Auditors' remuneration	-	
- Statutory audit fee	16.00	16.79
- Limited review fee	12.00	12.00
- Certification services	-	0.51
- Out of pocket expenses	1.16	0.87
Loss on fixed assets sold / discarded	6.93	8.19
Loss on sale of investments	34.45	-
Bad debts, advances & irrecoverable balances written off	33.38	25.13
Foreign exchange fluctuation loss (net)	18.48	-
Provision for obsolete inventory	-	11.76
Premium on forward contract amortised	42.06	325.33
Miscellaneous expenses	594.41	742.05
Total administrative & other expenses (C)	2,965.00	3,347.67
Total other expenses (A+B+C)	15,438.76	15,656.15

24. Finance cost

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest		
- on term loans	1,677.78	1,468.26
- on working capital	1,559.88	1,468.29
- on buyers' credit facilities	38.36	88.14
- on Statutory Dues	3.44	-
Bank charges	430.09	462.08
	3,709.55	3,486.77

25. Earning per share (EPS)

	Year ended March 31, 2015	Year ended March 31, 2014
Net profit for calculation of basic /diluted EPS	383.90	836.95
Weighted average number of equity shares	62,643,759	62,893,706
Impact of scheme of amalgamation relating to earlier period (refer note 41)		
Shares cancelled on account of amalgamation	-	(10,222,650)
Shares issued as purchase consideration on account of amalgamation	-	9,972,703
Weighted average number of equity shares in calculating basic EPS	62,643,759	62,643,759
Effect of dilution:		
Share Warrants convertible in to equity shares	5,045,377	-
Weighted average number of equity shares in calculating diluted EPS	67,689,136	62,643,759
Basic EPS (in Rs.)	0.61	1.34
Diluted EPS (in Rs.)	0.57	1.34

26. Capital commitments

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	603.65	1,727.24

Capital Commitments are on account of installation twin screw extruder for film plant 1 and Upgradation in Speciality Polymer Plants.

27. Contingent liabilities

(Rs. In lacs)

	As at March 31, 2015	As at March 31, 2014
(A) Excise Duty and Customs Duty pending hearing of appeals/writ petitions:		
(i) Cenvat credit disallowed on inputs (for the period March 1990 to Mar 1991) not covered under rule 57A, mainly Santotherm, Diethyl Glycol, Delion etc. Disallowance was due to use of inputs for manufacture of exempted goods.	8.06	8.06
(ii) Removal of PET chips (exempted goods) from bonded warehouse without payment of duty.	3.00	3.00
(iii) Goods sold from depot at higher value than one declared at factory gate price for the period Jun 1988 to Mar 1992.	25.46	25.46
(iv) Cenvat credit disallowed on inputs like DMT, additives etc. for the manufacturing of polyester chips. Disallowance was due to use of inputs for manufacturing of exempted goods.	164.20	164.20
(v) Reversal of Cenvat credit availed on HSD. Department disallowed credit alleging that cenvat credit has been wrongly availed on HSD.	206.92	206.92
(vi) Cenvat credit availed on raw material. Disallowance on account of credit availed fully on raw material and not on pro-rata basis for clearance of dutiable goods i.e. polyester films.	11.72	11.72
(vii) Availment of credit on import of Dimethyl Terephthalate. Disallowance was due to use of inputs for manufacturing of exempted goods.	57.71	57.71

