26th Annual Report 2011-12

Ester Industries Limited

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	**MR. ARVIND KUMAR SINGHANIA**	NON - EXECUTIVE CHAIRMAN
	MR. V. B. HARIBHAKTI	DIRECTOR
	MR. A. K. NEWATIA	DIRECTOR
	MR. M. S. RAMACHANDRAN	DIRECTOR
	MR. DINESH CHANDRA KOTHARI	DIRECTOR
	MR. ANAND CHAND BURMAN	DIRECTOR
	MR. P. S. DASGUPTA	DIRECTOR
	MR. PRADEEP KUMAR RUSTAGI	EXECUTIVE DIRECTOR & CFO
	MR. ASHOK AGARWAL	EXECUTIVE DIRECTOR - OPERATIONS & PROJECTS

COMPANY SECRETARY	MR. DIWAKER DINESH
STATUTORY AUDITORS	M/S S.R. BATLIBOI & COMPANY, GURGAON
BANKERS	BANK OF INDIA BANK OF BARODA UNION BANK OF INDIA CANARA BANK STATE BANK OF BIKANER & JAIPUR
HEAD OFFICE	DLF BUILDING NO. 8, TOWER A 2ND FLOOR, DLF CYBER CITY, DLF PHASE II, SECTOR - 25, GURGAON HARYANA – 122 002, INDIA
REGISTERED OFFICE & WORKS	SOHAN NAGAR P.O. CHARUBETA KHATIMA – 262 308 DISTRICT UDHAM SINGH NAGAR UTTARAKHAND
REGISTRAR & SHARE TRANSFER AGENTS	MCS LIMITED F-65, OKHLA INDUSTRIAL AREA, PHASE-I 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

NOTICE

NOTICE is hereby given that the 26th ANNUAL GENERAL MEETING of ESTER INDUSTRIES LIMITED will be held on Friday, 28th September 2012 at 12:00 Noon at the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand, to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2012 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. V. B. Haribhakti who retires by rotation and being eligible, offers himself for re-appointment;

3. To appoint a Director in place of Mr. Dinesh Chandra Kothari who retires by rotation and being eligible, offers himself for re-appointment;

4. To appoint a Director in place of Mr. Arvind Kumar Singhania who retires by rotation and being eligible, offers himself for re-appointment;

5. To appoint M/s S.R. Batliboi & Co., Chartered Accountants, (Registration No. 301003E), the retiring auditors, to hold office as auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to authorise Board of Directors to fix their remuneration.

Special Business

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

As ordinary Resolution -

6. Increase in the Donation Limit under Section 293(1)(e) of the Companies Act, 1956

"RESOLVED THAT pursuant to Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute during any financial year to charitable and other funds or trusts upto an annual limit of Rs. 1,00,00,000 (Rupees One Crore) or 5% of the average net profits of the Company as determined in accordance with the provisions of the Section 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater.

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to sign and execute such documents/deeds/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."

As Special Resolutions

7. Commission on Profits to Non Executive Director of the Company

"RESOLVED THAT pursuant to Section 309 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to all permissions, sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded for the payment of commission to the Non Executive Directors, in accordance with and upto the limits laid down under the provisions of Section 309(4) of the Act, computed in the manner specified in the Act for a period of five years from the Financial Year commencing from 1st April, 2013, in such manner and upto such extent as the Board of Directors, may time to time, determine.

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to sign and execute such documents/deeds/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."

8. **Modification in terms and conditions of appointment of Mr. Ayush Vardhan Singhania**

"RESOLVED THAT in modification of earlier resolution passed at 24th Annual General Meeting held on 27th July, 2010 and pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof, approval of the Company be and is hereby accorded to modify the terms and conditions of appointment of Mr. Ayush Vardhan Singhania (son of Mr. Arvind Kumar Singhania, Chairman) to hold office as 'Group Leader – Marketing & Business Development on the following terms and conditions –

1. **Period of Appointment**-3 years from 1st October, 2012 to 30th September, 2015
2. **Details of Remuneration**-Total Remuneration paid to Mr. Ayush Vardhan Singhania shall be limited to Rs. 2,49,000/- (Rupees Two Lacs and Forty Nine Thousands only) p.m. which 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, subject to the ceiling of Remuneration as specified above.

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

Date : 1st August, 2012 **Diwaker Dinesh**
Place : New Delhi Company Secretary

NOTES

1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY 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.**

2) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.

3) The relevant details of Item Nos. 2, 3 and 4 pursuant to Clause 49 of the Listing Agreement are annexed hereto.

4) The Register of Members and Share transfer Books will remain closed from Tuesday, 18th September 2012 to Friday, 21st September 2012 (both days inclusive) for the purpose of Annual General Meeting.

5) Pursuant to Section 205A of the Companies Act, 1956, as amended from time to time, any money transferred to the Unpaid Dividend Account of the Company, which remains Unpaid or Unclaimed for a period of 7 (Seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government and the shareholders shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter. Therefore Members who have not claimed the dividend for the year 2004-05 and any subsequent dividend payment(s) are requested to make their claims to the Company. The Unpaid Dividend for financial year 2004-05 is due for transfer to IEPF on 16th October, 2012.

6) 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.

7) Corporate Members intending to send their Authorized Representatives 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.

8) 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 2nd Floor, Tower A, DLF Building No. 8, DLF Cyber City, DLF Phase-II, Sector 25, Gurgaon, Haryana - 122 002, India or to the Registrar and Share Transfer Agent of the Company viz. MCS Limited, F-65, Okhla Industrial Area Phase I, 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

9) The members are requested to bring their copy of Annual report at the Annual General Meeting.

10) Members/proxies should bring 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.

11) Members desiring any information on the accounts are required to write to the Company at 2nd Floor, Tower A, DLF Building No. 8, DLF Cyber City, DLF Phase-II, Sector 25, Gurgaon, Haryana-122 002, 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.

12) All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all the working days except Saturday up-to the date of the Annual General meeting.

NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 IV (G) (i) OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES

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

A. Mr. V B Haribhakti

Mr. V. B. Haribhakti is an Independent Director at Ester and has been associated with the company since 1991. Mr. Haribhakti is a fellow member of the Institute of Chartered Accountants of India.

Directorships of Mr. V. B. Harbhakti in other Companies (excluding Private, Foreign and Section 25 Companies) as on 31st March, 2012 are as follows:

S.No.	Name of the Company
1	Tilaknagar Industries Limited
2	Lakshmi Automatic Loom Works Limited
3	The Simplex Realty Ltd.
4	The Anglo-French Drug Co. (Eastern) Ltd.
5	Bajaj Electricals Limited
6	Citadel Realty and Developers Ltd.

Membership of Mr. V B Harbhakti in Committees of the Board of other companies as on 31st March, 2012 is as follows:

S. No.	Name of the Company	Nature of Committee	Designation
1	Tilaknagar Industries Limited	Audit & Remuneration Committee	Chairman
2	The Simplex Realty Ltd.	Audit & Remuneration Committee	Chairman
3	Bajaj Electricals Limited	Audit & Remuneration Committee	Chairman
4	Tilaknagar Industries Limited	Shareholders' Grievance Committee	Member
5	Lakshmi Automatic Loom Works Limited	Audit Committee	Member
6	Bajaj Electricals Limited	Shareholders' Grievance Committee	Member
7	Citadel Realty and Developers Ltd.	Audit Committee	Member

He holds 1500 shares in Ester Industries Ltd.

B. Mr. Dinesh Chandra Kothari

Mr. Dinesh Chandra Kothari is a professional and independent director. Post qualification as Chartered Accountant in November 1972, joined ICICI Ltd and was in appraisal of projects including financial structuring and analysis of projects for financial assistance. In October 1974, joined Bukhatir Group of companies in Sharjah, U.A.E., one of the largest diversified Conglomerates. After 12 years of service with Bukhatir Group, in 1986, set up Interstar Financial Services Ltd., in New Delhi, India to provide a wide range of consulting and advisory services to non-resident Indians, resident Indians and large Indian corporate houses on financial matters. As a part of Interstar's expansion programme, in association with M/s. New Delhi Law Offices, a leading law firm in New Delhi, in 1999 set up a Consultancy Firm in the name of New Delhi Corporate Consultancy Services Pvt. Ltd., in order to provide Legal & Consultancy Services under the same umbrella to the Corporate Sector within the country and abroad.

Directorships of Mr. Dinesh Chandra Kothari in other Companies (excluding Private, Foreign and Section 25 Companies) as on 31st March, 2012 are as follows:

S.No.	Name of the Company
1	Aro Granite Industries Limited
2	Asian Hotels (North) Limited
3	Magus Estates and Hotels Limited
4	Interstar Financial Services Limited

Memberships/Chairmanships of Mr. Dinesh Chandra Kothari in Committees of the Board of other Companies as on 31st March, 2012 are as follows:

S. No.	Name of the Company	Nature of Committee	Designation
1	Aro Granite Industries Ltd.	Audit Committee & Remuneration Committee	Chairman
2	Asian Hotels (North) Ltd.	Investors' Grievance Committee	Chairman
3	Aro Granite Industries Ltd.	Investors' Grievance Committee	Member
4	Asian Hotels (North) Ltd.	Audit Committee & Remuneration Committee	Member

He holds 20,000 equity shares in Ester Industries Ltd.

C. Mr. Arvind Kumar Singhania

Mr. Arvind Kumar Singhania is Promoter and Non-Executive Chairman of the Company. He is a Commerce Graduate. His vision and passion have been integral to Ester's success, building the company from a small start up to one of India's leading, most recognized polyester film manufacturing company. He has been associated with the company since its inception. He has 28 years of rich and varied operations experience including production, supply chain, finance and people management. He was holding the position of Managing Director in the Company till 31st March, 2011. Under his tutelage, Ester has undertaken and seen tremendous success with its various expansion and modernization initiatives.

Directorships of Mr. Arvind Kumar Singhania in other Companies (excluding Private, Foreign and Section 25 Companies) as on 31st March, 2012 are as follows:

S.No.	Name of the Company
1	ACME Investments Limited

He doesn't hold any Membership/Chairmanship in Committees of the board of other Companies

He holds 150 shares in Ester Industries Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

As per the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of a public company shall not except with the consent of members of the Company, contribute to Charitable and other funds not directly relating to the business of the Company or the welfare of its employees in excess of Rs. 50,000 or 5% of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956, during the three financial years, immediately preceding, whichever is greater.

To enable your Company to discharge its responsibility towards charitable, social, philanthropic and other causes of public utility, your Directors recommend for approval by the members that the limit of contribution to charitable and other funds be fixed upto an annual limit of Rs. 1,00,00,000 (Rupees One

Crore) or 5% of the average net profits of the Company as determined in accordance with the provisions of the Section 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater. Your Directors recommend the approval of proposed Ordinary Resolution by the Members.

None of the Directors of the Company is concerned or interested in the Resolution.

ITEM NO. 7

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole-time employment of the Company nor a managing director may be paid remuneration by way of commission, if the Company by special resolution, authorizes such payment.

The Board of Directors is of the opinion that, in order to remunerate the Non-Executive Directors of the Company for the responsibilities entrusted upon them under the law particularly with the requirements of the Companies Act, 1956 and Corporate Governance norms, according to the current trends and commensurate with the time devoted and the contribution made by them, subject to such statutory approvals as may be necessary, commission in terms of Section 309 of the Companies Act, 1956, be paid to the Non-Executive Directors of the Company.

The Board of Directors of the Company proposes for the payment of commission to Non-Executive Directors of the Company, within the maximum limit of 1% of net profits of the Company, as per Section 309 of the Companies Act, 1956, over a period of five years commencing from 1st April 2013 upto 31st March 2018 in such manner and to such extent as the Board of Director determines time to time.

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

All Non-Executive Directors of the Company namely, Mr. Ashok Newatia, Mr. V B Haribhakti, Mr. Dinesh Chandra Kothari, Mr. M S Ramachandran, Mr. Anand Chand Burman, Mr. P S Dasgupta and Mr. Arvind Kumar Singhania are concerned or interested in the Resolution to the extent of the remuneration that may be received by them.

ITEM NO. 8

Mr. Ayush Vardhan Singhania is a graduate from Bentley University, Waltham, Massachusetts, USA. He has majored in Management and International Studies. The shareholders of the Company in the Annual General Meeting held on 27th July, 2010 approved his appointment as 'Group Leader - Development' for a period of 3 years from 1st August, 2010 to 31st July, 2013.

After considering his performance during his job tenure, it is proposed by the Board of Directors to increase his remuneration as specified in the proposed resolution given under Item no. 8.

The proposed remuneration to Mr. Ayush Vardhan Singhania is commensurate with his qualification and is in line with the industry standards. Since Mr. Ayush Vardhan Singhania, who is son of Mr. Arvind Kumar Singhania, Chairman, proposes to hold the office or place of profit carrying a total monthly remuneration in excess of Rs. 50,000/- per month, consent of the members by a Special Resolution is required in terms of Section 314 of the Companies Act, 1956.

None of the Directors except Mr. Arvind Kumar Singhania, Chairman, is concerned or interested in this resolution. Your Directors recommend the Resolution for your approval as a Special Resolution

By Order of the Board of Directors
For Ester Industries Limited

Date : 1st August, 2012 **Diwaker Dinesh**
Place : New Delhi Company Secretary

CHAIRMAN'S MESSAGE

Dear shareholders,

I am pleased to present the Annual Report for the financial year 2011-12 and share with you our strategy and priorities going forward.

The year 2011-12 has been a volatile period, both politically and economically and the world economy continues to endeavor to recover and stabilize. While certain developed economies (especially the Eurozone) battled with their financial crisis, growth in emerging markets was slower than expected. Areas such as Africa and the Middle East had to address challenging socio-political conditions.

India was also affected by the global uncertainties, resulting in less than 7% growth during the year. This was significantly less than the GDP growth achieved in the preceding year, and could be attributed primarily due to deceleration in industrial growth. Inflation remained in double digits and various monetary and fiscal policy measures announced to curb inflation met with limited success. The investment climate was also affected due to the rising cost of credit and weaker business sentiment.

In order to mitigate the aforesaid volatile economic scenario, Ester undertook various strategic initiatives for growth and sustainability. As an endeavor in this direction, Ester has entered the arena of Rigid packaging by incorporating a Strategic Business Unit (SBU) - Specialty Polymers. With the commissioning of the new Continuous Polymerisation plant in November 2010, Ester was able to effectively redeploy the 40,000 Tons per annum of batch polymerisation capacity for the production of Specialty Polymers. This diversification into Specialty Polymers business not only has a lot of synergy with the existing business lines but is also a strategic move progressing Ester's agenda towards innovation and technological development. The Specialty Polymers SBU will enhance Ester's positioning as an organization focused on providing innovative solutions to its customers. The major markets for these Specialty products are USA, European Union, China, Japan and other developed countries of the Asia Pacific regions.

The year 2011-12 presented many challenges for the BOPET Film SBU, including disproportionate capacity additions globally as well as the continuation of the legislative ban on the use of plastic films in the packing of Pan Masala & Gutkha (chewing tobacco). These developments created an adverse demand-supply scenario affecting margins. While recent demand trends are encouraging, the additional capacities may continue to exert pressure on end prices. At Ester, production grew by over 60% by optimum utilization of the recently added capacity. Ester continued its R&D efforts to develop a variety of value added products which were introduced during the year. Further test and trials continue at several customer sites across the world.

In the Engineering Plastics SBU, cheaper imports and rising raw material costs continued to pose a challenge to realizations. Despite stiff competition, Ester succeeded in passing on a part of the raw material cost increase, while retaining its customer base. Efforts to develop cost-effective formulations have yielded success and we expect to improve market share moving forward. We plan to ensure profitable growth in the Engineering Plastics SBU by our continued focus on new product/application development and exploring opportunities in overseas markets.

Ester is concerned for the environment and is committed to sustainability. Our focus in this area is evident by the following efforts:

1. Active work in progress to incorporate PCR (Post Consumer Recyled) in our value chain
2. Usage of bio-mass to replace fossil fuels.
3. Increasing usage of bio-based raw material

You will be happy to note that as a result of these efforts, Ester has reduced fossil fuel consumption per unit by more than 80% over the last ten years. I remain personally involved in all efforts related to sustainability.

People initiatives continue to be on the high priority agenda for Ester, as we believe that employees are our valued assets. The Performance Management System implemented last year has brought about a lot of objectivity thus enabling the Esterian to develop to his/ her full potential and being able to contribute materially towards the organizational objectives. We continue our efforts to enable employees to embrace the Esterian DNA. In 2012-13, we plan to focus on employee development and career progression.

Going forward, the two strategic priorities are growth and stability. To progress this critical agenda, Ester is focusing on developing a robust customer portfolio and product mix. Long term and productive relationships with key accounts (whose priorities are aligned with Ester's innovation and development efforts) will determine the targeted customer portfolio. The developing product mix will focus on specialty products and customized solutions for valued customers. Ester aspires to be the solution provider of choice.

I would like to take this opportunity to thank all stakeholders, including my fellow directors for their support and guidance.

I look forward to your confidence and engagement as we take our company towards a promising future.

With regards,

Arvind Kumar Singhania

Chairman

DIRECTORS' REPORT

To The Members

Your directors are pleased to present the 26th Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2012.

FINANCIAL RESULTS

(Rs. in lacs)

		For the year ended 31.03.2012	For the year ended 31.03.2011
Sales and Other Income		**74785.38**	71900.94
Profit before Financial Expenses, Depreciation and Tax		**4106.41**	22408.30
Less: Interest & Other Financial Expenses		**3549.48**	1276.40
Profit / (Loss) before Depreciation, Extra Ordinary Items and Tax		**556.93**	21131.90
Depreciation		**2653.54**	1792.58
Profit / (Loss) before Tax		**(2096.61)**	19339.32
Current Tax		—	5339.81
MAT Credit Entitlement		—	—
Deferred Tax		**(704.70)**	1052.74
Profit / (Loss) after Tax		**(1391.91)**	12946.77
Balance brought forward from previous year		**13765.80**	5042.44
Appropriation	: General Reserve	—	1294.68
	: Dividend & Tax on Dividend	—	2928.73
Balance Carried to Balance Sheet		**12373.89**	13765.80
Basic Earnings Per Share (Rupees)		**(2.21)**	20.59

DIVIDEND

In the absence of profits, your directors do not recommend any dividend.

OPERATIONS REVIEW

Gross Revenue from operations during the year under review is Rs. 747,85.38 lacs as compared to Rs. 719,00.94 lacs in the previous year, an increase of 4.01%. The increase is primarily on account of larger sales volume of Polyester Film (Current Year – 50,207 MT, Previous Year – 31,210 MT). Though the volume of sales of Polyester Film increased by 60.9%, the sales of Polyester Film in value terms increased by only 5.9%. The increase in value terms was not proportionate to increase in volume terms on account of drastic reduction in per unit realization, due to adverse demand supply situation. Adverse demand supply situation was caused mainly due to commissioning of new capacities both in India & Overseas and on account of ban on use of plastic films in packing of Pan Masala & Gutkha. Consumption of Polyester Film in Pan Masala & Gutkha accounted for 30% - 35% of the domestic demand, though the demand of Polyester Film for other applications continued to grow at about 15%. Drastic reduction in unit realization and margins resulted in Net Loss after Tax of Rs. 13,91.91 lacs during the current year as compared to Profit of Rs. 129,46.76 lacs in the previous year.