	As at March 31, 2015	As at March 31, 2014
(viii) Other Miscellaneous Cases	33.82	33.82
(ix) Cenvat credit of Rs. 0.59 lacs not admissible on shape & section as capital goods and Rs. 2.5 lacs recoverable against shortage of cenvatable inputs.	3.09	3.09
(x) Demand raised on account of excess / shortfall in stocks alleged by preventative staff.	12.95	12.95
Total (A)	526.93	526.93
(B) Show cause notices related to Service Tax & Excise rebate on export	13.54	13.54
(C) Income Tax:		
(i) Disallowance of advertisement expenditure pursuant to rule 6B of IT rules, 1962 in the revised return of income which is based on the auditor's report in respect of A.Y. 1993-94 to 1997-98 by ITAT.	1.16	1.68
(ii) Disallowance of club expenditure on the contention that they are not wholly and exclusively for the business needs of the company in respect of A.Y. 1993-94 to 1994-95 & A.Y. 2005-06 by ITAT.	0.47	1.80
(iii) Disallowance of 50% of entertainment expenses on the contention that there has been no participation of the employee for incurring such expenditure in respect of A.Y. 1993-94 to 1997-98 by ITAT.	5.10	5.10
(iv) Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68
(v) Demand of MAT (including interest) A.Y. 2004-05*	5.78	5.78
* Disallowances of expenses incurred on earning exempt income like dividend by invoking section 14A of the act by AO in respect of A.Y. 2004-05.		
* Disallowances of provision for doubtful debts and advances for computing book profits under section 115JB of the Act as they are in the nature of reserves as per assessing officer.		
* Disallowances of claim of profit under section 80HHC for computing book profits under section 115JB of the act on the contention that company should have adjusted unabsorbed business loss and depreciation with the profits of the business first before arriving at the deduction under section 80HHC of the Act. Since, the two exceed the current years profits, there can be no deduction under section 80HHC of the Act.		
(vi) Demand of MAT (including interest) A.Y. 2005-06@	11.16	11.16
@ Disallowance of carry forward of loss on sale of investment on which dividend income is earned which is exempt from tax by invoking section 94(7) of the Act.		
@ Disallowance of other expenses under MAT including foreign technician fees, unexplained investment.		
(vii) Liability in respect of disallowances of excess depreciation claimed by company, bonus provision, disallowance of expenses incurred on earning exempt income like dividend and interest by invoking section 14A of the Act in respect of A.Y. 2006-07 to A.Y. 2009-10.	11.66	11.66
(viii) Disallowances out of travelling exp and U/S 14A in respect of AY 2011-12	6.27	6.27
(ix) Disallowance u/s 14A, Rule 8D in respect of AY 2012-13	0.15	-
Total (C)	56.43	58.13
Total (D) = (A)+(B)+(C)	596.90	598.60
(E) Other claims not acknowledged as debts	88.87	83.14
(F) Bonds amounting to Rs 510 lacs executed in favour of Central Excise & Customs Authorities, out of which, amount to be re-credited on receiving the proof of export is yet to be submitted.	229.13	324.55
(G) Amount of duty saved on import under advance license - corresponding export obligation pending is Rs. 1493.72 lacs (previous year Rs. 953.15 lacs)	34.95	7.77

Based on favorable decisions in similar cases, legal opinion taken by the company, discussions with the solicitors etc., the company believes that there is fair chance of decisions in its favour in respect of all the items listed in (a) to (e) above and hence no provision is considered necessary against the same.

The company is involved in various litigation, the outcome which are considered probable and in respect of which the company has made aggregate provision of Rs. 185.22 lacs (Previous Year Rs. 185.22) as at March 31, 2015.

28. Directors' Remuneration

Mr. Pradeep Kumar Rustagi was re-appointed as Whole-time Director w.e.f. 1st April, 2014 for 3 years. Mr. Arvind Singhania was appointed w.e.f. 21st May, 2014 as Whole-time Director of the Company. The shareholders approved their appointment in Annual General Meeting held on 22nd September, 2014.

The remuneration paid to Mr. Arvind Singhania and Mr. Pradeep Rustagi during financial year 2014-15 was within the limits prescribed in Schedule V of the Companies Act, 2013. In accordance with the requirements of Section 203 read with schedule V of the Companies Act, 2013, approval of Shareholders by way of Special Resolution through Postal Ballot was granted for payment of remuneration in case of inadequacy of profits to Mr. Pradeep Kumar Rustagi and Mr. Arvind Singhania.