Due to cheaper imports coming in from China, the sale of Engineering Plastics in CFL segment was lower by 40.6% as compared to previous year. Consequently, Net Sales of Engineering Plastics decreased by 8.6% from Rs. 7698.35 lacs to Rs. 7035.39 lacs, Due to adverse demand supply situation, the sale of Polyester Chips was also lower than the previous year by 26.2%.

Company responded well to the adverse impact on domestic demand for Polyester Film caused due to ban and increased its focus on exports. During the year, Exports of Polyester Film increased by 78.7% in quantitative terms and by 27.4% in value terms. Exports accounted for 40.2% of the Net Sales Turnover of the company during the year.

The production of Polyester Film was higher at 51744 MT as compared to 32116 MT during the year 2010-11 on account of commissioning of new Polyester Film plant in January 2011 and successful operation of enhanced capacity resulted in capacity utilization of approx. 91% in Polyester Film.

On account of borrowings including foreign currency borrowings for the expansion projects and higher utilization of working capital facilities, interest and other financial expenses increased from Rs. 1276.40 lacs to Rs. 3549.48 lacs. During the year 2011-12, Finance cost includes loss of Rs. 906.01 Lacs representing exchange losses arising on restatement of foreign currency borrowings to the extent they are regarded as an adjustment to finance cost, in accordance with paragraph 4(e) of Accounting Standard 16 - 'Borrowing Cost'. Interest and financial expenses during the year under review were 5.07% of Net Sales though overall leveraging was still at prudent levels of 1.32.

Executive Board of the Clean Development Mechanism (CDM) under United Nations Framework Convention on Climate Change in its meeting dated 15th April 2011 has approved registration of Biomass based Thermal energy generation project of the company. Company would now be entitled to earn Certified Emissions Reductions (CERs) with effect from November 2010.

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

DEBOTTLENECKING PROJECTS

During the year under review, Company successfully commissioned Recycling Extruder, Off – Line Coater and Thermic Fluid Heating system. The initiatives would enable the Company to improve operating efficiency, inventory management and production of Value Added products.

SUBSIDIARY COMPANIES

Pursuant to Circular no. 2/2011 dated 8th February, 2011 of Ministry of Corporate Affairs (MCA), the Company has not attached Annual Accounts and other statutory reports of Ester International (USA) Limited (Subsidiary of Ester Industries Limited) for financial year 2011-12 subject to compliance of conditions stated in the Circular.

Further the Annual Accounts of the Subsidiary Company and the related detailed information shall be made available to the members of the Company or its subsidiary on their request. Such Annual Accounts shall also be kept for inspection by any member at the Corporate Office and Registered Office of the Company and its subsidiary.

FIXED DEPOSIT

The Company has not accepted any deposit during the year.

DIRECTORS

The terms and conditions of appointment of Mr. Pradeep Kumar Rustagi, Executive Director & CFO and Mr. Ashok Kumar Agarwal, Executive Director - Operations & Projects were modified in the Board Meeting held on 14th February, 2012 with approval of shareholders in the Extra-Ordinary General Meeting held on 7th April, 2012.

Mr. V. B. Haribhakti, Mr. Dinesh Chandra Kothari and Mr. Arvind Kumar Singhania, directors of the Company, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

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 is included as a part of the Annual Report along with the practicing Company Secretary's Certificate on its compliance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, the Directors confirm on the basis of information placed before them by the Management and Auditors:-

1. That in the preparation of the annual accounts for the Financial Year ended 31st March 2012 the applicable Accounting Standards has been followed;
2. That the Company has 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 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. That the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That the accounts of the Company for the financial year ended 31st March 2012 has been prepared on a going concern basis.

The Company's Internal Auditors have conducted periodic audit to evaluate the adequacy of internal controls and to provide reasonable assurance that the Company's established 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 regular basis.

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 Executive Director-Operations & Projects is enclosed as a part of the Corporate Governance Report. A copy of the Code of Conduct is available on the Company's website viz. www.esterindustries.com

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

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, your directors provide the audited Consolidated Financial Statements in the Annual Report.

AUDITORS' REPORT

Auditors' Report read together with Annexures referred to in Paragraph 3 of the Auditors' Report do not contain any qualification of significant nature and do not call for any explanation/clarification.

AUDITORS

M/s. S.R. Batliboi & Company, Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for reappointment. M/s S. R. Batliboi & Company has confirmed that their appointment, if made, shall be within the limits of Section 224(1B) of the Companies Act, 1956.

COST AUDITOR

During the year under review, Ministry of Corporate Affairs (MCA) had issued orders and notification under which the Company is required to appoint Cost Auditor in terms of section 233B of the Companies Act, 1956 to get the cost Records audited for financial year 2012-13 and onwards.

Your Directors have appointed M/s Sanjay Gupta & Associates, Cost Accountants, to conduct the audit of Cost Records of the Company for the financial year 2012-13 in respect of all Businesses of the Company

LISTING OF SECURITIES

Your Company's securities 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 2012-13.

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

The prescribed details as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure 'A' forming part of this report. Your Company was a net foreign exchange earner during the year under review.

PARTICULARS OF THE EMPLOYEES

The particulars of the employees drawing the salary as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 form part of this report.

As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the reports and accounts are being sent to all shareholders of the Company excluding the statement of particulars of the employees. Any shareholder interested in obtaining a copy may write to the Company Secretary of the Company.

ACKNOWLEDGEMENT

Your Directors acknowledge the cooperation and assistance received from various departments of Central & State Government and banks.

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.

On behalf of the Board

Date : 1st August, 2012 **Arvind Kumar Singhania**
Place : New Delhi *Chairman*

ANNEXURE - A

STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT

A. Conservation of Energy:

Measures Taken:

- Water consumption in Strand Cooling Bath in Engineering Plastics reduced by about 3000 KL/month by providing close loop water circulation through Plate Heat Exchanger (PHE).
- Saving of 1500 Kgs / month of FO by not pressurizing the FO steam boiler as Hot Stand-by.
- Saving of 1050 M^3 / Month of soft water by providing pipe line for recirculation to recover the soft water in Primary Heater # 1
- Saving of 60 MT/Month of Husk in winter months by using Package Cooling Tower in Chill Roll of Film Line # 1 instead of chilled water.
- Saving of 11500 Units / Month by installing Variable Frequency Drive in AHU of Film Line # 3
- Saving of 7500 Units / Month by installing Variable Frequency Drive on Bore Well Water Pump.
- Saving of 2,800 Units / Month in winter months by stopping the Air Washer & utilizing Fresh Air in Packing Area of Film Line # 3.

Total energy consumption and energy consumption per unit of production as per Form – A is given hereunder:

Power & Fuel Consumption

	2011-12	2010-11
1. Electricity		
a. Purchased		
Unit (Kwh)	59397600	41252400
Total Amount (Rs.)	242371223	164874328
Rate per unit (Rs / Kwh)	4.06	4.00
b. Own Generation		
i) Through Diesel Generator		
a) Through HSD Unit (Kwh)	2055484	1863792
Units / Liter of diesel (HSD)	3.36	3.39
b) Through LDO Unit (Kwh)	22083	N.A
Unit / Liter of LDO	4.18	N.A
c) Through FO Unit (Kwh)	2716467	4454774
Unit / Liter of FO	4.15	4.12
Cost/ per unit (Rs/Kwh)	8.73	6.72
ii) Through Steam Turbine/Generator	N.A.	N.A.
2. Coal	N.A.	N.A.

		2011-12	2010-11
3. Furnace Oil Quantity (MT)			
i) Primary Heating	MT	3141.426	1676.86
ii) Boiler	MT	80.776	130.163
Total	MT	3222.202	1807.023
Total Amount	(Rs)	120831790	50139738
Average Rate /MT	(Rs)	37499.756	27747.15
4. HSD Quantity (MT)			
i) Primary Heating	MT	196.724	NIL
ii) Boiler	MT	NIL	NIL
Total	MT	196.724	NIL
Total Amount	(Rs)	7000750	NIL
Average Rate /MT	(Rs)	35586.66	NIL
5. Husk Quantity (MT)			
For Steam	MT	13583	11424
For Primary Heating	MT	19890	19715
Total Qty	MT	33473	31139
Total Amount	(Rs)	115740046	96013482
Average Rate /MT	(Rs)	3457.71	3083

Consumption per unit of production

Product		2011-12	2010-11
1. Electricity		**Per Ton**	**Per Ton**
Polyester Chips	KWH	130.3	124
Continuous Polymerization	KWH	78.9	127
Polyester Film (Line –1)	KWH	949.1	845
Polyester Film (Line –2)	KWH	856.5	787
Polyester Film (Line –3)	KWH	650.1	906
2. Furnace Oil			
Polyester Chips	MT Per Ton	0.098	0.006
Continuous Polymerization	MT Per Ton	0.005	0.028
Polyester Film (Line –1)	MT Per Ton	0.064	0.027
Polyester Film (Line –2)	MT Per Ton	0.066	0.030
Polyester Film (Line –3)	MT Per Ton	0.006	0.001
3. HSD Oil			
Polyester Chips	KL Per Ton	0.011	NA
Continuous Polymerization	KL Per Ton	0.001	NA
Polyester Film (Line –1)	KL Per Ton	0.000	NA
Polyester Film (Line –2)	KL Per Ton	0.000	NA
Polyester Film (Line –3)	KL Per Ton	0.001	NA

Product		2011-12	2010-11
4. Husk			
Polyester Chips	MT Per Ton	0.000	0.269
Continuous Polymerization	MT Per Ton	0.250	0.353
Polyester Film Line-1	MT Per Ton	0.000	0.143
Polyester Film Line-2	MT Per Ton	0.000	0.158
Polyester Film (Line –3)	MT Per Ton	0.280	0.0442

The percentage saving in consumption of various forms of energy per MT of Chips & Film during the year under report as compared to previous year are given below :-

		Chips	CP	Film –1	Film –2	Film –3
1.	Power	-	38.79%	-	-	28.2%
2.	Steam	-	-	-	-	-
3.	Primary Heating (Oil)	-	-	-	-	-

RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. RESEARCH & DEVELOPMENT (R&D):

1.	Specific areas in which R&D carried out by the Company and benefits derived as a result of the R&D activities.	a)	Developed Transparent high barrier Polyester Film for packaging requiring specific barrier properties. Trial orders are under execution.
		b)	Developed UV Film for food packaging and Fiber Reinforced Plastics application. Usage for food packaging is under evaluation by customers. In the FRP application, some success has been attained, other markets being explored.
		c)	Developed Shrink Polyester Film for bottle packaging, further customization under process Trial orders are under execution.
		d)	Introduced reinforced PA6-GF with non-halogenated FR grades using innovative compounding technology during processing.
		e)	Developed approximately 10 new color based formulation for PBT, PA6 and PA66 to capture the pre-colored compounded products markets
		f)	Developed long term UV stabilized grades for PBT.
		g)	Launched compounded PC for diffuser application.
		h)	Introduced Mica based filled compounds to balance the mechanical properties and develop cost-effective formulations for specific requirements in the automotive segment.
2.	Future plan of action		Company continues to remain focused on development of new products for applications in Plain Polyester Film, Metallized Polyester Film and Engineering Plastics.

B. Technology absorption:

Efforts in brief made towards technology absorption, adaptation and innovation.	• Installed a new Offline Coating Machine.
Benefits derived as a result of the above efforts.	• Introduce product variants with high value addition and this is a continuous on going activity.
In case of Imported technology (imported during the last 5 years reckoned from the beginning of the financial year) (a) Technology imported: (b) Year of import: (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action	NA

C. Foreign Exchange Earnings and Outgo:

(Rs. in Lacs)

		2011-12	2010-11
1.	Earnings – FOB Value of Exports	271,95.93	217,34.45
2.	Outgo – CIF Value of Imports	55,20.07	199,15.90

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

India's GDP grew at the rate of 6.9% in 2011-12 as compared to 8.6% in 2010-11 lower than estimates of about 8% growth at the start of fiscal 2011-12. There is a significant slowdown in comparison to the preceding two years, primarily due to deceleration in industrial growth, more specifically in private investment. Rising cost of credit and weak domestic business sentiment, added to this decline. Estimated current account deficit at 3.6 per cent of GDP for 2011-12 and reduced net capital inflow in the 2nd and 3rd quarter put pressure on the exchange rate.

Taking a bird's eye view of the entire economy and keeping in mind the difficult global environment, RBI expects GDP growth in 2012-13 to be approximately 6.50%

The headline inflation remained high for most part of the year. It was only in December 2011 that it moderated to 8.3% followed by 6.6% in January 2012. Monthly food inflation declined from 20.2% in February 2010, to 9.4% in March 2011 and turned negative in January 2012.

India's inflation is largely structural, driven predominantly by agricultural supply constraints and global cost push. Even as the macroeconomic numbers displayed a strong performance, they were marked by significant volatility evident not only in the numbers but also in the sentiments primarily driven by the global clues and policy responses to cater to inflation.

Operational Performance

Business Segment

THIN BOPET FILMS

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 a strong, lightweight, non-reactive and inert material, 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)

Global markets

Overview Globally, the BOPET Film industry is estimated to grow at about 7% - 8% during next few years. Currently, the Central and East-Asian region is the largest BOPET film producing region, accounting for more than 50% of the installed BOPET film capacity in the world.

Growth and drivers: The BOPET film segment is expected to grow on account of :

- Increase in demand, as FMCG (Fast Moving Consumer Goods) companies increase their reach in rural areas in developing economies, primarily in Asia.
- Changes in demography & lifestyle in fast developing and emerging economies
- Focus on sustainability and environmental concerns are causing a shift from other substrates (such as PVC) to BOPET, being a more environment friendly material.

Indian markets

Overview Due to some recent capacity additions, the total installed production capacity in India is now approx 500,000 MTPA of Thin BOPET films. Around 55%-65% of India's production of about 4,00,000 MTPA is consumed within the country, while the balance is exported. Continuous capacity addition over the years has improved India's reach and share in global markets. The domestic demand for Thin BOPET film is estimated to be growing at a CAGR (Compounded Annual Growth Rate) of ~ 15%.

Growth and drivers: The growth in India is driven by demographic and lifestyle changes (rising middle class population), increasing investments in supermarkets, hypermarkets, innovative packaging and expansions in the organised retail sector. This has resulted in increased demand for innovative and attractive high quality packaging. Government regulation to improve quality and safety of packaged food products continues to enhance demand for Thin BOPET Films.

The current per capita packaging consumption in India is less than one third that of developed economies and thus offers tremendous growth opportunites.

Company Overview

Highlights: FY 2011-12

Production	Innovation & Development	Markets and customers	Recognition
* Operation of New Film Line commissioned in January 2011 resulted in film production growing by 61%. * Metalised film production increased by 73%	* Launched 6 new Value Added products for specialty niche applications.	* Increased sales volume of BOPET films by 58.7% from 31379 tonnes in FY 2010-11 to 50204 tonnes in FY 2011-12 * Increased export by 79%	* In recognition of increase in exports, Director General of Foreign Trade, Ministry of Commerce and Industries has upgraded the status of the Company from Star Export House to Trading House

Ester is the second largest Thin BOPET Film producer in India in terms of installed capacity. The Company's vertically integrated operations based out of Khatima, Uttarakhand comprise of PET chips, Thin BOPET Films and Metalised Thin BOPET Film manufacturing facilities.

Ester offers a diversified portfolio of Value Added plain and metalised BOPET Films. The Company enjoys good business relations with marquee clients across India. Its global footprint extends across 75 countries, which include not only developed economies like the USA, Europe and Latin America, but also the Middle East, Russia, Africa and South East Asia.

Competitive edge

Scale: Ester has consistently invested in improving operating efficiencies and increasing capacity through modifications and brownfield expansions, providing economies of scale and possessing the ability to seamlessly cater to growing demand from its markets and customers.

Technology: Ester is the second manufacturer in India and the third in the world to install the cost-effective Continuous Polymerisation (CP) and Direct Casting technology, significantly reducing capital cost and overall cost of production.

Integrated Operations: Vertical integration has enabled a reduction in operational cost and superior product quality on a consistent basis. . Forward integration into metallised films and other Value Added products enables better realisations which improves profitability.

Capacity Utilisation: Ester's passion towards internal efficiency is reflected in optimum capacity utilisation over the past few years, making the operations cost-effective and providing additional volumes for business growth.

Product Portfolio: Ester offers the widest variety of Value Added BOPET Films among its peers; During FY 2011-12, volumes of Value Added products grew by 7% despite adverse effect on sales volumes of certain Value Added products as a result of ban on use of plastic films in packing of Pan Masala & Gutkha.

Reach: Ester's diversified geographic presence (domestic and global) mitigates the risks associated with concentration of markets. The increasing global presence enables Ester to strengthen its growth agenda.

Performance overview (FY 2011-12)

In FY 2011-12, Ester enhanced its manufacturing capability by installing coating capacity for producing a variety of Value Added products. Various other projects were initiated for improving both capacity utilisation and operating efficiencies. During the year, a severe demand-supply imbalance was created in India due to ban on use of laminates made of plastic Films in packing of Pan Masala & Gutkha besides commissioning of several new production capacities, in India and abroad. This oversupply situation took its toll on market prices and margins. In these challenging times, Ester continued to remain focused on its long term strategy of:

1. **Optimizing** production levels. Company was able to operate the New Film plant at a capacity utilization of over 80% during the FY 2011-12
2. **Increasing** market share. Ester increased sales volumes in overseas markets by 79%

3. **Increasing** volumes of Value Added products. The volume of sales of Value Added products grew by 7% despite adverse effect on sales volumes of certain Value Added products as a result of ban on use of plastic films in packing of Pan Masala & Gutkha.

4. **Upgrading** R&D capabilities

5. **Enhancing** Brand Equity by participating in Industrial Fairs and Exhibitions (Pack Expo, USA & Plast India)

6. **Maintaining** focus on operational efficiencies by taking steps to

   a. Reduce Cost

   b. Reduce Waste

   c. Improve Sustainability

Outlook

While the global demand for BOPET films will continue to grow, pressure on margins due to demand supply imbalance caused by the ban on use of plastic films in packing of Pan Masala & Gutkha in India as well as significant capacity additions in the recent past, is likely to continue in 2012-13. This situation may continue to impact realisations and margin from PET Film.

In these challenging times, Ester has devised a long term 3-pronged strategy to ensure that it is able to exceed the expectations of its shareholders and stakeholders:

1. Focus on procuring a robust customer profile, whose innovation and development priorities are aligned with Ester

2. Progress towards long term relationships and partnerships with key customers

3. Assess market needs accurately and endeavour to be a solution provider.

   Ester's other priorities to achieve the stated objective are:

   - Setting higher standards in service levels
   - Operational Excellence
     - Optimizing asset utilisation
     - Continuous cost reduction
   - Ensuring appropriate and adequately skilled resources in sales and marketing

Although the business is passing through a volatile phase, Ester is confident that a focussed implementation of its strategy will enable the creation of a robust business model which will ensure value maximisation for its shareholders and stakeholders.

ENGINEERING PLASTICS BUSINESS

The product

Engineering Plastics are high performance polymers that are valued for their high temperature & chemical resistance, high strength, impact & abrasion resistance and rigidity & stability in many harsh and demanding applications. The light weight, high degree of design freedom and availability in various colours/ surface finishes allows manufacturers across various industries to meet their aesthetic and tactile requirements with relative ease, thus encouraging rapid replacement of metals and glass.