29. Gratuity and other post employment benefits plan**Gratuity**

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summaries the components of net benefit expense recognized in the Statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

Statement of profit and loss

Net employee benefit expense recognised in employee cost

(Rs. In Lacs)

	Gratuity	
	March 31, 2015	March 31, 2014
Current service cost	52.24	46.83
Interest cost on benefit obligation	46.62	37.57
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	8.02	21.72
Past service cost	-	-
Net benefit expense	106.89	106.12

Balance sheet

Details of provision for Gratuity

(Rs. In Lacs)

	March 31, 2015	March 31, 2014
Defined benefit obligation	571.09	548.47
Plan liability	571.09	548.47

Changes in the present value of the defined benefit obligation are as follows:

(Rs. In Lacs)

	March 31, 2015	March 31, 2014
Opening defined benefit obligation	548.48	469.60
Interest cost	46.62	37.57
Current service cost	52.24	46.83
Benefits paid	84.27	(27.24)
Actuarial losses on obligation	8.02	21.72
Closing defined benefit obligation	739.64	548.48

Since the entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets, categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	March 31, 2015	March 31, 2014
	%	%
Discount rate	7.75	8.50
Increase in compensation cost	5.25	6.00
Employee turnover – Age Group		
Up to 30 years	3	3
30 – 44 years	2	2
Above 44 years	1	1

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four years are as follows:

(Rs. In lacs)

	Gratuity				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligation	571.09	548.48	469.60	410.24	396.44
Deficit	571.09	548.48	469.60	410.24	396.44
Experience adjustments on plan liabilities Loss/(Gain)	8.82	21.40	20.86	(30.33)	29.30

Contribution to Defined Contribution Plans:

(Rs. In lacs)

	March 31, 2015	March 31, 2014
Superannuation fund	70.06	72.84
Provident fund contribution to Government authority	90.07	93.30

Provident Fund

Provident fund for certain eligible employees is managed by the company through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary have provided a valuation of provident fund liability and based on assumptions provided below there is no shortfall as at March 31, 2015 and March 31, 2014.

As per the guidance note on implementing AS-15, employee benefits (revised 2005) issued by the accounting standard board (ASB), provident fund trust set up by employers, which required interest shortfall to be met by employer, needs to be treated as defined benefit plan.

Changes in the present value of the projected benefit obligation are as follows:

(Rs. In lacs)

Projected Benefit Obligation	March 31, 2015	March 31, 2014
Projected benefit obligation at beginning of year	714.43	583.21
Current service cost	97.89	88.45
Interest cost	55.37	51.03
Contributions by plan participants / employees	115.80	105.17
Actuarial (gain) / loss due to interest guarantee	12.50	2.07
Benefits paid	(81.75)	(149.84)
Past service cost	-	-
Settlements / Transfer In	6.34	34.33
Projected benefit obligation at end of year	920.57	714.43

Changes in the present value of the plan assets are as follows:

(Rs. In lacs)

Reconciliation of Plan Assets	March 31, 2015	March 31, 2014
Plan asset at beginning of year	761.40	626.63
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Expected return on plan asset	66.62	54.83
Employer contribution	97.89	88.45
Plan participants / employee contribution	115.80	105.17
Benefit payments	(81.75)	(149.84)
Asset gain /(loss)	0.60	1.82
Settlements / Transfer In	6.34	34.33
Ending asset at fair value	966.90	761.40

The principal assumptions used in determining liability towards shortfall in provident liability are shown below:

Economic Assumptions	March 31, 2015	March 31, 2014
i) Interest rate	8.75%	8.75%
Demographic Assumptions	March 31, 2015	March 31, 2014
i) Mortality	IALM (2006-08)	IALM (2006-08)
ii) Disability	None	None
iii) Normal Retirement Age	58	58

30. Leases:

The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed under the lease agreement and there are no subleases. The company have paid Rs. 69.97 lacs (previous year Rs. 47.51 lacs) towards operating lease rentals.

31. Forward contract outstanding as at Balance sheet date:

Particulars	Currency	As at March 31, 2015	As at March 31, 2014	Purpose
Purchase - Buyers' Credit Capital Goods	EURO	-	587,200	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) for import of capital goods.
	USD	-	630,978	
Purchase - Buyers' Credit Raw Material	USD	63,000	3,734,743	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
	EURO	-	278,288	
Sales	USD	1,769,427	500,000	Forward contract to hedge foreign currency receivables in respect of export of goods.

32. Particulars of Un-hedged foreign Currency Exposure as at the Balance Sheet date

Particulars	Currency	Amount in Foreign Currency (In absolute figures)		Rates		Amount (Rs in lacs)	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Import Creditors (including acceptances)	Euro	-	8,800.00	-	82.62	-	7.27
	GBP	-	6,500.00	-	99.90	-	6.49
	USD	4,322,526.05	3,517,031.51	62.53	60.14	2,702.88	2,115.14
Export trade receivables	USD	-	2,303,988.75	-	60.09	-	1,384.47
	Euro	241,401.63	67,422.66	67.14	82.53	162.08	55.64
	GBP	-	3,981.22	-	99.83	-	3.97
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	260,977.50	-	62.49	-	163.08	-
	Euro	552,200.00	700,000.00	67.19	82.58	371.02	578.06
- For Raw material	USD	2,887,003.62	345,599.58	62.49	60.10	1,804.09	207.71
	Euro	1,578,879.43	-	67.19	-	1,060.85	-

33. Details of dues to Micro & Small Enterprises as per MSMED Act, 2006

(Rs. In lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
i) The principal amount & the interest due thereon remaining unpaid to any supplier as at the end of year		
Principal Amount	48.46	3.82
Interest Due thereon	-	-
ii) Payments made to supplier beyond the appointed day during the year		
Principal	700.84	880.01
Interest Due thereon	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The information has been given in respect of such vendors to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with the company.

34. a) Names of related parties

Nature of Relationship	Name of Related Party
Names of related parties where control exists	
- Ultimate Holding Company	- Goldring Investments Corp.
- Holding Company	- Wilemina Finance Corporation
Key Management Personnel.	- Mr. Arvind Kumar Singhania (Chairman & CEO)
	- Mr. Ashok Kumar Agrawal (Executive Director)(Upto March 31,2014)
	- Mr. Pradeep Rustagi (Executive Director & CFO)
Relatives of Key Management Personnel.	- Mr. Ayush Vardhan Singhania (Son of Mr. Arvind Kumar Singhania)
	- Mr. Jai Vardhan Singhania (Son of Mr. Arvind Kumar Singhania)
Individuals, which directly or indirectly through subsidiaries, control or exercise significant influence over the company.	- Mr. Arvind Kumar Singhania (Chairman & CEO)
Enterprises owned or significantly influenced by Key management personnel or their relatives	- Fenton Investments Private Limited
	- PDJ Properties & Investment Services Private Limited

b) Related party transaction

(Rs. in lacs)

Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Transactions during the year						
Managerial Remuneration						
Arvind Kumar Singhanian	-	-	110.73	-	-	110.73
	-	-	-	-	-	-
Ashok.K.Agrawal	-	-	-	-	-	-
	-	-	(86.23)	-	-	(86.23)
Pradeep Rustagi	-	-	94.31	-	-	94.31
	-	-	(81.81)	-	-	(81.81)
Rent Paid						
Fenton Investment Pvt. Ltd.	-	-	-	-	20.22	20.22
	-	-	-	-	(20.22)	(20.22)
Salary Paid						
Ayush Vardhan Singhanian	-	-	-	30.68	-	30.68
	-	-	-	(31.50)	-	(31.50)
Jai Vardhan Singhanian	-	-	-	15.00	-	15.00
	-	-	-	-	-	-
Education, Training & Development*						
Ayush Vardhan Singhanian	-	-	-	73.02	-	73.02
	-	-	-	(43.99)	-	(43.99)
Balances Outstanding as at year end						
Security deposit						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
Guarantees given against Loans Taken (jointly and severally) by the Company						
- Wilemina Finance Corporation	37,294.86	-	-	-	-	37,294.86
	(36,146.46)	-	-	-	-	(36,146.46)
- Arvind Kumar Singhanian	-	-	2,900.00	-	-	2,900.00
	-	-	-	-	-	-

-Previous year figures are given in brackets.

* Expenses incurred for Education, Training and Development is as per company's policy applicable to all employee above a certain level.