Ester's product portfolio has over 250 grades comprising of various polymers – PBT, PET, Nylon-6, Nylon-66, PC, ABS and their respective blends/alloys. These are sold under the brand name "Estoplast" and find their applications in various industries such as automobiles, appliances, electrical & electronics and telecommunications.

Industry Overview

Global: With strong focus on increasing the usage of plastics in automobiles, the global engineering plastics market is expected to grow at a steady pace, with the global demand for EP compounds projected to reach 20 million tons by 2015.

Asia-Pacific: Continued shift of global production bases to Asian countries – on account of lower cost and enhanced manufacturing capability – is expected to drive Asia-Pacific to emerge as the leading market in engineering plastics, with a major share of the growth coming from China & India. Asia-Pacific accounts for approximately 40% of the global EP market and is estimated to grow at a CAGR of 8.8% over the next 5 years.

India: Although the market size is not as large as in some of the other Asian countries, the Engineering plastics market in India has grown rapidly over the past few years with more applications being realized. With more OEMs, particularly in the automotive industry, planning to establish plants in India and the electrical & electronics market witnessing a boom, the demand for engineering plastics in India is expected to grow at a CAGR of ~14% over 5 years. The current demand for engineering plastics in India exceeds 100000 MT. By 2015, the demand for Nylon & PBT alone is expected to reach 103000 MT.

Performance Overview

During the financial year 2011-12, our Engineering Plastics business saw a drop in sales by ~8.5% mainly on account of the significant reduction in sales of PBT compounds into the CFL segment – owing to cheaper Chinese imports finding their way into the Indian market. Efforts to develop cost-effective formulations, to counter this threat, have yielded success and we expect to regain a portion of our market share in this segment in 2012-13. Lower sales into the CFL segment were partly offset by a healthy increase in sales into the telecom sector for OFC application.

Adverse movement in Forex rate, coupled with increase in prices of base polymers, had a significant impact on our financial performance in Q3. Despite the intense competition, we succeeded in retaining our customer base whilst passing on a part of the cost increase to our customers. Focused efforts resulted in improved performance in Q4, thus paving the path for a better performance in 2012-13.

Some important initiatives were taken during the year towards creating a more robust business.

- **Team-building:** A strong team of select professionals from the Industry was recruited to drive initiatives in respective functional areas within the EP Business. This team would focus on establishing robust systems & processes in 2012-13 that would go a long way in delivering business objectives.
- **Strengthening customer base:** Efforts towards enhancing our customer base yielded satisfactory results during the year with approvals secured from a number of OEM/ Tier 1 customers. These accounts are expected to deliver profitable growth in 2012-13. Efforts were also directed towards cementing business relationship with key accounts from our existing customer base.
- **Brand Visibility:** In our endeavour towards enhancing Brand image/visibility, Ester invested time & money by actively participating in the Plast India exhibition in February 2012. The event was a great success going by the footfall of existing as well as new customers at our stall. Several promising leads have been secured and development efforts initiated.

Key drivers for the Indian plastic-compounds market:

1. Strong need of Automotive Industry to reduce the weight of vehicles for better fuel efficiency and lesser emissions. The plastics to total weight ratio in passenger cars currently varies from 11% to 14% across all geographies. As per industry experts, this ratio is expected to increase by 3% to 4% in the next five years.
2. Government's efforts towards increased usage of energy saving lighting.
3. Enhanced safety awareness resulting in increased usage of low voltage switch gear.
4. Continuous efforts by various industries in developing new applications for such polymers.
5. Low cost production and enhanced manufacturing capability encouraging global players – mainly automotive & electrical – to establish manufacturing bases in India to cater to the ever-growing global demand.
6. Favourable demographic distribution with rise in working population / urbanization leading to increased per capita usage of plastics.

Business Prospects

Automotive Segment: This comprises of the automobile and auto-components sectors and is one of the key drivers of the national economy. It accounts for nearly 50% of the demand for Nylon & PBT compounds in India and is projected to grow at a steady pace as detailed below;

Segment-wise Growth	2011-12		2011-12 (E)
	Apr-Jan	FY (E)	CAGR
Passenger Vehicles	4.3%	3%	~11%
Medium & Heavy Commercial Vehicles	8.6%	5%	9.5-11.5%
Light Commercial Vehicles	28.7%	24%	11-13%
2 Wheelers	16.6%	15%	10-12%

Electrical Segment: This comprises of the Lighting and Switch Gear industries. It is estimated to grow at 18%-20%. The government's effort towards increased usage of energy saving lighting has resulted in a rapid growth in the CFL market, which is expected to continue for the next few years. The industry is also focusing on LED lighting systems.

Given the strong growth projections of the automotive & electrical segments, enhancing our market share in these segments would continue to be the key focus areas for Ester, whilst continuing to pursue opportunities in other segments as well. Efforts would also be directed towards seeding our product in the Exports market.

We would strive to create a strong foundation for profitable growth through the following;

- Securing approvals from OEMS/Tier 1 customers in the automotive & electrical segments for long-term sustainability
- Continued focus on new product/application development by building our R&D capability and working closely with customers
- Achieving cost leadership and developing fit for purpose products to counter the threat of low cost Chinese imports
- Exploring opportunities in the Exports market
- Focusing on productivity/efficiency improvement initiatives across the Business
- Continuous improvement in systems & processes
- Enhancing Ester's brand visibility through participation in exhibitions/industry forums
- Exploring opportunities for strategic alliances
- Taking initiatives towards reducing our carbon footprint

SPECIALTY POLYMERS BUSINESS

The Product

Specialty Polymers, by simple definition, are customised Polyester Polymers (PET, PBT, PEN, PTT etc.) with special characteristics and properties for high end application largely in rigid packaging and also in other areas like Carpets, Textiles and other consumable & industrial applications.

Normal PET Resins (Bottle Grade) have now for many years been the preferred polymer for rigid packaging finding application in packing of carbonated and noncarbonated drinks, water, other beverages, and thermoformed trays for food and non-food applications. The reason for preference is due to PETs' transparency, recyclability, suitability for food contact applications etc.

As per published reports by various well known industry experts the consumption of PET Resins for rigid packaging application exceeded 19 Million MT in 2011(including applications in thermoformed containers) with an average CAGR of more than 7% in the last two decades. The demand growth in the next decade is also expected to be in the range of 7% CAGR. Specialty Polymers is a niche component of the PET Resin market. Although no published data is available, we estimate the Speciality Polymers volume to be in the region of 3-4 Million Tons per Annum and growing.

The special applications as mentioned above include extrusion blow moulding (EBM), hot fill, improved barrier performance etc. Specialty Polymers also find markets other than rigid packaging such as for carpet, tooth brush handles, tooth brush bristles and specialty grade for thermoform trays for food and non-food applications.

Markets

The major markets for these products are expected to be USA, European Union, China, Japan and other developed countries of the Asia Pacific regions.

With the commissioning of the new Continuous Polymerisation plant in November 2010, approximately 40,000 Tons per annum of batch polymerisation capacity became free & available and is ideally suited for the production of Speciality Polymers. This diversification into Specialty Polymers business not only has a lot of synergies with the existing business but is also a strategic move towards High Technology Business. It is expected to yield high margins and with it economies of scale and a distinct competitive edge for the company.

Key Drivers

Being a knowledge based business, the key drivers for success in the Specialty Polymers business is going to be extensive R & D for development of new superior alternate products to replace existing polymers which are either environmental unfriendly or not cost effective. Research & Development being key driver, the company has invested in the establishment of state of the art R&D facility. Two new pilot polymerisation lines have been installed for development of new products in a cost effective manner. Further, laboratory facilities have been enhanced extensively for advanced testing capabilities.

Ester as a company is aware of the ongoing global environmental concerns. Sustainability and green initiatives are need of the hour and the Specialty Polymer business will address these concerns in an extensive manner through increased use of recycled raw materials and bio-based-monomers. These Green initiatives will be an additional key driver in making this business successful going ahead.

Competitive Edge

As mentioned above, with the availability of spare batch polymerisation capacity, substantial volumes of Specialty Polymers can be produced without the need of major financial investments. These existing batch capacities are ideally suited for the manufacture of Specialty Polymers. Very low investment reduces the cost of production giving a competitive edge to the company. In addition, in-house expertises created by the company in terms of R&D skill, knowledge base and trained manpower further adds to the competitive environment. Last but not the least, the Green initiatives and Sustainability as described above are a major attraction to the customers specially in developed regions of the world. All the unique products developed by Ester will be protected by filing global patent applications.

Road Ahead

As mentioned above the key market for Specialty Polymers is going to be largely the developed countries of the world such as USA, Europe, China & Japan. The key customers will mostly be Multinational Corporations (MNCs) in the FMCG Sector. Ester has already started working closely with some of these Corporations for developing new Polymers for their special requirements. Ester has also tied up with one of the world's leading chemical company for joint development of various products. Although this new business was started only towards the end of 2011, Ester has already made a modest beginning by being able to sell small volumes of high margins Specialty Polymers in Europe & USA. We will continue to aggressively market our existing products and increase partnership with major MNCs for joint development of Specialty Polymers which will be customised to their needs and requirements.

Specialty Polymers are dependent on major R&D efforts leading to longer gestation period. This new business initiative will really bear fruit in the next financial year although we expect good results from this division starting in the second half of FY 2012.

Business & Financial Performance

	Quantity Produced (MT) (During 2011-12)	Quantity Produced (MT) (During 2010-11)	Growth
PET Chips	60217	43218	39.33%
PET Film	51744	32116	61.11%
PET Film - Metallized	10491	6051	73.37%
Engineering Plastics	4641	5783	(19.75%)

	Quantity Sold (During 2011-12)	Quantity Sold (During 2010-11)	Growth
PET Chips	6690	9072	(26.26%)
PET Film	40005	25275	58.28%
PET Film - Metallized	10199	6103	67.11%
Engineering Plastics	4655	5873	(20.74%)

	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2011-12)	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2010-11)	Growth
PET Chips	5519.83	6051.08	(8.78%)
PET Film	42655.54	42212.63	1.05%
PET Film - Metallized	13150.09	10601.03	24.04%
Engineering Plastics	7035.39	7698.35	(8.61%)

	(Rs. in Lacs) (During 2011-12)	(Rs. In Lacs) (During 2010-11)	Growth
EBITDA	4106.41	22408.30	(81.67%)
PBT	(2096.61)	19339.32	(110.84%)
PAT	(1391.91)	12946.77	(110.75%)

Despite increase in Sales Volume of Film by 60%, the total Sales Revenue (net of excise duty) for the Company has increased only by 2.7%.The primary cause for less than proportionate increase was drastic reduction in the selling prices and consequent reduction in margins. Domestic demand for Polyester Film reduced significantly on account of ban on use of plastic films in packing of Pan Masala & Gutkha. This particular application was accounting for about 30% of the domestic demand for Polyester Film. Responding promptly to the changed market dynamics, Company enhanced its reach in the overseas market and increased the exports of Polyester Film by 60% in volume terms.

Due to huge volatility in foreign currency markets, Mark to Market (MTM) losses representing exchange gains / losses arising on restatement of foreign currency borrowings to the extent that they are regarded as an adjustment to the finance cost were added to the Finance Cost.

Despite losses and borrowings made for expansion, financial leverage indicated by Total Debt: Tangible : Net Worth ratio stands at prudent level of 1.32 as on 31st March 2012. The book value per equity share stood at Rs. 41.11.

Risk Management

Each business is embedded with uncertainties, affecting corporate performance and prospects.

The Company's risk management framework comprises a clear understanding of strategies, policies, initiatives, norms, structured reporting and control. It ensures that the risk management discipline is centrally initiated by the senior management and progressively decentralised, extending to managers across hierarchies, facilitating risk mitigation at the transactional level. Consequently, only those business decisions are taken that balance risk and reward, ensuring that the Company's revenue-generating initiatives are consistent with the risks taken, so that shareholders get their desired total return.

Company classifies the risks broadly into Strategic risks, Operational risks, Financial risks and Information Technology risks. Risks in each classification are identified and aggregated to form a library of risks. The Company reviews the library of risks from time to time to update and modify its mitigation strategies with the changing risk scenario. There is a reviewing and monitoring mechanism in place to ensure effectiveness of mitigation plans.

Intellectual Capital

Following the philosophy that People are key assets that transform dreams into reality, we continued efforts to create value aligned with business objectives

Building on the platform created last year, we focused on rigorous implementation of Performance Management System (PMS). Efforts were focused on enabling managers to drive performance within their teams. We focused on high impact performance with an objective to ensure efficient and optimum delivery of PMS to individuals.

The next step was to enhance the capability levels of the team. We facilitated Development Centres and created Individual Development Plans (IDPs) for identified managers. We have been working closely with individuals and their managers to keep the momentum going as regards to IDPs.

We are now in the process of integrating performance with development by inculcating competencies (Esterian DNA) into PMS. This will enable us to manage the talent and achieve the long term objective of Succession Planning.

Internal Control Systems

The Company has a structured Internal Control System in place, which assures the Board of Directors and the management that there is an effective system for:

- Planning and achievement of goals
- Risks evaluation
- Reliable financial and operating reporting and legal and regulatory compliance
- Adequate control against fraud and negligence
- Review of performance

The integrated financial accounting system, supported by in-built controls, ensures reliable and timely financial and operational reporting. Controls and legal compliances are periodically reviewed by audit systems. The financial accounting and audit systems ensure prevention and detection of frauds and negligence.

The company has undertaken to leverage its existing ERP systems for optimal utilisation of resources and further improving operating efficiencies. To achieve the stated objective, company has embarked upon technical and functional upgrade of its existing ERP system.

Corporate Social Responsibility

CSR continues to be an important and essential part of Ester's commitment to align our company's activities with the social, economic and environmental expectations of our stakeholders. Our corporate social responsibility (CSR) programs are designed to provide long-term benefits to our employees, customers, shareholders, partners, and individuals in communities in which we operate. Our approach to corporate social responsibility (CSR) aligns responsible business practices and social investments to create long-term value for our business.

In 2011-12 we worked on various programs aimed at improving the livelihood of the economically disadvantaged sections of society by making contributions directly to beneficiaries and through charitable institutions. We continue to support the Make-A-Wish Foundation a global organization that has enriched the lives of children with life-threatening medical conditions through its unique wish-granting work.

Ester has demonstrated its commitment towards preserving environment by reducing dependence on Fossil Fuel. Over the years, Ester has reduced its Carbon footprints from 500 Kgs per MT to about 100 Kgs per MT of Finished Product.

We will continue to support socially relevant programs in 2012-13.

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 organisation.

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 practice 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 Company has an optimum combination of Executive, Non Executive and Independent directors, having a pool of collective knowledge from various disciplines, Engineering, Finance, Business Management, Corporate planning etc, on its Board. The Board comprises of nine directors of which one is Non- Executive Chairman and belongs to Promoter category, two are Executive Director and other six are Non-executive & Independent Directors. The composition of the board is in consonance with the requirement of clause – 49 of the listing agreement.

The Board of Directors and its committees meet at regular intervals.

Number of Board Meetings held and the dates on which held

5 (Five) Board Meetings were held during the year 2011-12. The dates on which the meetings were held are 9th May, 2011, 4th August, 2011, 15th November, 2011, 21st December, 2011, and 14th February, 2012

Details of Name, Composition, and Attendance record of the Directors for the year ended 31.03.2012 and the number of Directorship and Committee Chairmanship/Membership by them in other Companies are as follows:

Name of the Director	Category	Attendance Particulars		No. of directorships in other Companies[1]	No of Membership/ Chairmanship of Committees in other Companies[2]	
		Board Meeting	Last AGM		Committee Memberships	Chairperson of Committees
A.K. Singhania	Promoter & Non Executive Chairman	5	No	1	None	None
V.B. Haribhakti	Independent Director	4	Yes	6	7	3
M.S. Ramachandran	Independent Director	4	No	5	2	None
A.K. Newatia	Independent Director	5	Yes	None	None	None
Dinesh Chandra Kothari	Independent Director	4	No	4	4	2
Anand C. Burman	Independent Director	1	No	7	None	None
P.S. Dasgupta	Independent Director	2	No	8	8	2
Pradeep Kumar Rustagi	Whole time Director	5	No	None	None	None
Ashok Kumar Agarwal	Whole time Director	5	Yes	None	None	None

[1]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, Section 25 companies.

[2]As required by clause 49 of the Listing Agreement, the disclosure includes memberships/ chairpersonship of Audit Committee and Shareholders/Investor Grievance Committee in Indian public companies (listed and unlisted) only.

None of the directors is related to each other.

Information provided to the Board of Directors

1. Annual operating plans of the business, capital budgets, acquisitions etc.
2. Quarterly results of the company.
3. Minutes of the meeting of the Audit committee and other Committees of the Board.
4. Information on recruitment and remuneration of senior offices below the Board level.
5. Detail of any Investment.
6. Information related to the shareholder services and share transfers.
7. Significant development on the human resources and industrial relations front.
8. Details of any joint venture or collaboration agreement, if any.
9. Sale of material nature, of investments, subsidiaries assets, which is not in normal course of business.

Statutory Compliance

The Board periodically 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.

The elaborated details of following Directors seeking the re-appointment are forming the part of the notice-

Mr. V. B. Haribhakti
Mr. Dinesh Chandra Kothari
Mr. A. K. Singhania

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 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 Executive Director- Operations & Projects forms a part of this report.

2. Audit Committee

The Audit Committee formed in pursuance of clause 49 of the listing agreement and section 292A of the Companies Act, 1956 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 are, as contained under clause 49 of the Listing Agreement, as follows:

a. To oversee financial reporting and disclosure process.

b. To recommend the appointment and removal of statutory auditors and decide their remuneration.

c. To review financial results and statements, before submission to the Board, focus primarily on-

- Any change in accounting policies and practices.
- Major accounting entries, based on exercise of judgment by the management.
- Qualifications in the draft audit report.
- Significant adjustments arising out of the audit.
- Going concern assumption.
- Compliance with accounting standards.
- Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with larger interests of the Company.

d. To oversee adequacy of internal control systems.

e. Reviewing adequacy of internal audit function, coverage and frequency of internal audit report.

f. Discussion with internal auditors and concurrent auditors on any significant findings in their reports and follow up thereon.

g. Discussion with external auditors before audit commences, as regards nature and scope of audit, as well as having post audit discussions to ascertain any areas of concern.

h. Reviewing the Company's financial and risk management policies.

i. Approval of appointment of CFO or any other person heading the finance function or discharging that function

During the year 2011-2012, The Audit Committee has met 4 times on 9th May, 2011, 4th August 2011, 15th November, 2011 and 14th February, 2012.

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 (Chairman of Committee)	Independent Director	4	4
Mr. Dinesh Chandra Kothari	Independent Director	4	4
Mr. M. S. Ramachandran	Independent Director	4	4

Mr. V. B. Haribhakti is a qualified Chartered Accountant having rich experience in Accounting and Finance. Other members of the Committee have basic accounting and finance knowledge with wide exposure in their relevant areas. The composition of the Committee is in conformity with Clause 49 and Section 292A of the Companies Act, 1956.