35. Capitalization of expenditure:

During the year, the company has capitalized the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

(Rs. in lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, wages & bonus	21.92	Nil
Finance costs	271.80	28.40
	293.72	28.40

36. Segment Reporting

The group operates in two segments manufacturing and sale of polyester film and engineering plastics. The Company has chosen business segments as its primary segments considering the dominant source of nature of risks and returns, internal organization and management structure. A brief description of the reportable segment is as follows:

Polyester Film: Polyester Films that are used in primarily flexible packaging and other industrial application. Polyester Film is known for high tensile strength, chemical and dimensional stability, transparency, reflective, gas and aroma barrier properties and electrical insulation. PET Chips is the main raw material used to manufacture the film.

Engineering Plastics: Engineering Plastics are group of plastic materials that exhibit superior mechanical and thermal properties over the more commonly used commodity plastics. Engineering Plastics are equipped with certain electrical properties which enable it to be used in specific industries such as automotive, telecommunication, electrical, electronics and lighting, consumer durable etc.

A. Segment Disclosure

(Rs. In lacs)

Particulars	Polyester Film		Engineering Plastics		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
REVENUE						
External sales	72,296.14	78,458.41	17,330.62	14,388.82	89,626.76	92,847.22
Inter segment sale	-	-	-	-	-	-
Total revenue	72,296.14	78,458.41	17,330.62	14,388.82	89,626.76	92,847.22
SEGMENT RESULT	6,637.24	7,794.08	1,248.54	906.15	7,885.78	8,700.22
Unallocated corporate expenses					3,982.45	4,029.28
Operating Profit					3,903.33	4,670.94
Finance costs					3,709.55	3,486.77
Other income					293.85	230.50
Profit Before Tax / (Loss)					487.63	1,414.67
Income taxes					103.73	573.96
Net Profit / (Loss)					383.90	840.71
OTHER INFORMATION						
Segment assets	43,340.49	45,983.77	11,205.79	10,411.79	54,546.29	56,395.56
Unallocated corporate assets					16,863.55	13,453.16
Total assets					71,409.84	69,848.72
Segment liabilities	4,234.84	6,450.71	3,007.57	2,360.28	7,242.41	8,810.99
Unallocated corporate liabilities					36,971.94	34,743.41
Total liabilities					44,214.35	43,554.39
Capital expenditure	914.48	2,737.94	137.52	1,289.68	1,052.00	4,027.61

Particulars	Polyester Film		Engineering Plastics		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unallocated Capital expenditure					2,479.40	1,972.11
Total Capital expenditure					3,531.40	5,999.72
Depreciation/Amortisation	2,735.23	2,687.54	132.10	101.17	2,867.32	2,788.71
Unallocated Depreciation/Amortisation					343.26	241.68
Total Depreciation/Amortisation					3,210.58	3,030.39
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation					14.10	74.33
Total Non-cash expenses other than depreciation and amortisation					14.10	74.33

B. INFORMATION ABOUT SECONDARY SEGMENTS

a) Revenue as per Geographical Markets

(Rs. In lacs)

	March 31, 2015	March 31, 2014
India *	69,854.52	69,518.17
Outside India	19,772.24	23,329.05
Total	89,626.76	92,847.22

* Includes Deemed export with in India

b) Carrying amount of Segment Assets (Trade receivable) by geographical location of assets

(Rs. In lacs)

	March 31, 2015	March 31, 2014
India	8,142.73	7,443.75
Outside India	3,649.57	4,980.16
Total	11,792.30	12,423.91

Rest of the current assets are common and not segregable geographical segment wise.

c) Capital expenditure by geographical location of assets

(Rs. In lacs)

	March 31, 2015	March 31, 2014
India	3,531.40	5,999.72
Outside India	-	-
Total	3,531.40	5,999.72

37. Value of imports calculated on CIF basis

(Rs. in lacs)

	March 31, 2015	March 31, 2014
Raw Materials	15,196.15	12,659.34
Stores & Spare Parts	545.02	687.37
Capital Goods	571.49	1,452.55
Total	16,312.66	14,799.26

38. Earning in foreign currency:

(Rs. in lacs)

	March 31, 2015	March 31, 2014
FOB value of export of goods and R&D Charges received	19,057.23	22,667.24
Total	19,057.23	22,667.24

(FOB Value of Exports does not include Deemed Exports of Rs. 513.45 lacs (previous year Rs.523.23 lacs).