The Chairman, Executive Director & Chief Financial Officer, Executive Director-Operations and Projects and Head - Finance & Accounts are invited to the meetings. Representatives of Statutory Auditors and Internal Auditors are also being invited to the meetings and most of the meetings are attended by Statutory Auditors. The Company Secretary of the Company acts as the Secretary to the Committee.

Apart from other matters, as per clause 49 of the listing agreement the Audit committee also reviews the following information:

1. Management Discussion and Analysis of financial condition and result of operation.
2. Statement of significant related party transactions.
3. Internal Audit report relating to internal control weakness and
4. The appointment, removal and term of remuneration of internal auditors, if any

Mr. V. B. Haribhakti, Chairman of the Audit Committee was present at the last Annual General Meeting held on 25th July, 2011.

3. Remuneration Committee

The broad terms of reference of the Committee are to appraise the performance of Managing/ Whole Time Directors, and to decide and approve remuneration including any revision thereto from time to time, in respect of the managerial personnel and non Executive Directors of the Company.

During 2011-12, two meetings of Remuneration Committee were held on 9th May, 2011 and 14th February, 2012.

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

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. V. B. Haribhakti (Chairman of Committee)	Independent Director	2	2
Mr. Dinesh Chandra Kothari	Independent Director	2	2
Mr. M. S. Ramachandran	Independent Director	2	2

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

The Directors remuneration policy of your company conforms to the provision of the Companies Act, 1956 subject to such approvals as may be necessary from time to time. The remuneration paid/payable to the Executive and Non-Executive Directors, as applicable is as recommended by the Remuneration Committee, decided by the Board and approved by the Shareholders/Central Government, if required.

The remuneration payable to the directors is decided from time to time on the basis of qualification, experience, responsibilities and performance of the concerned Director and industry practice.

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof. The details of sitting fees paid during the year 2011-12 to the Non-Executive Directors are given below –

Name of the Director	Sitting Fees Paid (In Rs.)
Mr. Arvind Kumar Singhania	50,000
Mr. V. B. Haribhakti	1,00,000
Mr. M.S. Ramachandran	1,00,000
Mr. A.K. Newatia	50,000
Mr. Dinesh Chandra Kothari	1,00,000
Mr. Anand Chand Burman	10,000
Mr. P. S. Dasgupta	20,000

Company pays remuneration to its Executive Directors by way of salary, perquisites and allowances, contribution to provident fund and superannuation fund and commission. Remuneration is paid within the overall limits approved by the members of the Company. The notice period for Executive Directors is three months .

Details of remuneration paid/payable to Executive Directors for the financial year 2011-12 are hereinunder:-

(Figures in Rupees Lacs)

Name of Director	Designation	Salary	Allowances & Perquisites	Contribution to PF and SAF	Total
Mr. Pradeep Kumar Rustagi	Executive Director and CFO	24.81	34.42	3.98	63.21
Mr. Ashok Kumar Agarwal	Executive Director-Operations & Projects	25.23	36.72	4.03	65.98

Details of Shareholding of Directors in Ester Industries Limited

Name of the Director	No. of Shares hold
Mr. Arvind Kumar Singhania	150
Mr. V. B. Haribhakti	1500
Mr. M.S. Ramachandran	Nil
Mr. A.K. Newatia	Nil
Mr. Dinesh Chandra Kothari	20,000
Mr. Anand Chand Burman	Nil
Mr. P. S. Dasgupta	Nil
Mr. Pradeep Kumar Rustagi	500
Mr. Ashok Kumar Agarwal	100

4. Shareholders'/ Investors' Grievance Committee

The Company has a Shareholders'/ Investors' Grievance Committee to look into the rederessal of investors' complaints and requests such as delay in transfer of shares, non-receipt of annual report, change of address, etc.

The present constitution of the Committee comprises of following 3 Directors -

1. Mr. A. K. Newatia, Independent Director (Chairman of the Committee)
2. Mr. Pradeep Kumar Rustagi, Executive Director & CFO
3. Mr. Ashok Kumar Agarwal, Executive Director – Operations & Projects

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

The Board of Directors has approved the following terms of reference for the Shareholders/ Investors Grievances Committee.

1. To approve/refuse/reject registration of transfer/transmission of shares.
2. To authorise issue of Duplicate Share Certificate and Share Certificate after split/consolidation/replacement.
3. To monitor rederessal of Shareholders and Investors Complaints about transfer of shares, non receipt of balance sheet , non receipt of declared dividend.
4. To affix or authorise affixation of the Common Seal of the Company on Share Certificate of the Company.
5. Such other functions as may be assigned by the Board.

The committee met as and when required during the year under review.

The Company has received 94 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 2012.

The Company gives utmost priority to the rederessal 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.

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

Certification by Executive Director- Operations & Projects and Executive Director & CFO as stipulated in the Clause 49 (V) of the Listing Agreement was placed before the Board alongwith the financial statement for the year ended 31st March 2012, and the Board reviewed the same. The said Certificate is annexed with the Corporate Governance Report.

5. Borrowing Committee

During the year 2011-12, the Company has constituted a Borrowing Committee to avail various credit facilities from Banks. The Board has delegated its borrowing powers to the said Committee and authorized and empowered the Committee to borrow such amount as Company may require within the agreed limit from time to time for the purpose of the Business of the Company.

The Borrowing Committee of the Board comprised of the four directors of which one is Non- Executive Chairman and belongs to Promoter category, two are Executive Director and other one is Independent Director viz as follows:

1. Mr. Ashok Kumar Newatia, Independent Director (Chairman of the Committee)
2. Mr. Arvind Kumar Singhania, Non- Executive Chairman of Board.
3. Mr. Pradeep Kumar Rustagi, Executive Director & CFO
4. Mr. Ashok Kumar Agarwal, Executive Director – Operations & Projects

Meeting of Borrowing Committee and attendance during the year

During 2011-12, one meeting of Borrowing Committee was held on 29th November, 2011.

The attendance of members of Borrowing Committee at this meeting was as follows:

Sr. No	Name of the Member	Category	No. of Meeting Held	No. of Meeting attended
1.	Mr. Ashok Kumar Newatia (Chairman of Committee)	Independent Director	1	1
2.	Mr. Arvind Kumar Singhania	Non Executive Chairman of the Board	1	Nil
3.	Mr. Pradeep Kumar Rustagi	Whole-time Director	1	1
4.	Mr. Ashok Kumar Agarwal	Whole-time Director	1	1

6. 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
2010-2011	25.07.2011	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Commencement of New Business under Other Objects 2. Alteration of Articles of Association of the Company
2009-2010	27.07.2010	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	Appointment of Mr. Ayush Vardhan Singhania (Relative of Managing Director) as Group Leader-Business Development
2008-2009	01.07.2009	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	Increase in Remuneration of Managing Director

Extra Ordinary General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2009-2010	21.10.2009	11.00 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	Preferential allotment of Zero Coupon Fully and Compulsorily Convertible Unsecured Debentures and Zero Coupon Warrants

During the year under review no Resolution was passed through Postal Ballot.

7. Disclosures

Related Party Transactions

During the financial year 2011-12 there was no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Disclosure of Accounting Treatment

During the Year while in the preparation of the financial statement, no treatment different from that prescribed in an Accounting Standard has been followed.

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.

Management

Management Discussion and Analysis is forming the part of the Annual Report to the Shareholders.

Whistle Blower Policy

Employees can report there concerns by e-mailing to the Company for this purpose at whistleblower@ester.in or by sending a letter to the Chairman. This mail –id will only receive mails from ester.in. Employees who wish to remain anonymous can do so.

8. Means of communication

- The quarterly and yearly financial results are generally published in the following newspapers:

  Economic Times, Times of India, Financial Express, Nav Bharat Times, Viswamanav, Bareilly, Uttar Pradesh, Himachal Times, Dehradun

- The financial results are displayed on www.esterindustries.com.

9. General Shareholder Information:

9.1 Forthcoming Annual General Meeting

Date and Time	Friday, 28th September 2012 at 12:00 Noon
Venue	Sohan Nagar, P.O. Charubeta, Khatima- 262308, District Udhamsingh Nagar, Uttarakhand

9.2 Financial Calendar (Tentative and subject to change):

Financial Results for the Quarter ending 30th June 2012	August - 2012
Financial Results for the Quarter ending 30th September 2012	November - 2012
Financial Results for the Quarter ending 31st December 2012	February - 2013
Financial Results for the Quarter and year ending 31st March 2013	April/May - 2013
Annual General Meeting	Any date between May 2013 - September 2013

9.3 Books closure date 18th September 2012 to 21st September 2012 (both days inclusive) in compliance with Listing Agreement for the purpose of Annual General Meeting

9.4 Dividend

No dividend has been recommended for the financial year 2011-12

9.5 Listing of Equity Shares on Stock Exchanges

Ester Industries Limited is presently listed on Bombay Stock Exchange and National Stock Exchange and 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	62893706 Equity Shares of Rs. 5/- each	62893706 Equity Shares of Rs. 5/- each
Website of Stock Exchanges	www.bseindia.com	www.nseindia.com
Scrip Code	500136	ESTER

* The shares of the Company was got listed on National Stock Exchange w.e.f. 20th June, 2011

9.6 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-11	55.50	38.55	4597805	-	-	-
May-11	45.75	37.40	3908410	-	-	-
Jun-11	46.35	40.50	2185898	46.95	40.75	227974
Jul-11	50.65	41.40	1397776	50.90	41.65	700435
Aug-11	43.75	25.90	1463456	43.40	26.10	730213
Sep-11	32.05	27.25	535711	32.00	26.90	437222
Oct-11	32.05	26.60	199840	32.15	26.65	224989
Nov-11	38.65	22.20	1128682	38.75	21.85	1065885
Dec-11	26.40	19.40	403399	26.45	19.50	299030
Jan-12	26.10	19.80	539889	25.90	20.00	350645
Feb-12	28.85	22.00	1047780	29.35	22.00	827475
Mar-12	23.60	18.55	585773	23.85	18.85	385061

9.7 Registrar and Share Transfer Agents:

MCS Limited,
F – 65, Okhla Industrial Area Phase - I,
New Delhi – 110 020
Phone No. – 011-41406149/50/51
Fax No. – 011-41709881
E-Mail : admin@mcsdel.com

9.8 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 15 to 20 days from the date of receipts, subject to the documents being valid and complete in all respects.

9.9 Distribution of Shareholding as on 31st March 2012:

Distribution	No. of Shareholders	% to total Shareholders	No. of shares	% to total shares
1-500	22968	83.81	4098819	6.52
501-1000	2235	8.16	1893824	3.01
1001-2000	1097	4.00	1754850	2.79
2001-3000	385	1.40	1001905	1.59
3001-4000	170	0.62	614246	0.98
4001-5000	155	0.57	747439	1.19
5001-10000	222	0.81	1667005	2.65
10001-50000	147	0.54	2796517	4.44
50001-100000	9	0.03	710409	1.13
And Above	16	0.06	47608692	75.70
TOTAL	**27404**	**100.00**	**62893706**	**100.00**

Shareholding Pattern as on 31st March 2012:

Category of Shareholder		No. of Shareholders	No. of Shares	% to total shares
A.	**PROMOTER AND PROMOTER GROUP**			
1.	**Indian**			
a.	Individual/HUF	2	300	0.0005
b.	Bodies Corporate	1	9172650	14.5844
	Sub Total	**3**	**9172950**	**14.5849**
2.	**Foreign**			
a.	Individuals (NRI/ Foreign Individuals)	2	300	0.0005
b.	Bodies Corporate	2	36170192	57.5100
	Sub Total	**4**	**36170492**	**57.5105**
	Total Shareholding of Promoter and Promoter Group	**7**	**45343442**	**72.0954**
B.	**PUBLIC SHAREHOLDING**			
1.	**Institutions**			
a.	Mutual Funds/UTI	5	27500	0.0437
b.	Financial Institutions/Banks	10	34800	0.0553
c.	Insurance Companies	1	300	0.0005
	Sub Total	**16**	**62600**	**0.0995**
2.	**Non Institutions**			
a.	Bodies Corporate	553	2204444	3.5050
b.	Resident Individuals	26651	14416262	22.9216
c.	Non-Resident Individual	176	865958	1.3769
d.	Trust & Foundations	1	1000	0.0016
	Sub Total	**27381**	**17487664**	**27.8051**
	Total Public Shareholding	**27397**	**17550264**	**27.9046**
	GRAND TOTAL (A) + (B)	**27404**	**62893706**	**100.00**

9.10 Dematerialisation of Shares:

As on 31st March 2012, 92.63% of the Company's shares were held in dematerialised form.

ISIN (Both NSDL & CDSL)-INE778B01029

9.11 Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments and their likely impact on equity	As on date there are no outstanding warrants or any convertible instruments. The Company has not issued any GDR/ ADR.
9.12 Plant location:	Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand
9.13 (i) Investor Correspondence (For transfer/dematerlisation of shares and any other query related to the shares of the Company)	**For shares held in physical form** MCS Limited F – 65, Okhla Industrial Area Phase - I, New Delhi – 110 020 Phone No. – 011-41406149/50/51 Fax No. – 011-41709881 E-Mail: - admin@mcsdel.com **For shares held in Demat form** To the respective Depository Participant
(ii) Any query on Annual Report	Secretarial Department DLF Building No. 8, Tower A, 2nd Floor, DLF Cyber City, DLF Phase II, Sector 25, Gurgaon, Haryana – 122 002 Phone: 0124-4572100 Fax : 0124-4572199 E-Mail: shares.deptt@ester.in Web site: www.esterindustries.com

DECLARATION

It is hereby 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/-

Ashok Kumar Agarwal

Executive Director – Operations & Projects

Date : 1st August, 2012

Place : New Delhi

CERTIFICATE BY EXECUTIVE DIRECTOR & CFO AND EXECUTIVE DIRETOR-OPERATIONS & PROJECTS

In terms of clause 49(V) 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 2012 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 2011-2012 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.

Pradeep Kumar Rustagi
Executive Director and CFO

Dated : 4th May, 2012
Place : Gurgaon

Ashok Kumar Agarwal
Executive Director- Operations & Projects

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Ester Industries Limited

We have examined the compliance of conditions of Corporate Governance by Ester Industries Limited, for the year ended 31st March, 2012, as stipulated in Clause 49 of the listing agreement of the said Company with 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 condition of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation 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 state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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 management has conducted the affairs of the Company.

For Dhananjay Shukla & Associates
(Company Secretaries)

Sd/-
Dhananjay Shukla
Proprietor
C. P. No. – 8271

Date : 1st August 2012
Place : Gurgaon

AUDITORS' REPORT

To

The Members of Ester Industries Limited

1. We have audited the attached Balance Sheet of Ester Industries Limited ('the Company') as at March 31, 2012 and also the Statement of profit and loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. 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;

   iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;

      b) in the case of the statement of profit and loss, of the loss for the year ended on that date; and

      c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.: 83906

Date : 4th May 2012
Place : Gurgaon

Annexure referred to in paragraph 3 of our report of even date

Re: Ester Industries Limited

(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 program 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.

(c) There was no substantial disposal of fixed assets during the year.

(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 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) 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. There is no sale of service; hence provisions of this clause, to the extent of sale of services are not applicable to the Company. 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) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) 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 209(1)(d) of the Companies Act, 1956, related to the manufacture of polyester films and engineering plastics and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and material other undisputed 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, custom duty, excise duty 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
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
Central Excise Act, 1944	Demand on shortages on inputs on department physical verificatioin.	3.09	July 2010	Assistant Commissioner, Rampur
Income Tax Act, 1961	Penalty imposed on difference of loss assessed by Income Tax Department and tax return filed by the Company.	1.84	1988-89	High Court, Delhi
Income Tax Act, 1961	Dispute on Disallowance of advertisement expenditure pursuant to Rule 6B of IT Rules, 1962 by ITAT	1.68	A.Y. 1990-91, 1993-94 to 1997-98	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Dispute on Disallowances of club expenditure on the contention that expenses not incurred wholly and exclusively for the business needs.	1.80	A.Y. 1990-91, 1993-94 to 1994-95 & A.Y.2005-06	Income Tax Appellate Tribunal, Delhi & 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 Appellate Tribunal, Delhi
Income Tax Act, 1961	Dispute on disallowances of expenses relating to previous year.	14.68	A.Y. 1993-94 to 1997-98	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Disallowance of 80HHC benefit in MAT computation	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	37.47	A.Y. 2006-07 to A.Y. 2009-10	Commissioner Appeals

(x) 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.

(xi) 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 banks. The Company has no outstanding debentures during the current year.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.

(xv) 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.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) 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.

For **S. R. BATLIBOI & CO.**
Firm Registration No. 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.: 83906

Date : 4th May 2012
Place : Gurgaon

BALANCE SHEET as at March 31, 2012

(Rs. in Lacs)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' fund			
Share capital	3	3,144.69	3,144.69
Reserves & surplus	4	23,258.90	24,665.40
		26,403.59	27,810.09
Non - current liabilities			
Long term borrowings	5	16,796.11	16,162.70
Deferred tax liability (net)	6	2,149.35	2,854.06
Long term provisions	7	392.72	364.34
		19,338.18	19,381.10
Current liabilities			
Short term borrowings	5	6,946.28	5,726.71
Trade payables	8	5,994.04	5,778.92
Other current liabilities	9	3,822.18	1,730.06
Short term provisions	7	207.92	1,943.89
		16,970.42	15,179.58
Total		**62,712.19**	**62,370.77**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	34,981.12	36,218.15
Intangible assets	10	63.53	105.15
Capital work in progress		1,719.34	460.10
Non-current investment	11	80.41	90.41
Long term loans & advances	12	1,534.01	1,579.36
Other non-current assets	13	57.19	159.30
		38,435.60	38,612.47
Current assets			
Inventories	14	10,431.03	7,437.54
Trade receivables	15	8,420.65	12,103.31
Cash & bank balances	16	2,116.87	1,663.55
Short term loans & advances	12	2,924.44	1,829.52
Other current assets	13	383.60	724.38
		24,276.59	23,758.30
Total		**62,712.19**	**62,370.77**
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.
Firm Registration No. 301003E
Chartered Accountants

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

per Manoj Gupta
Partner
Membership no. 83906

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2012

(Rs. in Lacs)

	Notes		For the year ended March 31, 2012		For the year ended March 31, 2011
Revenue from operations (gross)	17		74,207.07		71,736.97
Less: - Excise duty			4,249.06		4,572.75
Revenue from operations (net)			69,958.01		67,164.22
Other income	18		578.31		163.97
Total revenues (I)			**70,536.32**		**67,328.19**
Expenses					
Cost of material consumed	19		51,833.23		33,897.44
(Increase) / decrease in inventories of finished goods & work in progress	20		(2,474.86)		(2,337.15)
Employee benefits expense	21		2,482.20		2,995.18
Other expenses	22		14,589.34		10,364.42
Total expenses (II)			**66,429.91**		**44,919.89**
Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)			**4,106.41**		**22,408.30**
Depreciation and amortisation expense	10	2,668.13		1,807.18	
Less: Transferred from revaluation reserve		14.59	2,653.54	14.60	1,792.58
Finance costs	23		3,549.48		1,276.40
Profit / (loss) before tax			**(2,096.61)**		**19,339.32**
Tax expense					
Current tax			-		5,339.81
Deferred tax			(704.70)		1,052.74
Total tax expenses			**(704.70)**		**6,392.55**
Profit / (loss) after tax			**(1,391.91)**		**12,946.77**
Earnings per share					
Basic & diluted	24		(2.21)		20.59
{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.
Firm Registration No. 301003E
Chartered Accountants

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

per Manoj Gupta
Partner
Membership no. 83906

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2012

(Rs. in Lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	(2,096.61)	19,339.32
Adjustments for:		
Depreciation/Amortisation	2,653.54	1,792.58
Loss on Fixed Assets Sold/Discarded (net)	15.31	39.46
Interest Expense	1,982.23	854.10
Interest income	(110.31)	(62.23)
Dividend income	(0.72)	(0.07)
Premium on forward contracts amortised	140.72	75.56
Unrealized foreign exchange loss (net)	1,310.58	47.48
Bad debts, advances and irrecoverable balances written off (net)	0.20	2.57
Provision for Obsolete Inventories	-	2.41
Provision for diminution in the value of investment written back	-	(0.48)
Provisions / liabilities no longer required written back	(42.48)	(1.79)
Operating Profit before Working Capital Changes	**3,852.46**	**22,088.91**
Movements in working capital :		
Decrease / (Increase) in trade receivables	3,682.65	(7,039.41)
Decrease / (Increase) loans and advances/other current assets	(615.86)	(1,043.61)
Decrease / (Increase) in Inventories	(2,993.49)	(3,523.90)
Increase/ (Decrease) in Trade & Other Payables/ Provisions	1,121.45	2,634.54
Cash Generated from Operations	5,047.21	13,116.53
Direct Taxes Paid	(310.77)	(4,817.14)
Net cash flow from operating activities (a)	**4,736.44**	**8,299.39**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,676.35)	(22,155.66)
Sale of Fixed Assets	64.11	77.81
Deposits	(1,099.92)	(2,895.09)
Proceeds of deposits matured	1,077.82	2,779.93
Purchase of Investments	-	(85.00)
Sale of investment	10.00	22.00
Interest Received	81.25	58.39
Dividend Received	0.72	0.07
Net cash flow from /(used) in investing activities (b)	**(3,542.37)**	**(22,197.55)**
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from short term borrowings	1,219.57	1,744.60
Proceeds from long term borrowings	2,328.40	15,719.54
Repayment of long & short term borrowings	(974.56)	(533.62)
Interest Paid	(1,991.27)	(738.36)
Dividend Paid	(1,447.11)	(2,173.74)
Net cash flow from /(used) in financing activities (c)	**(864.97)**	**14,018.42**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**329.10**	**120.26**
Cash and cash equivalents at the beginning of the year	692.51	572.25
Cash and cash equivalents at the end of the year	**1,021.61**	**692.51**
Components of cash and cash equivalents		
Cash on Hand	12.71	4.39
Balances with Scheduled Banks :		
- On current Accounts	939.67	633.71
- On Term Deposits	1,152.44	1,130.34
- On Unpaid Dividend Accounts*	69.23	54.41
Cash & Bank Balances	**2,174.06**	**1,822.85**
Less: Fixed deposits not considered as cash and cash equivalents		
- Deposit Pledged with banks	106.44	329.11
- Deposit having maturity period more than 3 months	1,046.01	801.23
	1,021.61	**692.51**

* 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.
Firm Registration No. 301003E
Chartered Accountants

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

per Manoj Gupta
Partner
Membership no. 83906

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

NOTES TO FINANCIAL STATEMENT for the year ended March 31, 2012

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) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary Companies (see below), the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also re-classified the previous year figures in accordance with the requirements applicable in the current year.

Dividend on investment in subsidiary companies

Till the year ended March 31, 2011, the company, in accordance with the pre-revised Schedule VI requirement, was recognizing dividend declared by subsidiary companies after the reporting date in the current year's statement of profit and loss if such dividend pertained to the period ending on or before the reporting date. The revised Schedule VI, applicable for financial years commencing on or after April 1, 2011, does not contain this requirement. Hence, to comply with AS -9 Revenue Recognition, the company has changed its accounting policy for recognition of dividend income from subsidiary companies. In accordance with the revised policy, the company recognizes dividend as income only when the right to receive the same is established by the reporting date. Dividend received during the year Rs. Nil (previous year Rs. Nil).

b) 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 the Companies (Accounting Standards) Rules, 2006,(as amended) and the relevant provisions of the Companies Act.1956. 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 explained above.

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 31.10.1992 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 Profit & Loss account.

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 rates prescribed under Schedule XIV of the Companies Act, 1956. The management of the Company is of the view that this depreciation rate fairly represents the useful life of the assets except for the following assets where a higher rate is used:

	Rates (SLM)	Schedule XIV Rates (SLM)
Batteries under UPS project (Plant and Machinery)	19.60%	5.28%

ii. Fixed assets costing below Rs.5000 are depreciated at the rate of 100%.

iii. Depreciation on the revalued portion of fixed assets is adjusted against the revaluation reserve.

iv. Depreciation on the amount of additions made to fixed assets due to upgradations / 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.

vi. Leasehold improvements are amortised over a primary period of lease or useful life, whichever is lower.

f) Intangibles

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. Software's 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 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 Profit & Loss Account 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 import duty benefits under Duty Exemption Pass Book (DEPB), Duty Draw back and advance license scheme are accounted for on accrual basis. Export benefits under Duty Exemption Pass Book (DEPB) & Duty Draw back are considered as other operating income.

Interest

Revenue 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

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as other income or as expenses in the year 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) are funded defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.

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 benefits in the form of Provident Fund (where contributed to the Regional Provident Fund Commissioner) and employee state insurance are defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the respective authorities.

   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.

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.

v. Actuarial gains/losses are immediately taken to Profit and Loss account 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 profit and loss account 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 and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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, 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 does not include depreciation and amortization expenses, finance cost and tax expenses.

3. Share capital

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Authorized shares		
150,000,000 (previous year: 150,000,000) equity shares of Rs. 5/- each	7,500.00	7,500.00
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		
62,893,706 (previous year: 62,893,706) equity shares of Rs. 5/- each fully paid	3,144.69	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.

During the year ended March 31, 2012, the amount of dividend recognized as distribution to equity shareholders was Rs. nil per share (previous year : Rs. 4 including interim dividend of Rs. 2).

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, 2012	As at March 31, 2011
Goldring Investments Corp, ultimate holding company 2,608,696 (previous year 2,608,696) equity shares of Rs. 5 each fully paid	130.43	130.43
Wilemina Finance Corp., holding company ** 33,561,496 (previous year 2,608,696) equity shares of Rs. 5 each fully paid	1,678.07	130.43
Saraswati Trading Company Ltd (subsidiary of holding) ** Nil (previous year 23,862,800) equity shares of Rs. 5 each fully paid	-	1,193.14
Sri Lakshmi Investments Ltd (subsidiary of holding) ** Nil (previous year 7,090,000) equity shares of Rs. 5 each fully paid	-	354.50
Sriyam Impex Private Limited (subsidiary of holding) * 9,172,650 (previous year 9,172,650) equity shares of Rs. 5 each fully paid	458.63	458.63

* Shares held by Super Leasing Limited has been included in Sriyam Impex Private Limited pursuant to it's merger with Sriyam Impex Private Limited w.e.f. February 18, 2011.

** Shares held by Saraswati Trading Company Ltd and Sri Lakshmi Investments Ltd has been included in Wilemina Finance Corp. pursuant to it's merger w.e.f. April 20, 2011.

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

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, 2012	As at March 31, 2011
7,391,306 equity shares allotted as fully paid-up pursuant to conversion of warrants and fully convertable debentures during the year 2009-10.	369.57	369.57

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

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Saraswati Trading Company Ltd (subsidiary of holding) ** Nil (previous year 23,862,800) equity shares of Rs. 5 each fully paid	-	1,193.14
Sri Lakshmi Investments Ltd (subsidiary of holding) ** Nil (previous year 7,090,000) equity shares of Rs. 5 each fully paid	-	354.50
Wilemina Finance Corp., holding company ** 33561496 (previous year 2608696) equity shares of Rs. 5 each fully paid	1,678.07	130.43
Sriyam Impex Private Limited (subsidiary of holding) * 9,172,650 (previous year 9,172,650) equity shares of Rs. 5 each fully paid	458.63	458.63

* Shares held by Super Leasing Limited has been included in Sriyam Impex Private Limited pursuant to it's merger with Sriyam Impex Private Limited w.e.f. February 18, 2011.

** Shares held by Saraswati Trading Company Ltd and Sri Lakshmi Investments Ltd has been included in Wilemina Finance Corp. pursuant to it's merger w.e.f. April 20, 2011.

4. Reserves & surplus

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Capital reserve	**5,778.57**	**5,778.57**
Capital redemption reserve	**335.37**	**335.37**
Securities premium account	**2,718.77**	**2,718.77**
Revaluation reserve		
Balance as per last financial statement	563.22	609.51
Less: transferred to profit and loss account	14.59	46.29
	548.63	563.22
General reserve		
Balance as per last account	1,503.67	208.99
Add: transferred from profit and loss account	-	1,294.68
	1,503.67	1,503.67
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statement	13,765.80	5,042.44
Add: profit / (loss) for the year	(1,391.91)	12,946.77
Less: appropriations		
Transfer to general reserve	-	1,294.68
Interim dividend on equity shares	-	1,257.87
Proposed dividend on equity shares	-	1,257.88
Tax on dividend	-	412.98
Net surplus in the statement of profit & loss	**12,373.89**	**13,765.80**
Total reserves & surplus	**23,258.90**	**24,665.40**

5. Borrowings

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Long Term		
Secured		
Term loans from banks	3,050.46	4,448.07
Term loans from body corporate	43.51	150.77
Vehicle loans	113.67	162.90
Buyers' credit for capital goods	13,588.47	11,400.96
Total (A)	**16,796.11**	**16,162.70**
Short Term		
Secured		
Working capital loan from banks	3,084.24	3,440.28
Bills discounting	2,231.11	2,286.43
Buyers' credit for raw material	1,630.93	-
Total (B)	**6,946.28**	**5,726.71**
Total borrowings (A+B)	**23,742.39**	**21,889.41**

I. Term loans

a) **From Bank of Baroda** of Rs. 514.38 lacs (Previous year Rs. 721.00 lacs) for Corporate Office project is secured by mortgage created by way of deposit of title deeds in respect of the immoveable property (land and building under construction thereon) at Gurgaon. The term loan bears floating interest at the rate base rate plus 4.25% pa. The term loans are repayable in 59 monthly installments starting from April 2013.

b) **From State bank of Bikaner and Jaipur** of Rs. 162.50 lacs (Previous year Rs. Nil) 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 rate base Rate plus 3.25% pa. The Term Loans are repayable in 14 quarterly installments starting from April 2013.

c) **From consortium member banks** of Rs. 2,373.57 lacs (Previous Year Rs. 3,707.07 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% - 4.25% pa. These term loans are repayable in 24 quarterly installments starting from April 2013.

   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).

d) **From Body Corporate (Tata Capital Limited)** is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder No: 3 & Off Line Coater and further secured by irrevocable guarantee of Mr. Arvind Kumar Singhania (Chairman of the Company) and Wilemina Finance Corp. (Holding company). The term loan from body corporate bears floating interest at the rate 16.50% pa. Term Loans are repayable in 9 monthly installments starting from April 2013.

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans.

III. Buyers' Credit for capital goods

a) Buyers' credit amounting to Rs. 11,585.76 lacs (Previous Year Rs. 10,516.80 lacs) are against Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) issued by consortium of banks. LOUs / LOCs facility is secured by first mortgage created by way of deposit of title deeds in respect of the immovable properties situated at Khatima, both present & future and first charge by way of hypothecation of all movable assets (save and except inventories, book debts, vehicles acquired through vehicles loans and machinery acquired through term loans taken from body corporate on exclusive charge basis), ranking pari passu inter-se and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

b) Buyers' Credit amounting to Rs. 1,012.91 lacs (Previous Year Rs. 884.16 lacs) are against LOUs / LOCs issued by Union Bank of India (UBI). LOUs / LOCs facility from UBI is secured by first exclusive charge by way of hypothecation of Metallizer (Topmet 2850) and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

c) Buyers' Credit amounting to Rs. 989.80 lacs (Previous Year Rs. nil) 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 Reclaim co-extruder and In-Line coater, 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. 13,588.47 lacs (Previous Year - Rs. 11,400.96 Lacs). LOU / LOC facilities to the extent of Rs.12,575.56 Lacs (previous year- Rs 10,516.80 lacs) is sanctioned to the company as a sub limit of term loans upto a period of 3 years from May 2010 to Aug 2013.

   LOCs / LOUs facilities are sanctioned to the company as a sub limit of term loan. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable over a period of seven years.

IV. Working capital loan and bills discounting: 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 ranging from Base Rate plus 2.50% to 2.75% pa.

V. 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).

6. Deferred tax liability

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	3,655.39	3,125.75
Gross deferred tax liability	**3,655.39**	**3,125.75**
Deferred tax assets		
Provision for doubtful debts and advances	-	88.86
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	1,506.04	182.83
Gross deferred tax assets	**1,506.04**	**271.69**
Net deferred tax liability / (asset)	**2,149.35**	**2,854.06**

7. Provisions

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Long term provisions		
Provision for gratuity (refer note 28)	392.72	364.34
Total long term provision	**392.72**	**364.34**
Short term provisions		
Provision for taxation (net of advance tax payments)	74.96	321.64
Provision for wealth tax	7.07	8.65
Provision for proposed dividend	-	1,257.88
Provision for tax on proposed dividend	-	204.06
Provision for gratuity (refer note 28)	17.52	32.10
Provision for leave benefits	108.37	119.56
Total short term provision	**207.92**	**1,943.89**
Total provisions	**600.64**	**2,308.23**

8. Trade Payable

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Trade Payable		
Acceptances	4,133.33	2,942.79
Total outstanding dues of micro, small & medium enterprises (refer note 31)	64.53	30.53
Total outstanding dues of other than micro, small & medium enterprises	1,796.18	2,805.60
Total trade payables	**5,994.04**	**5,778.92**

9. Other current liability

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Current maturities of term loans from banks	2,301.88	250.51
Current maturities of term loans from body corporate	107.26	146.50
Current maturities of vehicle loans	80.00	82.68
Interest accrued but not due on borrowings	106.70	115.74
Deposits from dealer / customer & others	2.58	2.58
Advances from customers	356.13	444.62
Investor education & protection fund will be credited by this amount (as & when due)	69.23	54.41
Others payables		
- dues to statutory authorities	114.88	102.23
- others	683.52	530.79
	3,822.18	1,730.06
Total other liabilities	**3,822.18**	**1,730.06**

10. Fixed assets

(Rs. in lacs)

Description	Gross block					Accumulated depreciation / amortisation					Net block	
	April 1, 2011	Additions	Adjustment	Deductions	March 31, 2012	April 1, 2011	Current year	Adjustment	Deductions	March 31, 2012	March 31, 2012	March 31, 2011
Tangible assets:												
Land - freehold (i) & (iii)	1,486.54	17.82	-	-	**1,504.36**	-	-	-	-	**-**	**1,504.36**	1,486.54
Buildings (iii)	5,293.47	55.43	-	-	**5,348.90**	1,364.95	164.14	-	-	**1,529.09**	**3,819.82**	3,928.52
Plant & machinery (ii), (iii) & (iv)	55,739.36	1,692.27	448.05	6.00	**56,977.58**	25,733.07	2,330.75	4.80	3.24	**28,055.78**	**28,921.80**	30,006.29
Furniture & fixtures	192.30	6.92	-	-	**199.22**	81.43	11.32	-	-	**92.76**	**106.46**	110.87
Lease hold improvements	145.81	-	-	-	**145.81**	83.06	16.61	-	-	**99.67**	**46.14**	62.75
Office equipments	445.80	68.67	-	0.70	**513.77**	250.85	43.25	-	0.15	**293.95**	**219.82**	194.95
Vehicles	592.43	65.70	-	152.42	**505.72**	164.19	50.31	-	71.51	**142.99**	**362.72**	428.24
Intangible assets:												
Software	306.69	10.12	-	-	**316.82**	201.54	51.76	-	-	**253.29**	**63.53**	105.15
Total	**64,202.40**	**1,916.93**	**448.05**	**159.12**	**65,512.18**	**27,879.09**	**2,668.14**	**4.80**	**74.90**	**30,467.53**	**35,044.65**	**36,323.31**
Previous year	**40,932.50**	**24,641.15**	**-**	**1,371.25**	**64,202.40**	**27,353.81**	**1,807.18**	**-**	**1,281.90**	**27,879.09**	**36,323.31**	**13,578.69**

(i) Conveyance deed in respect of part of the land valued at Rs. Nil (previous year Rs 4.75 lacs) is pending for execution.

(ii) (a) Amount of borrowing cost aggregating Rs. 5.34 lacs (Previous year Rs.428.64 lacs) is capitalised during the year.

(b) Current year's deletions from plant & machinery include Rs. 6.00 lacs (Previous year Rs.687.10 lacs) on account of discarding of the old machinery and equipments

(iii) (a) Gross block of fixed assets includes Rs. 7299.53 lacs (previous Year Rs.7,299.53 lacs) being the amount added on revaluation of fixed assets on 31-10-1992

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. 6733.37 Lacs (previous year Rs. 6733.37 lacs)

(iv) Plant & machinery Rs. 448.05 lacs (previous year nil) have been adjusted for remission of liability towards technician fee & other expenses.