39. Imported and indigenous raw material and spare parts consumed

(Rs. in lacs)

	March 31, 2015		March 31, 2014	
	Percentage	Value	Percentage	Value
Raw Material				
Imported	27.35	17,112.93	19.45	12,890.15
Indigenous	72.65	45,468.20	80.55	53,374.92
Total	100.00	62,581.13	100.00	66,265.07
Stores & spares				
Imported	53.47	599.04	59.08	784.38
Indigenous	46.53	521.31	40.92	543.22
Total	100.00	1,120.35	100.00	1,327.60

40. Expenditure in foreign currency:

(Rs. in lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Bank charges	38.92	39.45
Legal & professional	20.90	35.51
Expense on foreign technicians	23.04	56.78
Commission and brokerage	174.28	240.74
Traveling expenses	99.83	107.24
Discount, claims and rebates	57.94	-
Miscellaneous expenses	31.93	109.98
TOTAL	446.84	589.69

41. Share of Parent company and Subsidiaries in Net Assets and Profit or Loss as required in Schedule III of Companies Act 2013

Name of Entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated net assets	Amount (Rs. In Lacs)	As % of consolidated profit or loss	Amount (Rs. In Lacs)
Ester Industries Limited	100.37%	27295.96	100.00%	383.91
Ester International (USA) Ltd.	-0.37%	-100.47	0.00%	-0.01
Minority Interest in subsidiary	Nil	Nil	Nil	Nil

42. Scheme of amalgamation

The shareholders of the Company had approved a scheme of amalgamation between the Company (transferee Company) and fellow subsidiary Sriyam Impex Private Limited (transferor Company) with an appointed date of April 1, 2012. This scheme of amalgamation was approved by the High Court of Uttarakhand on March 25, 2014 and was subsequently submitted with Registrar of Companies (RoC), Uttarakhand on May 7, 2014. Accordingly, from April 1, 2012, the operation of the Transferor Company stood transferred to and vested in the company on a going concern basis.

Equity shares of transferee Company held by the transferor Company were cancelled and new equity shares were issued to equity shareholders of transferor Company in the exchange ratio as specified in the Scheme. The effect of cancellation and issuance of equity shares has been disclosed under head "Share Capital Control Account" in previous year's Balance Sheet. The excess of book value of the investment held by the transferor Company in the transferee Company over the face value of equity shares was adjusted in the Capital Reserve of the transferee Company.

In previous year, the credit balance of security premium account and capital reserve account of the transferor company was transferred to the transferee company.

The reduction in the share capital and security premium account of the transferee Company was effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Companies Act, 1956 and the order of the High Court sanctioning the Scheme was deemed to be the order under Section 102 of the Companies Act, 1956 for the purpose of confirming the reduction.

Since the impact of amalgamation was considered in previous year's financial statements, the loss after tax of Rs. 3.76 lacs of transferor Company from April 1, 2012 to March 31, 2013, was accounted for in the previous year's statement of profit & loss as a separate line item. However, debit balance of profit and loss and Goodwill as on March 31, 2012 was adjusted from Securities Premium account. Further, net cash flows for the period April 1, 2012 to March 31, 2013 pertaining to the transferor Company on account of operating, investing and financing activities aggregating Rs. 25.11 lacs, Rs. nil and Rs. nil respectively were included in the previous year's statement of cash flows as a separate line item under the respective heads.

- 43.** In the Board Meeting held on October 3, 2013, the Board of Directors approved the proposal for preferential allotment of 20,750,000 Zero Coupon Warrants of Rs. 10.10 each and convertible into 20,750,000 equity shares of Rs. 5 each fully paid up at a price of Rs. 10.10 each including premium of Rs. 5.10 each to a Non-Promoter entity in compliance with the Companies Act, 1956 and SEBI regulations and subject to the shareholders and other necessary approvals required.

After obtaining approval from Shareholders, Stock Exchanges and FIPB, the Company allotted Warrants in its Board Meeting held on April 11, 2014. As on March 31, 2015 the company has received an amount of Rs. 524.23 lacs which is 25% of the total amount of warrants including premium.