11. Non-current Investments

(Rs. In lacs)

		As at March 31, 2012	As at March 31, 2011
A.	**Other than trade - quoted**		
	Equity shares		
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Ltd.	0.04	0.04
	- 200 (previous year 100) equity shares of Rs.10 each fully paid up in Polyplex Corporation Ltd.	0.05	0.05
	- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Synthetics Ltd.	0.03	0.03
	- 200 (previous year 200) equity shares of Rs.10 each fully paid up in Reliance Industries Ltd.	0.14	0.14
	- 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
	- 196 (previous year 196) equity shares of Rs.10 each fully paid up in Nirlon Ltd.	0.02	0.02
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Ltd.	0.11	0.11
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Garware Polyester Ltd.	0.01	0.01
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in SRF Ltd.	0.02	0.02
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Uflex Industries Ltd.	0.05	0.05
	- 200 (previous year 200) equity shares of Rs.10 each fully paid up in Jindal Poly Films Ltd.	0.03	0.03
	- 30,000 (previous year 30,000) equity shares of Rs.10 each fully paid up in Ispat Industries Limited**	7.17	7.17
	- 1000 (previous year 1000) equity shares of Rs.10 each fully paid up in Bajaj Hindustan Limited**	5.40	5.40
		13.29	**13.29**
Less: provision for diminution in the value of Investments		4.88	4.88
		8.41	8.41
B.	**Other than trade - unquoted**		
	Units of mutual fund		
	- 21,824.53 (previous year 21,824.53) units of SBI- Magnum Comma Fund - Growth Plan of Rs. 22.91 each fully paid up (units purchased during the year Rs.Nil (previous Year Rs.Nil))	5.00	5.00
	- 50,000 (previous year 50000) units in Baroda Pioneer Infrastructure Fund - Growth Plan of Rs. 10 each fully paid up (units purchased during the previous year Rs. Nil (previous year Rs. 5.00 lacs)).	5.00	5.00
	- 100,000 (previous year 100,000) units in Baroda Pioneer PSU Equity Fund - Growth Plan of Rs. 10 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	10.00	10.00
	- 100,000 (previous year 100,000) units in SBI- PSU Fund Growth of Rs. 10 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	10.00	10.00
	- 108,342 (previous year 108,342) units in SBI- PSU Fund Growth Plan of Rs. 9.23 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	10.00	10.00
	- Nil (previous year 99,940.04) units in SBI-SHF- Ultra Short Term Fund - Growth Plan of Rs. 10.01 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	-	10.00
	- 14,612.83 (previous year 14,612.83) units in DSP Blackrock balanced Fund- Growth Plan of Rs. 68.43 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	10.00	10.00
	- 20,633.45 (previous year 20,633.45) units in DSP Blackrock Top 100 Eq Fund- Growth Plan of Rs. 96.93 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 20.00 lacs)).	20.00	20.00
	Preference shares		
	- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up Ispat Industries Limited**	4.78	4.78
		74.78	84.78
Less : provision for diminution in the value of Investment in Ispat Industries Limited		2.78	2.78
		72.00	82.00
C.	**In subsidiary companies**		
	Other than trade (unquoted, fully paid up)		
	- 25000 (previous year 25000) equity shares of Rs. 1 each fully paid Ester International [USA] Ltd.	9.69	9.69
	(a company under the same management under section 370(1B) of the companies Act, 1956.)		
Less : provision for diminution in the value of Investment		9.69	9.69
		-	-
		80.41	**90.41**
Aggregate amount of quoted investments (market value Rs 7.14 lacs, (previous year Rs. 11.66 lacs) (net of provision)		8.41	8.41
Aggregate amount of unquoted investments (net of provision)		72.00	82.00
Total investment net of provisions		**80.41**	**90.41**

** Previous Year: These Investment were transferred from current to long term investments.

12. Loans & advances

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Non-current		
Unsecured, considered good		
Capital advances	1,162.53	1,186.28
Prepaid expenses	12.88	75.80
Deposits-others	294.90	254.09
Loans and advances to related parties	63.70	63.19
Total (A)	**1,534.01**	**1,579.36**
Current		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	850.88	520.32
Prepaid expenses	432.97	532.77
Advance tax & tax deducted at source (net of provision of tax)	182.28	87.93
MAT credit entitlement		
Opening Balance	-	284.45
Add: Created during the year	-	-
Less: Utilized during the year	-	(284.45)
Balances with excise, custom, etc.	1,387.57	641.04
Loans to employees	57.68	37.72
Deposits-others	13.06	9.74
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	2,956.35	1,861.43
Less: provision for doubtful advances	31.91	31.91
Total (B)	**2,924.44**	**1,829.52**
Total (A+B)	**4,458.45**	**3,408.88**

13. Other assets

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Non-current		
Other bank balances	57.19	159.30
Total other non-current assets	**57.19**	**159.30**
Current		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	0.20	11.04
Interest receivable on deposits	42.15	13.09
Export benefit receivable	297.08	650.26
Unamortized premium on forward contracts	44.17	49.99
Total other current assets	**383.60**	**724.38**
Total other assets	**440.79**	**883.68**

14. Inventory (at lower of cost or net reliasable value)

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Raw materials {including stock in transit Rs. 777.95 lacs (previous year Rs. 867.28 lacs)}	3,303.66	2,942.51
Work in process	1,127.68	735.66
Finished goods {including stock in transit Rs. 853.95 lacs (previous year Rs. 141.51 lacs)}	5,028.64	2,945.38
Stores and spares {including stock in transit Rs. 14.58 lacs (previous year Rs. 23.48 lacs)}	971.05	813.99
Total inventories	**10,431.03**	**7,437.54**

15. Trade Receivables

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	23.26	37.33
Doubtful	-	5.44
	23.26	42.77
Less: Provision for doubtful trade receivables	-	5.44
Total (A)	23.26	37.33
Other receivables		
Secured, considered good	1,647.28	1,770.06
Un-secured, considered good	6,750.11	10,295.92
Total (B)	8,397.39	12,065.98
Total (A+B)	**8,420.65**	**12,103.31**

16. Cash and bank Balances

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Cash on hand	12.71	4.39
Balances with banks in current accounts	939.67	633.71
Short term deposits with original maturity of less than 3 months	-	800.00
Unpaid dividend accounts *	69.23	54.41
Total (A)	**1,021.61**	**1,492.51**
Other bank balance		
Short term deposits pledged	106.44	25.00
Deposits with maturity of more than 3 months but up to 12 months	881.47	135.59
Deposits with original maturity of more than 12 months	164.54	169.75
Total (B)	**1,152.45**	**330.34**
Total Cash & Bank Balance (A+B)	2,174.06	1,822.85
Less:- Amount disclosed under non-current assets	(57.19)	(159.30)
Cash & Bank Balance	**2,116.87**	**1,663.55**

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

17. Revenue from operations

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of products	72,643.35	70,673.36
Other operating revenue	1,563.72	1,063.61
Revenue from operations (gross)	**74,207.07**	**71,736.97**
Less: Excise duty	4,249.06	4,572.75
Revenue from operations (net)	**69,958.01**	**67,164.22**

Excise duty on sales amounting to Rs. 4,249.06 lacs (previous year Rs. 4,572.75 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/decrease of stock Rs. 202.66 lacs (previous year Rs. 132.62 lacs) has been considered as (income) / expenses in note 22 of the financial statements.

Other operating revenue comprises the following income:

(Rs. In lacs)

Other operating revenue	For the year ended March 31, 2012	For the year ended March 31, 2011
Sales of scrap	21.81	34.23
DEPB earned	816.12	1,029.38
Drawback earned	725.80	-
	1,563.72	**1,063.61**

Details of goods sold

	2011-12		2010-11	
	Qty. (MT)	Value (Rs. in lacs)	Qty. (MT)	Value (Rs. in lacs)
Polyester / PBT chips	6,690	6,040.32	9,071	6,604.39
Polyester films	50,204	58,818.62	31,379	55,531.99
Engineering Plastics	4,655	7,748.48	5,873	8,499.80
Others		35.92		37.18
Total		**72,643.35**		**70,673.36**

18. Other Income

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest on:		
- Fixed deposits {tax deducted at source Rs. 7.59 lacs (previous year Rs. 2.94 lacs)}	76.51	27.69
- Debtors {tax deducted at source Rs. 0.88 lacs (previous year Rs. 2.26 lacs)}	21.94	22.57
- Others {tax deducted at source Rs. 2.37 lacs (previous year Rs. 2.01 lacs)}	11.86	11.97
Insurance claim	43.09	92.66
Profit / (loss) on sale of investments	0.00	0.81
Dividend	0.72	0.07
Provisions / liabilities no longer required written back	42.48	2.27
Reversal of provision for doubtful debts	5.44	-
Foreign exchange fluctuation gain	314.24	-
Miscellaneous income	62.03	5.93
Total other income	**578.31**	**163.97**

19. Cost of raw material consumed

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Cost of raw material consumed	51,833.23	33,897.44
Total	**51,833.23**	**33,897.44**

Details of raw material consumed

	2011-12		2010-11	
	Qty. (MT)	Value (Rs. in lacs)	Qty. (MT)	Value (Rs. in lacs)
PTA	51633	32,137.17	37106	19,314.91
MEG	20435	12,072.16	14805	6,948.71
PBT chips	2575	3,339.67	3257	3,345.10
Others		4,284.23		4,288.72
Total		**51,833.23**		**33,897.44**

Inventory of Raw material

(Rs. In lacs)

	2011-12 Value	2010-11 Value
PTA	893.02	745.17
MEG	311.54	242.53
PBT chips	625.84	421.40
Others	1,473.26	1,533.40
	3,303.66	**2,942.50**

20. (Increase) / Decrease in Inventories

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Closing stock		
- Finished goods	5,028.23	2,945.39
- Work in process	1,127.68	735.66
	6,155.91	**3,681.05**
Opening stock		
- Finished goods	2,945.39	290.65
- Work in process	735.66	1,053.25
	3,681.05	**1,343.90**
Total (Increase) / Decrease	**(2,474.86)**	**(2,337.15)**

Inventory of finished goods

	2011-12		2010-11	
	Qty. (MT)	Value (Rs. in lacs)	Qty. (MT)	Value (Rs. in lacs)
Polyester chips	964	844.35	1,192	996.12
Polyester films	1821	2,144.32	777	978.84
Engineering plastics	181	271.32	195	251.00
Recycled polyester chips	2215	1,768.65	855	719.43
		5,028.64		**2,945.39**

Inventory of work in progress

(Rs. In lacs)

	2011-12 Value	2010-11 Value
Polyester chips	267.36	167.51
Polyester films	824.61	568.15
Engineering plastics	35.71	-
	1,127.68	**735.66**

21. Employee benefit expenses

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages & bonus	1,899.95	2,411.67
Contribution to provident and other funds	207.77	195.27
Gratuity (refer note 28)	34.91	85.92
Staff welfare expenses	339.57	302.32
	2,482.20	**2,995.18**

22. Other Expenditure

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Manufacturing expenses		
Consumption of stores and spare parts	1,119.64	801.93
Consumption of packing material	1,699.52	974.62
Power & fuel	5,365.94	3,601.84
Material handling charges	215.89	135.88
Increase / (decrease) in excise duty on closing stock	202.66	132.62
Total manufacturing expenses (A)	**8,603.65**	**5,646.89**
Selling expenses		
Freight	2,717.15	1,608.70
Commission and brokerage (other than sole selling agents)	381.53	210.02
Discount, claims and rebates	163.89	83.38
Others	98.76	97.31
Total selling expenses (B)	**3,361.33**	**1,999.41**
Administration and other expenses		
Rent	123.85	109.79
Rates and taxes	70.42	17.29
Insurance	118.31	108.14
Repairs & maintenance		
- Building	33.29	21.82
- Plant & machinery	153.21	104.95

	For the year ended March 31, 2012	For the year ended March 31, 2011
- Others	123.75	101.37
Travelling & conveyance	686.44	685.13
Communication costs	130.69	110.62
Legal & professional charges	494.15	612.66
Printing & stationery	29.26	26.29
Donations (other than political parties)	73.30	19.00
Directors sitting fees	4.30	4.30
Director's commission	-	100.00
Auditors' remuneration		
- Statutory audit fee	13.50	16.50
- Limited review fee	8.50	7.50
- Out of pocket expenses	0.92	1.28
- Other services	-	6.00
Loss on sale of DEPB license	13.71	24.65
Loss on fixed assets sold / discarded	15.31	39.46
Bad debts, advances & irrecoverable balances written off	0.20	2.57
Foreign exchange fluctuation loss	-	86.89
Obsolete inventory written off	-	2.41
Premium on forward contract amortised	140.72	75.56
Miscellaneous expenses	390.51	433.93
Total Administrative & other expenses (C)	**2,624.36**	**2,718.12**
Total other expenses (A+B+C)	**14,589.34**	**10,364.42**

23. Finance cost

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest		
- on term loans	823.82	256.16
- on working capital	802.72	526.58
- on buyer's credit facilities	355.69	71.37
Exchange fluctuation component of borrowing cost	906.01	83.85
Bank charges	661.24	338.45
	3,549.48	**1,276.40**

24. Earning per share (EPS)

	Year ended March 31, 2012	Year ended March 31, 2011
Net profit/(loss) for calculation of basic /diluted EPS (Rs. in lacs)	(1,391.91)	12,946.77
Weighted average number of equity shares in calculating basic & diluted EPS (Rs. in lacs)	62,893,706	62,893,706
Basic / diluted EPS (in Rs.)	(2.21)	20.59

25. Capital commitments

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	10,392.81	9,454.54

Capital Commitments are on account of commissioning of new polyester film line, construction of new corporate office based at Gurgaon, relating to the part of assets (Inline Coater & Reclaim Extrusion) replaced in existing polyster film lines and other assets.

26. Contingent liabilities not provided for

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
(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 Terephalate. 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	**13.75**	**2.59**
(c) Income Tax:		
(i) Demand raised during assessment (A.Y. 1989-90)	1.84	1.84
(ii) 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. 1990-91, 1993-94 to 1997-98 by ITAT.	1.68	1.68
(iii) 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. 1990-91, 1993-94 to 1994-95 & A.Y. 2005-06 by ITAT.	1.80	1.80

	As at March 31, 2012	As at March 31, 2011
(iv) 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
(v) Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68
(vi) Demand of MAT (including interest) A.Y. 2004-05*	5.78	46.63
* Disallowances of expenses incurred on earning exempt income like dividend and interest 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.		
(vii) Demand of MAT (including interest) A.Y. 2005-06@	11.16	17.05
@ 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.		
(viii) 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.	37.27	14.43
Total (c)	**79.31**	**103.21**
(d) Labour Cases:		
Workers suspended, pending in High Court, Delhi	**1.67**	**1.67**
Total (D) = (a)+(b)+(c)+(d)	**621.66**	**634.40**
(e) Other claims not acknowledged as debts	**48.50**	**47.50**
(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.	**163.75**	**426.48**

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.

27. Directors' Remuneration

The Company appointed Mr. Ashok Kumar Agarwal and Mr. Pradeep Kumar Rustagi as Whole Time Directors of the Company with effect from February 14, 2011 with the approval of the shareholders. During the FY 2010-11, the Company had adequate profits and both the directors were paid remuneration within the limits as prescribed in Schedule XIII to the Companies Act, 1956.

During the current year, due to changed market condition caused by over-supply, the Company has suffered losses which were not determinable at the time of appointment. The remuneration paid to both the whole time directors is in excess of the limit prescribed under schedule XIII of the Companies Act, 1956 by Rs. 25.19 lacs. Therefore the Company, with the approval of shareholders in the Extra ordinary general meeting held on April 7, 2012, has made an application to the Central Government seeking its approval for the payment of remuneration in case of losses. The application is still under consideration with the Central Government.

Further in respect of managerial remuneration of Rs. 15.50 lacs paid during earlier years and not sanctioned by the department of company affairs, an interim stay has been granted by the Hon'ble High Court of Delhi on the writ petition filed by the Company.

28. 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, 2012	**March 31, 2011**
Current service cost	33.14	29.96
Interest cost on benefit obligation	33.70	26.65
Net actuarial loss recognised in the year	(31.93)	29.30
Net benefit expense	**34.91**	**85.91**

Balance sheet

Details of provision for Gratuity

(Rs. In Lacs)

	March 31, 2012	**March 31, 2011**
Defined benefit obligation	410.24	396.44
Plan liability	**410.24**	**396.44**

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

(Rs. In Lacs)

	March 31, 2012	**March 31, 2011**
Opening defined benefit obligation	396.44	333.16
Interest cost	33.70	26.65
Current service cost	33.14	29.96
Benefits paid	(21.12)	(22.63)
Actuarial losses on obligation	(31.93)	29.30
Closing defined benefit obligation	**410.24**	**396.44**

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, 2012	March 31, 2011
	%	%
Discount rate	8.50	8.00
Increase in compensation cost	6.00	5.50
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, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	410.24	396.44	333.16	306.32	268.72
Deficit	410.24	396.44	333.16	306.32	268.72
Experience adjustments on plan liabilities Loss/(Gain)	(30.33)	29.30	(10.11)	25.24	-

Contribution to Defined Contribution Plans:

(Rs. In lacs)

	March 31, 2012	March 31, 2011
Superannuation fund	73.06	75.66
Provident fund contribution to Government authority	75.93	68.44

Provident Fund

The company has set up provident fund trust which is managed by the company, and 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.

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011 the actuary has accordingly provided a valuation for the year ended on March 31, 2012 (previous year ended on March 31, 2011 valuation is not available) and based on the below provided assumptions there is a shortfall of Rs. 1.50 lacs as at March 31, 2012. This shortfall in Provident Fund has been made good by way of creating sufficient provision.

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

(Rs. In lacs)

Projected Benefit Obligation	March 31, 2012
Projected Benefit Obligation at Beginning of year	365.95
Current Service Cost	56.67
Interest Cost	31.11
Contributions by plan participants / employees	65.55
Actuarial (Gain) / Loss due to Interest guarantee	0.00
Benefits Paid	(170.38)
Past Service Cost	--
Settlements / Transfer In	115.90
Projected Benefit Obligation at End of year	465.54

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

(Rs. In lacs)

Reconciliation of Plan Assets	March 31, 2012
Plan Asset at beginning of year	398.06
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-
Expected Return on Plan Asset	33.83
Employer Contribution	56.67
Plan Participants / Employee Contribution	65.55
Benefit Payments	(170.38)
Asset Gain /(Loss)	0.53
Settlements / Transfer In	115.90
Ending Asset at Fair Value	500.17

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

Economic Assumptions	March 31, 2012
i) Interest rate	8.50%

Demographic Assumptions	March 31, 2012
i) Mortality	LIC (1994–1996)
ii) Disability	None
iii) Normal Retirement Age	58

29. Details of Loans & advances to parties in which directors are interested and investment by the loanee in the shares of the company (as required by clause 32 of the listing agreement)

(Rs.in lacs)

	Outstanding amount as at		Maximum amount outstanding as at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
- Sriyam Impex Private Limited	-	-	-	-
Investment by the above mentioned loanee (Super Leasing Limited) in the share capital of the Company	458.63	458.63	458.63	458.63

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. 123.85 lacs (previous year Rs. 109.79 lacs) towards lease rentals.

31. Forward contract outstanding as at Balance sheet date:

Particulars	Currency	As at March 31, 2012	As at March 31, 2011	Purpose
Purchase (Cross Currency)	EURO:USD	500,000	-	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.
Purchase	EURO	2,014,600	2,014,600	
	USD	3,546,615	3,546,615	
	USD	1,602,400	291,200	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
Sales	EURO	337,206	-	Forward contract to hedge foreign currency receivables in respect of export of finished goods.
	USD	1,750,000	-	

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, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Import Creditors (Acceptances)	Euro	101,574.59	-	67.39	-	68.45	-
	USD	2,275,740.71	201,600.00	50.94	44.47	1,159.26	89.65
	JPY	-	1,940,400.00	0.62	0.54	-	10.48
Export Debtors	USD	2,158,485.49	12,267,486.00	50.89	44.21	1,098.45	5,423.46
	Euro	9,275.80	530,990.00	67.30	61.58	6.24	326.98
	GBP	29,145.25	90,800.00	81.78	71.29	23.83	64.73
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	5,883,665.00	4,663,565.00	50.90	44.43	2,994.79	2,072.02
	Euro	10,534,336.40	10,446,306.40	67.35	62.22	7,094.88	6,499.69
- For Raw material	USD	1,603,100.00	-	50.90	-	815.98	-

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

(Rs. In lacs)

		For the year ended March 31, 2012	For the year ended March 31, 2011
i)	The principal amount & the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount	64.53	30.53
	Interest Due thereon	-	-
ii)	Payments made to supplier beyond the appointed day during the year		
	Principal	648.62	284.25
	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)
Names of Associates/Joint Ventures :	
- Associates	- Saraswati Trading Company Limited (up to April 19, 2011)
Key Management Personnel.	- Mr. A K Singhania (Chairman) - Mr. Ashok Kumar Agrawal (Executive Director) - Mr. Pradeep Rustagi (Executive Director)
Relatives of Key Management Personnel.	- Mr. Ayush Vardhan Singhania (Son of Mr. A K Singhania)
Individuals, which directly or indirectly through subsidiaries, control or exercise significant influence over the company.	- Mr. Jai Vardhan Singhania
Enterprises owned or significantly influenced by Key management personnel or their relatives	- Sriyam Impex Private Limited - Saraswati Trading Company Limited (up to April 19, 2011) - Sri Lakshmi Investments Limited (up to April 19, 2011) - Wilemina Finance Corporation * - Fenton Investments Private Limited - PDJ Properties & Investment Services Private Limited - Polyplex Corporation Limited

* Saraswati Trading Company Limited and Sri Lakshmi Investments Limited amalgamated in Wilemina Finance Corporation w.e.f. April 20, 2011.

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						
A.K.Singhania	-	-	-	-	-	-
	-	-	(482.28)	-	-	(482.28)
Ashok.K.Agrawal	-	-	65.98	-	-	65.98
	-	-	(6.75)	-	-	(6.75)
Pradeep Rustagi	-	-	63.21	-	-	63.21
	-	-	(7.07)	-	-	(7.07)
Rent Paid						
Super Leasing Ltd	-	-	-	-	-	-
	-	-	-	-	(18.00)	(18.00)
Fenton Investment Pvt. Ltd.					19.55	19.55
Salary Paid						
Ayush Vardhan Singhania	-	-	-	12.00	-	12.00
	-	-	-	-	-	-
Material Sold						
Polyplex Corporation Limited	-	-	-	-	0.32	0.32
	-	-	-	-	(1.19)	(1.19)
Material Purchased						
Polyplex Corporation Limited	-	-	-	-	0.17	0.17
	-	-	-	-	(4.83)	(4.83)
Sriyam Impex Pvt.Ltd.	-	-	-	-	-	-
	-	-	-	-	(0.92)	(0.92)
Balances Outstanding as at year end						
Commission Payable						
A.K.Singhania	-	-	-	-	-	-
	-	-	(400.00)	-	-	(400.00)
Balance payable						
Ester International USA Limited	-	60.00	-	-	-	60.00
	-	(60.00)	-	-	-	(60.00)
Balance Recoverable						
Ester International USA Limited	-	63.70	-	-	-	63.70
	-	(63.19)	-	-	-	(63.19)
Security deposit						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
Receivable for sale of goods						
Polyplex Corporation Limited	-	-	-	-	0.32	0.32
	-	-	-	-	-	-
Guarantees given against Loans Taken (jointly and severally) by the Company						
- Wilemina Finance Corporation	30,171.19	-		-		30,171.19
- Saraswati Trading Company Limited *					(25,159.06)	(25,159.06)
- A.K.Singhania	-	-	150.77 (25,159.06)	-	-	150.77 (25,159.06)

- Previous year figures are given in brackets.
- No amount has been written off or provided for in respect of transactions with related parties.

* Saraswati Trading Company Limited amalgamated in Wilemina Finance Corporation w.e.f. April 20, 2011.

35. 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, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
REVENUE						
External Sales	62,921.17	59,466.77	7,036.84	7,697.45	69,958.01	67,164.22
Inter Segment Sales	-	-	-	-	-	-
Total Revenue	**62,921.17**	**59,466.77**	**7,036.84**	**7,697.45**	**69,958.01**	**67,164.22**
SEGMENT RESULT	4,083.32	24,024.52	348.97	884.18	4,432.29	24,908.72
Unallocated Corporate Expenses					3,557.74	4,456.95
Operating Profit					**874.55**	**20,451.77**
Finance Costs					(3,549.48)	(1,276.40)
Other Income					578.31	163.97
Profit Before Tax					**(2,096.62)**	**19,339.33**
Income Taxes					(704.70)	6,392.55
Net Profit					**(1,391.92)**	**12,946.78**
OTHER INFORMATION						
Segment assets	46,548.95	47,402.78	4,176.86	4,006.13	50,725.81	51,408.92
Unallocated corporate assets					11,922.27	10,961.86
Total assets					**62,648.08**	**62,370.77**
Segment liabilities	5,415.54	5,160.21	1,137.00	353.45	6,552.31	5,513.66
Unallocated corporate liabilities					29,692.20	29,047.02
Total liabilities					36,244.51	34,560.68
Capital expenditure	2,848.54	18,710.67	15.97	78.33	2,864.51	18,789.00
Unallocated Capital expenditure					811.84	3,837.34
Total Capital expenditure					3,676.35	22,626.34
Depreciation/Amortisation	2,309.29	1,350.09	59.08	55.42	2,368.37	1,405.51
Unallocated Depreciation/Amortisation					285.17	387.07
Total Depreciation/Amortisation					2,653.54	1,792.58
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation					-	2.41
Total Non-cash expenses other than depreciation and amortisation					-	**2.41**

B. INFORMATION ABOUT SECONDARY SEGMENTS

a) Revenue as per Geographical Markets

(Rs. In lacs)

	March 31, 2012	March 31, 2011
India *	41,833.74	44,892.90
Outside India	28,124.27	22,271.32
Total	**69,958.01**	**67,164.22**

* Includes Deemed export with in India

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

(Rs. In lacs)

	March 31, 2012	March 31, 2011
India	4,431.88	4,036.33
Outside India	3,988.77	8,066.98
Total	**8,420.65**	**12,103.31**

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

c) The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence, separate figures for fixed assets / additions to fixed assets cannot be furnished.

36. Value of imports calculated on CIF basis

(Rs. in lacs)

	March 31, 2012	March 31, 2011
Raw Materials	3,281.76	5,961.88
Stores & Spare Parts	769.73	499.20
Capital Goods	1,468.58	13,454.82
TOTAL	**5,520.07**	**19,915.90**

37. Net dividend remitted in foreign exchange

(Rs. In lacs)

	March 31, 2012	March 31, 2011	
Period to which it relates	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2009 to March 31, 2010
Number of non-resident shareholders (in absolute no's)	4	5	5
Number of equity shares held on which dividend was due	36,170,192	36,370,192	36,370,192
Amount remitted (USD) (in absolute no's)	1,593,576	1,590,997	778,805
Amount remitted in Rs in lacs	723	727	364

38. Earning in foreign currency:

(Rs. in lacs)

	March 31, 2012	March 31, 2011
FOB value of Export of Goods	27,195.93	21,734.45
TOTAL	**27,195.93**	**21,734.45**

(FOB Value of Exports does not include Deemed Exports of Rs. 132.81 lacs (previous year Rs.26.40 lacs).

39. Imported and indigenous raw material and spare parts consumed

	March 31, 2012		March 31, 2011	
	Percentage	Value (Rs. in lacs)	Percentage	Value (Rs. in lacs)
Raw Material				
Imported	12.23	6,337.46	23.82	8,073.46
Indigenous	87.77	45,495.77	76.18	25,823.99
Total	**100.00**	**51,833.23**	**100.00**	**33,897.45**
Stores & spares				
Imported	47.55	532.41	55.37	444.00
Indigenous	52.45	587.24	44.63	357.93
Total	**100.00**	**1,119.65**	**100.00**	**801.93**

40. Expenditure in foreign currency:

(Rs. in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Bank charges	68.25	60.89
Legal & professional	68.33	42.73
Expense on foreign technicians	28.48	493.55
Books & periodicals	1.67	23.64
Brokerage & commission	237.18	122.61
Travelling expenses	89.94	174.37
Quality compensation and discounts	77.15	12.58
Miscellaneous expenses	47.98	24.69
TOTAL	**618.98**	**955.06**

41. 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.
Firm Registration No. 301003E
Chartered Accountants

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

per Manoj Gupta
Partner
Membership no. 83906

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

A]	Name of the Subsidiary Company	:	Ester International [USA] Ltd.
B]	Financial Year of the Subsidiary Company ended on	:	31st March 2012
C]	Shares of the Subsidiary held by Ester Industries Limited, on the above date:		
	a] Number and Face Value	:	25,000 Equity Shares of USD 1 each
	b] Extent of holding	:	100%
D]	The net aggregate amount of Profit/[Losses] of the Subsidiary Company so far as it concerns the members of Ester Industries Limited:		
	a] not dealt with in the accounts of Ester Industries Limited, for the year ended 31.03.2012 amounted to		
	i] for the subsidiary Financial Year ended on the respective date	:	US $ [2000] equivalent to Rs. 1.02 Lac
	ii] for the previous Financial years of the Subsidiary since it became the Holding Company's Subsidiary	:	US $ [181,593.00] equivalent to Rs. 80.64 Lac
	b] dealt with in the accounts of Ester Industries Limited, for the year ended 31.03.2012 amounted to		
	i] for the Subsidiary's Financial Year	:	NIL
	ii] for the previous Financial Years of the Subsidiary since it became the Holding Company's Subsidiary	:	NIL
E]	Changes in the interest of Ester Industries Ltd. The end of the Subsidiary Financial Year and 31.03.2012	:	NIL
F]	Material Changes between the end of the Subsidiary's Financial year and 31.03.2012 1) Fixed Assets 2) Investments 3) Monies Lent by the Subsidiary 4) Monies borrowed by the Subsidiary Company other than for meeting Current Laibilities	:	NIL

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

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ESTER INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENT OF ESTER INDUSTRIES LIMITED AND ITS SUBSIDIARIES

To The Board of Directors of Ester Industries Limited

1. We have audited the attached consolidated balance sheet of Ester Industries Limited (the 'Ester' Group) as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Ester Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that the consolidated financial statements have been prepared by the Ester Group's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

4. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated balance sheet, of the state of affairs of the Ester Group as at 31st March 2012;

   (b) in the case of the consolidated statement of profit and loss, of the loss of the Ester Group for the year ended on that date; and

   (c) in the case of the consolidated cash flow statement, of the cash flows of the Ester Group for the year ended on that date.

For S.R. BATLIBOI & CO.
Firm registration number : 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership No.:83906

Date : 4th May 2012
Place : Gurgaon

CONSOLIDATED BALANCE SHEET as at March 31, 2012

(Rs. in Lacs)

	Notes	As at March 31, 2012	As at March 31, 2011
Equity and liabilities			
Shareholders' fund			
Share capital	3	3,144.69	3,144.69
Reserves & surplus	4	23,177.53	24,595.21
		26,322.22	27,739.90
Non - current liabilities			
Long term borrowings	5	16,796.11	16,162.70
Deferred tax liability (net)	6	2,149.36	2,854.06
Long term provisions	7	392.72	364.34
		19,338.19	19,381.10
Current liabilities			
Short term borrowings	5	6,946.28	5,726.71
Trade payables	8	6,002.46	5,778.92
Other current liabilities	9	3,836.43	1,741.31
Short term provisions	7	207.92	1,943.89
		16,993.09	15,190.83
Total		**62,653.49**	**62,311.83**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	34,981.12	36,218.15
Intangible assets	10	63.52	105.15
Capital work in progress		1,719.34	460.10
Non-current investment	11	80.41	90.41
Long term loans & advances	12	1,470.31	1,516.17
Other non-current assets	13	57.19	159.30
		38,371.89	38,549.28
Current assets			
Inventories	14	10,431.03	7,437.54
Trade receivables	15	8,420.65	12,103.31
Cash & bank balances	16	2,118.11	1,664.63
Short term loans & advances	12	2,928.21	1,832.69
Other current assets	13	383.60	724.38
		24,281.60	23,762.55
Total		**62,653.49**	**62,311.83**
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.
Firm Registration No. 301003E
Chartered Accountants

per Manoj Gupta
Partner
Membership no. 83906

Date : 4th May, 2012
Place : Gurgaon

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

Ashok Newatia
Director

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2012

(Rs. in Lacs)

	Notes		For the year ended March 31, 2012		For the year ended March 31, 2011
Revenue from operations (gross)	17		74,207.07		71,736.97
Less: - Excise duty			4,249.06		4,572.75
Revenue from operations (net)			69,958.01		67,164.22
Other income	18		578.31		163.97
Total revenues (I)			**70,536.32**		**67,328.19**
Expenses					
Cost of material consumed	19		51,833.23		33,897.44
(Increase) / decrease in inventories of finished goods & work in progress	20		(2,474.86)		(2,337.15)
Employee benefits expense	21		2,482.20		2,995.18
Other expenses	22		14,590.34		10,365.30
Total expenses (II)			**66,430.91**		**44,920.77**
Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)			**4,105.41**		**22,407.42**
Depreciation and amortisation expense	10	2,668.13		1,807.18	
Less: Transferred from revaluation reserve		14.59	2,653.54	14.60	1,792.58
Finance costs	23		3,549.48		1,276.41
Profit / (loss) before tax			(2,097.61)		19,338.43
Tax expense					
Current tax			-		5,339.81
Deferred tax			(704.70)		1,052.74
Total tax expenses			**(704.70)**		**6,392.55**
Profit / (loss) after tax			**(1,392.91)**		**12,945.88**
Earnings per share					
Basic & diluted	24		(2.21)		20.58
{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.
Firm Registration No. 301003E
Chartered Accountants

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

per Manoj Gupta
Partner
Membership no. 83906

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2012

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	(2,097.61)	19,338.42
Adjustments for:		
Depreciation/Amortisation	2,653.54	1,792.58
Loss on Fixed Assets Sold/Discarded (net)	15.31	39.46
Interest Expense	1,982.23	854.10
Interest income	(110.31)	(62.23)
Dividend income	(0.72)	(0.07)
Premium on forward contracts amortised	140.72	75.56
Unrealized foreign exchange loss (net)	1,310.58	47.48
Bad debts, advances and irrecoverable balances written off (net)	0.20	2.57
Provision for Obsolete Inventories	-	2.41
Provision for diminution in the value of investment written back	-	(0.48)
Provisions / liabilities no longer required written back	(42.48)	(1.79)
Operating Profit before Working Capital Changes	**3,851.45**	**22,088.01**
Movements in working capital :		
Decrease / (Increase) in trade receivables	3,682.65	(7,039.41)
Decrease / (Increase) loans and advances/other current assets	(615.95)	(1,043.61)
Decrease / (Increase) in Inventories	(2,993.49)	(3,523.90)
Increase/ (Decrease) in Trade & Other Payables/ Provisions	1,132.90	2,634.87
Cash Generated from Operations	5,057.56	13,115.96
Direct Taxes Paid	(310.77)	(4,817.14)
Net cash flow from operating activities (a)	**4,746.79**	**8,298.82**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,676.35)	(22,155.66)
Sale of Fixed Assets	64.11	77.81
Deposits	(1,099.92)	(2,895.09)
Proceeds of deposits matured	1,077.82	2,779.93
Purchase of Investments	-	(85.00)
Sale of investment	10.00	22.00
Interest Received	81.25	58.39
Dividend Received	0.72	0.07
Net cash flow from /(used) in investing activities (b)	**(3,542.37)**	**(22,197.55)**
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from short term borrowings	1,219.57	1,737.86
Proceeds from long term borrowings	2,328.40	15,719.54
Repayment of long & short term borrowings	(974.56)	(533.62)
Interest Paid	(1,991.27)	(738.36)
Dividend Paid	(1,447.11)	(2,173.74)
Net cash flow from /(used) in financing activities (c)	**(864.97)**	**14,011.68**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**339.44**	**112.95**
Cash and cash equivalents at the beginning of the year	693.59	577.52
Foreign currency transalation difference	(10.18)	3.12
Cash and cash equivalents at the end of the year	**1,022.85**	**693.59**
Components of cash and cash equivalents		
Cash on Hand	12.71	4.39
Balances with Scheduled Banks :		
- On current Accounts	939.67	633.71
- On Term Deposits	1,152.44	1,130.34
- On Unpaid Dividend Accounts*	69.23	54.41
Balance with other bank :		
- On current Accounts	1.24	1.08
Cash & Bank Balances	2,175.30	1,823.93
Less: Fixed deposits not considered as cash and cash equivalents		
- Deposit Pledged with banks	106.44	329.11
- Deposit having maturity period more than 3 months	1,046.01	801.23
	1,022.85	**693.59**

* 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.
Firm Registration No. 301003E
Chartered Accountants

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

per Manoj Gupta
Partner
Membership no. 83906

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

CONSOLIDATED NOTES TO FINANCIAL STATEMENT for the year ended March 31, 2012

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, 2012.

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 (%) As on March 31, 2012
1	Ester International (USA) Limited	USA	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) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary Companies (see below), the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also re-classified the previous year figures in accordance with the requirements applicable in the current year.

b) 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 the Companies (Accounting Standards) Rules, 2006,(as amended) and the relevant provisions of the Companies Act.1956. 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 explained above.

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 31.10.1992 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 Profit & Loss account.

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 changed 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 rates prescribed under Schedule XIV of the Companies Act, 1956. The management of the Company is of the view that this depreciation rate fairly represents the useful life of the assets except for the following assets where a higher rate is used:

	Rates (SLM)	Schedule XIV Rates (SLM)
Batteries under UPS project (Plant and Machinery)	19.60%	5.28%

ii. Fixed assets costing below Rs.5000 are depreciated at the rate of 100%.

iii. Depreciation on the revalued portion of fixed assets is adjusted against the revaluation reserve.

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.

vi. Lease hold improvements are amortised over a primary period of lease or useful life, whichever is lower.

f) Intangibles

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. Software's 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 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

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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 Profit & Loss Account 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 import duty benefits under Duty Exemption Pass Book (DEPB), Duty Draw back and advance license scheme are accounted for on accrual basis. Export benefits under Duty Exemption Pass Book (DEPB) & Duty Draw back are considered as other operating income.

Interest

Revenue 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

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as other income or as expenses in the year 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) are funded defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.

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 benefits in the form of Provident Fund (where contributed to the Regional Provident Fund Commissioner) and employee state insurance are defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the respective authorities.

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.

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.

v. Actuarial gains/losses are immediately taken to Profit and Loss account 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 profit and loss account 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 and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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, 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 does not include depreciation and amortization expenses, finance cost and tax expenses.

3. Share capital

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Authorized shares		
150,000,000 (previous year: 150,000,000) equity shares of Rs. 5/- each	7,500.00	7,500.00
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		
62,893,706 (previous year: 62,893,706) equity shares of Rs. 5/- each fully paid	3,144.69	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.

During the year ended March 31, 2012, the amount of dividend recognized as distribution to equity shareholders was Rs. nil per share (previous year: Rs. 4 including interim dividend of Rs. 2).

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, 2012	For the year ended March 31, 2011
Goldring Investments Corp, ultimate holding company 2,608,696 (previous year 2,608,696) equity shares of Rs. 5 each fully paid	130.43	130.43
Wilemina Finance Corp., holding company ** 33,561,496 (previous year 2,608,696) equity shares of Rs. 5 each fully paid	1,678.07	130.43
Saraswati Trading Company Ltd (subsidiary of holding) ** Nil (previous year 23,862,800) equity shares of Rs. 5 each fully paid	-	1,193.14
Sri Lakshmi Investments Ltd (subsidiary of holding) ** Nil (previous year 7,090,000) equity shares of Rs. 5 each fully paid	-	354.50
Sriyam Impex Private Limited (subsidiary of holding) * 9,172,650 (previous year 9,172,650) equity shares of Rs. 5 each fully paid	458.63	458.63

* Shares held by Super Leasing Limited has been included in Sriyam Impex Private Limited pursuant to it's merger with Sriyam Impex Private Limited w.e.f. February 18, 2011.

** Shares held by Saraswati Trading Company Ltd and Sri Lakshmi Investments Ltd has been included in Wilemina Finance Corp. pursuant to it's merger w.e.f. April 20, 2011.