- 44.** Pursuant to Section 135 of the Companies Act, 2013 and rule made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee has adopted a Corporate Social Responsibility Policy. As per Section 135(5) of the Act, the Company needs to ensure that at least 2% of the average net profit of preceding three financial years is spent on CSR activities as mentioned in CSR Policy. However, due to losses incurred in past, the average result of preceding three financial years (2011-12, 2012-13 and 2013-14) is loss. Consequently the Company is not required to spend any amount on CSR during the current year.
- 45.** Previous year figure have been regrouped / reclassified whenever considered necessary, so as to confirm with the current year's classification.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 25, 2015

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

FORM AOC-1
STATEMENT PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014.
**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF
ESTER INTERNATIONAL (USA) LIMITED (SUBSIDIARY)**
PART "A" SUBSIDIARIES

A)	Name of the Subsidiary Company	:	Ester International [USA] Ltd.	
B)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	1st April 2014 - 31st March 2015	
C)	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	:	Reporting Currency is US \$ & Exchange Rate on the last date of the relevant financial year is USD = 62.47/INR	
			USD	INR
D)	Share Capital	:	25000 Equity Shares of USD 1 each	25000 Equity Shares of USD 1 each
E)	Reserve & Surplus	:	US \$ (185,836.00) - Deficit	Rs. (110.15) Lacs - Deficit
F)	Total Assets	:	US \$ 2,813.00	Rs. 1.76 Lacs
G)	Total Liabilities	:	US \$ 163,649.00	Rs. 102.23 Lacs
H)	Investments	:	US \$ [0]	Rs. 00 Lacs
I)	Turnover	:	US \$ [0]	Rs. 00 Lacs
J)	Profit Before Taxation	:	US \$ [22]	Rs. (0.01) Lacs
K)	Provision For Taxation	:	US \$ [0]	Rs. 00 Lacs
L)	Profit After Taxation	:	US \$ [0]	Rs. 00 Lacs
M)	Proposed Dividend	:	US \$ [0]	Rs. 00 Lacs
N)	% of Shareholding	:	100%	

PART "B" ASSOCIATE & JOINT VENTURES
STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

A) Name of Associate & Joint Ventures	:	NIL
B) Latest audited Balance Sheet Date	:	Not Applicable
C) Shares of Associate/Joint Ventures held by the company on the year end	:	
No.	:	NIL
Amount of Investment in Associates/Joint Venture	:	NIL
Extend of Holding %	:	NIL
D) Description of how there is significant influence	:	Not Applicable
E) Reason why the associate/joint venture is not consolidated	:	Not Applicable
F) Networth attributable to Shareholding as per latest audited Balance Sheet	:	Not Applicable
G) Profit / Loss for the year	:	
i. Considered in Consolidation	:	NIL
ii. Not Considered in Consolidation	:	NIL

For and on behalf of the board of directors
of Ester Industries Limited

Arvind Kumar Singhania
Chairman & CEO

Pradeep Rustagi
Executive Director & CFO

Place : New Delhi
Date : May 25, 2015

Diwaker Dinesh
Company Secretary

Website – www.esterindustries.com, Email – shares.deptt@ester.in



CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

Phone : (05943) 250153-57, Fax No. (05943) 250158

Website – www.esterindustries.com, Email – shares.deptt@ester.in

Dear Shareholder

Securities Exchange Board of India (SEBI) has made it mandatory that the dividend of the shareholders will be credited into their account through NECS in case completed Bank details as required for electronic payment is available with the Company/Depository. In case such details are not available, the company is required to print Bank details on dividend warrants.

By availing National Electronic Clearing Service (NECS), you can receive your dividend electronically by way of direct credit to your bank account. This avoids a lot of hassles like loss/fraudulent use of dividend warrants during postal transit. There are no charges to avail this facility. This also expedites payment through credit to your account compared to dividend warrants in physical form.

We therefore request you to please complete the below form and send it to Registrar/Concerned Depository Participant –

Regards

For **Ester Industries Limited****Diwaker Dinesh****Company Secretary****NECS MANDATE FORM FOR DIVIDEND PAYMENT****IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE**

Please send the form to the Registrar at following address-

MAS Services Limited**Unit – Ester Industries Limited****T - 34, Okhla Industrial Area, Phase - II, New Delhi –110 020****IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE**

Please send the form to your concerned Depository Participant where you maintain your Demat Account.

Dear Sir

I hereby give my mandate to credit my Dividend on the shares held by me directly to my account through National Electronic Clearing Service (NECS). The details are given below

- 1 Folio No./DP ID & Client ID _____
- 2 Shareholder's Name : Mr. / Mrs. / Ms. / M/s. _____
- 3 Shareholder's Address : _____
Pin Code : _____
- 4 Particulars of bank :

Bank Name										
Branch Name & Address										
Branch Code										
(9 digits code number appearing on the MICR band of the cheque supplied by the Bank. Please attach a photocopy of a cheque).										
Account Type (Tick the appropriate Box)	Saving			Current			Cash Credit			
Account no. (as appearing in the cheque book)										
IFSC Code										

5. Date from which the mandate should be effective: _____

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I shall not hold Ester Industries Limited or MAS Services Limited responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS.

Signature of Shareholder

Date

Place



CIN: L24111UR1985PLC015063

Registered Office:

Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, Fax No. (05943) 250158

Corporate Office:

Plot No. 11, Block-A, Infocity-I, Sector 33 & 34, Gurgaon-122001, Haryana
Phone No.: +91-124-4572100, Fax no.: +91-124-4572199
www.esterindustries.com, Email: shares.deptt@ester.in



ATTENDANCE SLIP

CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, Fax No. (05943) 250158, Website - www.esterindustries.com, Email - shares.deptt@ester.in

29th ANNUAL GENERAL MEETING

DULY FILLED IN ATTENDANCE SLIP SHALL BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No./ DP Id. & Client Id. :

Name of the Shareholder :

Jt1 :

Jt2 :

Address of the Shareholder :

No. of Shares :

I/We hereby record my/our presence at the 29th Annual General Meeting of the Company to be held on Monday, the 28th Day of September 2015 at 10.30 AM at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand.

Name of Proxy :
(IN CAPITAL LETTER)

SIGNATURE/S OF THE SHAREHOLDER/S OR PROXY
(To be signed at the time of handing over the slip)

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	PAN / Sequence No.
150821016	



PROXY FORM

CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, Fax No. (05943) 250158, Website – www.esterindustries.com, Email – shares.deptt@ester.in

29th ANNUAL GENERAL MEETING

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24111UR1985PLC015063

Name of the Company : Ester Industries Limited

Registered Office : Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

Name of the member(s) :

Registered Address :

Email ID :

Folio No./Client ID :

DP ID :

I/We, being the Member(s) holding.....shares of the above named company, hereby appoint

- Name..... Address.....
Email ID Signature or failing him/ her
- Name..... Address.....
Email ID Signature or failing him/ her
- Name..... Address.....
Email ID Signature or failing him/ her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Monday, 28th September, 2015 at 10.30 AM at Registered Office at Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand and any adjournment thereof in respect of such resolutions as are indicated below :

ITEM NO	RESOLUTIONS	Optional ²	
		FOR	AGAINST
1	Consideration and adoption of Annual Accounts, Auditors and Directors Report		
2	Re-appointment of Mr. Pradeep Kumar Rustagi who retires by rotation		
3	Ratification of appointment of S. R. Batliboi & Co. LLP as Statutory Auditors and fixation of their remuneration		
4	Appointment of Mr. Sandeep Dinodia as an Independent Director of the Company		
5	Ratification of Remuneration fixed for Cost Auditor of the Company		
6	Re-appointment of Mr. Ayush Vardhan Singhania as Group Leader-Marketing & Business Development		
7	Modification in terms and conditions of appointment of Mr. Jai Vardhan Singhania as Group Leader-Business Planning and Support		

Signed thisday of..... 2015

Signature of Shareholder.....

Signature of Proxy holder(s)

Note -

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Re. 1/-
Revenue
Stamp