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.

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, 2012	As at March 31, 2011
7,391,306 equity shares allotted as fully paid-up pursuant to conversion of warrants and fully convertable debentures during the year 2009-10.	369.57	369.57

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

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Saraswati Trading Company Ltd (subsidiary of holding) ** Nil (previous year 23,862,800) equity shares of Rs. 5 each fully paid	-	1,193.14
Sri Lakshmi Investments Ltd (subsidiary of holding) ** Nil (previous year 7,090,000) equity shares of Rs. 5 each fully paid	-	354.50
Wilemina Finance Corp., holding company ** 33561496 (previous year 2608696) equity shares of Rs. 5 each fully paid	1,678.07	130.43
Sriyam Impex Private Limited (subsidiary of holding) * 9,172,650 (previous year 9,172,650) equity shares of Rs. 5 each fully paid	458.63	458.63

* Shares held by Super Leasing Limited has been included in Sriyam Impex Private Limited pursuant to it's merger with Sriyam Impex Private Limited w.e.f. February 18, 2011.

** Shares held by Saraswati Trading Company Ltd and Sri Lakshmi Investments Ltd has been included in Wilemina Finance Corp. pursuant to it's merger w.e.f. April 20, 2011.

4. Reserves & surplus

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Capital reserve	**5,778.57**	**5,778.57**
Capital redemption reserve	**335.37**	**335.37**
Securities premium account	**2,718.77**	**2,718.77**
Revaluation reserve		
Balance as per last financial statement	563.22	609.51
Less: transferred to profit and loss account	14.59	46.29
	548.63	**563.22**
General reserve		
Balance as per last account	1,503.67	208.99
Add: transferred from profit and loss account	-	1,294.68
	1,503.67	**1,503.67**
Foreign Exchange Translation reserve		
Balance as per last account	8.04	4.92
Add: Addition during the year	-	3.12
Less: Reduction during the year	10.18	-
	(2.14)	**8.04**
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statement	13,687.57	4,965.11
Add: profit / (loss) for the year	(1,392.91)	12,945.87
Less: appropriations		
Transfer to general reserve	-	1,294.68
Interim dividend on equity shares	-	1,257.87
Proposed dividend on equity shares	-	1,257.88
Tax on dividend	-	412.98
Net surplus in the statement of profit & loss	**12,294.66**	**13,687.57**
Total reserves & surplus	**23,177.53**	**24,595.21**

5. Borrowings

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Long Term		
Secured		
Term loans from banks	3,050.46	4,448.07
Term loans from body corporate	43.51	150.77
Vehicle loans	113.67	162.90
Buyers' credit for capital goods	13,588.47	11,400.96
Total (A)	**16,796.11**	**16,162.70**
Short Term		
Secured		
Working capital loan from banks	3,084.24	3,440.28
Bills discounting	2,231.11	2,286.43
Buyers' credit for raw material	1,630.93	-
Total (B)	**6,946.28**	**5,726.71**
Total borrowings (A+B)	**23,742.39**	**21,889.41**

I. Term loans

a) From Bank of Baroda of Rs. 514.38 lacs (Previous year Rs. 721.00 lacs) for Corporate Office project is secured by mortgage created by way of deposit of title deeds in respect of the immoveable property (land and building under construction thereon) at Gurgaon. The term loan bears floating interest at the rate base rate plus 4.25% pa. The term loans are repayable in 59 monthly installments starting from April 2013.

b) From State bank of Bikaner and Jaipur of Rs. 162.50 lacs (Previous year Rs. Nil) 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 rate base Rate plus 3.25% pa. The Term Loans are repayable in 14 quarterly installments starting from April 2013.

c) From consortium member banks of Rs. 2,373.57 lacs (Previous Year Rs. 3,707.07 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% - 4.25% pa. These term loans are repayable in 24 quarterly installments starting from April 2013.

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).

d) From Body Corporate (Tata Capital Limited) is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder No: 3 & Off Line Coater and further secured by irrevocable guarantee of Mr. Arvind Kumar Singhania (Chairman of the Company) and Wilemina Finance Corp. (Holding company). The term loan from body corporate bears floating interest at the rate 16.50% pa. Term Loans are repayable in 9 monthly installments starting from April 2013.

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans.

III. Buyers' Credit for capital goods

a) Buyers' credit amounting to Rs. 11,585.76 lacs (Previous Year Rs. 10,516.80 lacs) are against Letters of Undertaking (LOUs) / Letter of Comfort (LOCs) issued by consortium of banks. LOUs / LOCs facility is secured by first mortgage created by way of deposit of title deeds in respect of the immovable properties situated at Khatima, both present & future and first charge by way of hypothecation of all movable assets (save and except inventories, book debts, vehicles acquired through vehicles loans and machinery acquired through term loans taken from body corporate on exclusive charge basis), ranking pari passu inter-se and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

b) Buyers' Credit amounting to Rs. 1,012.91 lacs (Previous Year Rs. 884.16 lacs) are against LOUs / LOCs issued by Union Bank of India (UBI). LOUs / LOCs facility from UBI is secured by first exclusive charge by way of hypothecation of Metallizer (Topmet 2850) and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

c) Buyers' Credit amounting to Rs. 989.80 lacs (Previous Year Rs. nil) 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 Reclaim co-extruder and In-Line coater, 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. 13,588.47 lacs (Previous Year - Rs. 11,400.96 Lacs). LOU / LOC facilities to the extent of Rs.12,575.56 Lacs (previous Year- Rs 10,516.80 lacs) is sanctioned to the company as a sub limit of term loans upto a period of 3 years from May 2010 to Aug 2013.

LOCs / LOUs facilities are sanctioned to the company as a sub limit of term loan. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable over a period of seven years.

IV. **Working capital loan and bills discounting**: 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 ranging from Base Rate plus 2.50% to 2.75% pa.

V. **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).

6. Deferred tax liability

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	3,655.39	3,125.75
Gross deferred tax liability	**3,655.39**	**3,125.75**
Deferred tax assets		
Provision for doubtful debts and advances	-	88.86
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	1,506.03	182.83
Gross deferred tax assets	**1,506.03**	**271.69**
Net deferred tax liability / (asset)	**2,149.36**	**2,854.06**

7. Provisions

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Long term provisions		
Provision for gratuity (refer note 28)	392.72	364.34
Total long term provision	**392.72**	**364.34**
Short term provisions		
Provision for taxation (net of advance tax payments)	74.96	321.64
Provision for wealth tax	7.07	8.65
Provision for proposed dividend	-	1,257.88
Provision for tax on proposed dividend	-	204.06
Provision for gratuity (refer note 28)	17.52	32.10
Provision for leave benefits	108.37	119.56
Total short term provision	**207.92**	**1,943.89**
Total provisions	**600.64**	**2,308.23**

8. Trade Payable

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Trade payables		
Acceptances	4,133.33	2,942.79
Total outstanding dues of micro, small & medium enterprises (refer note 31)	64.53	30.53
Total outstanding dues of other than micro, small & medium enterprises	1,804.60	2,805.60
Total trade payables	**6,002.46**	**5,778.92**

9. Other current liability

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Current maturities of term loans from banks	2,301.88	250.51
Current maturities of term loans from body corporate	107.26	146.50
Current maturities of vehicle loans	80.00	82.68
Interest accrued but not due on borrowings	106.70	115.74
Deposits from dealer / customer & others	2.58	2.58
Advances from customers	356.13	444.62
Investor education & protection fund will be credited by this amount (as & when due)	69.23	54.41
Others payables		
- dues to statutory authorities	189.15	173.46
- others	623.50	470.81
	3,836.43	**1,741.31**
Total other liabilities	**3,836.43**	**1,741.31**

10. Fixed assets

(Rs. in lacs)

Description	Gross block					Accumulated depreciation / amortisation					Net block	
	April 1, 2011	Additions	Adjustment	Deductions	March 31, 2012	April 1, 2011	Current year	Adjustment	Deductions	March 31, 2012	March 31, 2012	March 31, 2011
Tangible assets:												
Land - freehold (i) & (iii)	1,486.54	17.82	-	-	**1,504.36**	-	-	-	-	**-**	**1,504.36**	1,486.54
Buildings (iii)	5,293.47	55.43	-	-	**5,348.90**	1,364.95	164.14	-	-	**1,529.09**	**3,819.82**	3,928.52
Plant & machinery (ii), (iii) & (iv)	55,739.36	1,692.27	448.05	6.00	**56,977.58**	25,733.07	2,330.75	4.80	3.24	**28,055.78**	**28,921.80**	30,006.29
Furniture & fixtures	192.30	6.92	-	-	**199.22**	81.43	11.32	-	-	**92.76**	**106.46**	110.87
Lease hold improvements	145.81	-	-	-	**145.81**	83.06	16.61	-	-	**99.67**	**46.14**	62.75
Office equipments	445.80	68.67	-	0.70	**513.77**	250.85	43.25	-	0.15	**293.95**	**219.82**	194.95
Vehicles	592.43	65.70	-	152.42	**505.72**	164.19	50.31	-	71.51	**142.99**	**362.73**	428.24
Intangible assets:												
Software	306.69	10.12	-	-	**316.82**	201.54	51.76	-	-	**253.29**	**63.52**	105.15
Total	**64,202.40**	**1,916.93**	**448.05**	**159.12**	**65,512.17**	**27,879.09**	**2,668.13**	**4.80**	**74.90**	**30,467.53**	**35,044.64**	**36,323.31**
Previous year	**40,932.50**	**24,641.15**	**-**	**1,371.25**	**64,202.40**	**27,353.81**	**1,807.18**	**-**	**1,281.90**	**27,879.09**	**36,323.31**	**13,578.69**

(i) Conveyance deed in respect of part of the land valued at Rs. Nil (previous year Rs 4.75 lacs) is pending for execution.

(ii) (a) Amount of borrowing cost aggregating Rs. 5.34 lacs (Previous year Rs.428.64 lacs) is capitalised during the year.

(b) Current year's deletions from plant & machinery include Rs. 6.00 lacs (Previous year Rs.687.10 lacs) on account of discarding of the old machinery and equipments.

(iii) (a) Gross block of fixed assets includes Rs. 7299.53 lacs (previous Year Rs.7,299.53 lacs) being the amount added on revaluation of fixed assets on 31-10-1992

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. 6733.37 Lacs (previous year Rs. 6733.37 lacs)

(iv) Plant & machinery Rs. 448.05 lacs (previous year Rs. nil) have been adjusted for remission of liability towards technician fee & other expenses.

11. Non-current Investments

(Rs. In lacs)

		As at March 31, 2012	As at March 31, 2011
A.	**Other than trade - quoted**		
	Equity shares		
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Ltd.	0.04	0.04
	- 200 (previous year 100) equity shares of Rs.10 each fully paid up in Polyplex Corporation Ltd.	0.05	0.05
	- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Synthetics Ltd.	0.03	0.03
	- 200 (previous year 200) equity shares of Rs.10 each fully paid up in Reliance Industries Ltd.	0.14	0.14
	- 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
	- 196 (previous year 196) equity shares of Rs.10 each fully paid up in Nirlon Ltd.	0.02	0.02
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Ltd.	0.11	0.11
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Garware Polyester Ltd.	0.01	0.01
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in SRF Ltd.	0.02	0.02
	- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Uflex Industries Ltd.	0.05	0.05
	- 200 (previous year 200) equity shares of Rs.10 each fully paid up in Jindal in Poly Films Ltd.	0.03	0.03
	- 30,000 (previous year 30,000) equity shares of Rs.10 each fully paid up in Ispat Industries Limited**	7.17	7.17
	- 1000 (previous year 1000) equity shares of Rs.10 each fully paid up in Bajaj Hindustan Limited**	5.40	5.40
		13.29	**13.29**
Less: provision for diminution in the value of Investments		4.88	4.88
		8.41	8.41
B.	**Other than trade - unquoted**		
	Units of mutual fund		
	- 21,824.53 (previous year 21,824.53) units of SBI- Magnum Comma Fund - Growth Plan of Rs. 22.91 each fully paid up (units purchased during the year Rs.Nil (previous Year Rs.Nil))	5.00	5.00
	- 50,000 (previous year 50000) units in Baroda Pioneer Infrastructure Fund - Growth Plan of Rs. 10 each fully paid up (units purchased during the previous year Rs. Nil (previous year Rs. 5.00 lacs)).	5.00	5.00
	- 100,000 (previous year 100,000) units in Baroda Pioneer PSU Equity Fund - Growth Plan of Rs. 10 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	10.00	10.00
	- 100,000 (previous year 100,000) units in SBI- PSU Fund Growth of Rs. 10 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	10.00	10.00
	- 108,342 (previous year 108,342) units in SBI- PSU Fund Growth Plan of Rs. 9.23 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	10.00	10.00
	- Nil (previous year 99,940.04) units in SBI-SHF- Ultra Short Term Fund - Growth Plan of Rs. 10.01 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	-	10.00
	- 14,612.83 (previous year 14,612.83) units in DSP Blackrock balanced Fund- Growth Plan of Rs. 68.43 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 10.00 lacs)).	10.00	10.00
	- 20,633.45 (previous year 20,633.45) units in DSP Blackrock Top 100 Eq Fund- Growth Plan of Rs. 96.93 each fully paid up (units purchased during the year Rs. Nil (previous year Rs. 20.00 lacs)).	20.00	20.00
	Preference shares		
	- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up in Ispat Industries Limited**	4.78	4.78
		74.78	84.78
Less : provision for diminution in the value of Investment in Ispat Industries Limited		2.78	2.78
		72.00	82.00
		80.41	**90.41**
Aggregate amount of quoted investments (market value Rs 7.14 lacs, (previous year Rs. 11.66 lacs) (net of provision))		8.41	8.41
Aggregate amount of unquoted investments (net of provision)		72.00	82.00
Total investment net of provisions		**80.41**	**90.41**

** Previous Year: These Investment were transferred from current to long term investments.

12. Loans & advances

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Non-current		
Unsecured, considered good		
Capital advances	1,162.53	1,186.28
Prepaid expenses	12.88	75.80
Deposits-others	294.90	254.09
Loans and advances to related parties	-	-
Total (A)	**1,470.31**	**1,516.17**
Current		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	854.65	523.49
Prepaid expenses	432.97	532.77
Advance tax & tax deducted at source (net of provision of tax)	182.28	87.93
MAT credit entitlement		
Opening Balance	-	284.45
Add: Created during the year	-	-
Less: Utilized during the year	-	(284.45)
Balances with excise, custom, etc.	1,387.57	641.04
Loans to employees	57.68	37.72
Deposits-others	13.06	9.74
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	2,960.12	**1,864.60**
Less: provision for doubtful advances	31.91	31.91
Total (B)	**2,928.21**	**1,832.69**
Total (A+B)	**4,398.52**	**3,348.86**

13. Other assets

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Non-current		
Other bank balances	57.19	159.30
Total other non-current assets	**57.19**	**159.30**
Current		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	0.20	11.04
Interest receivable on deposits	42.15	13.09
Export benefit receivable	297.08	650.26
Unamortized premium on forward contracts	44.17	49.99
Total other current assets	**383.60**	**724.38**
Total other assets	**440.79**	**883.68**

14. Inventory (at lower of cost or net reliasable value)

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Raw materials {including stock in transit Rs. 777.95 lacs (previous year Rs. 867.28 lacs)}	3,303.66	2,942.51
Work in process	1,127.68	735.66
Finished goods {including stock in transit Rs. 853.95 lacs (previous year Rs. 141.51 lacs)}	5,028.64	2,945.38
Stores and spares {including stock in transit Rs. 14.58 lacs (previous year Rs. 23.48 lacs)}	971.05	813.99
Total inventories	**10,431.03**	**7,437.54**

15. Trade Receivables

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	23.26	37.33
Doubtful	-	5.44
	23.26	42.77
Less: Provision for doubtful trade receivables	-	5.44
Total (A)	23.26	37.33
Other receivables		
Secured, considered good	1,647.28	1,770.06
Un-secured, considered good	6,750.11	10,295.92
Total (B)	8,397.39	12,065.98
Total (A+B)	**8,420.65**	**12,103.31**

16. Cash and bank Balances

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Cash on hand	12.71	4.39
Balances with banks in current accounts	940.91	634.79
Short term deposits with original maturity of less than 3 months	-	800.00
Unpaid dividend accounts *	69.23	54.41
Total (A)	**1,022.85**	**1,493.59**
Other bank balance		
Short term deposits pledged	106.44	25.00
Deposits with maturity of more than 3 months but up to 12 months	881.47	135.59
Deposits with original maturity of more than 12 months	164.54	169.75
Total (B)	**1,152.45**	**330.34**
Total Cash & Bank Balance (A+B)	**2,175.30**	**1,823.93**
Less:- Amount disclosed under non-current assets	(57.19)	(159.30)
Cash & Bank Balance	**2,118.11**	**1,664.63**

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

17. Revenue from operations

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of products	72,643.35	70,673.36
Other operating revenue	1,563.72	1,063.61
Revenue from operations (gross)	**74,207.07**	**71,736.97**
Less: Excise duty	4,249.06	4,572.75
Revenue from operations (net)	**69,958.01**	**67,164.22**

Excise duty on sales amounting to Rs. 4,249.06 (previous year Rs. 4,572.75 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/decrease of stock Rs. 202.66 lacs (previous year Rs. 132.62 lacs) has been considered as (income) / expenses in note 22 of the financial statements.

Other operating revenue comprises the following income:

(Rs. In lacs)

Other operating revenue	For the year ended March 31, 2012	For the year ended March 31, 2011
Sales of scrap	21.81	34.23
DEPB earned	816.12	1,029.38
Drawback earned	725.80	-
	1,563.72	**1,063.61**

Details of goods sold

	2011-12		2010-11	
	Qty. (MT)	Value (Rs. in Lacs)	Qty. (MT)	Value (Rs. in Lacs)
Polyester / PBT chips	6,690	6,040.32	9,071	6,604.39
Polyester films	50,204	58,818.62	31,379	55,531.99
Engineering Plastics	4,655	7,748.48	5,873	8,499.80
Others		35.92		37.18
Total		**72,643.35**		**70,673.36**

18. Other Income

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest on:		
- Fixed deposits {tax deducted at source Rs. 7.59 lacs (previous year Rs. 2.94 lacs)}	76.51	27.69
- Debtors {tax deducted at source Rs. 0.88 lacs (previous year Rs. 2.26 lacs)}	21.94	22.57
- Others {tax deducted at source Rs. 2.37 lacs (previous year Rs. 2.01 lacs)}	11.86	11.97
Insurance claim	43.09	92.66
Profit / (loss) on sale of investments	0.00	0.81
Dividend	0.72	0.07
Provisions / liabilities no longer required written back	42.48	2.27
Reversal of provision for doubtful debts	5.44	-
Foreign exchange fluctuation gain	314.24	-
Miscellaneous income	62.03	5.93
Total other income	**578.31**	**163.97**

19. Cost of raw material consumed

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Cost of raw material consumed	51,833.23	33,897.44
Total	**51,833.23**	**33,897.44**

Details of raw material consumed

	2011-12		2010-11	
	Qty. (MT)	Value (Rs. in lacs)	Qty. (MT)	Value (Rs. in lacs)
PTA	51633	32,137.17	37106	19,314.91
MEG	20435	12,072.16	14805	6,948.71
PBT chips	2575	3,339.67	3257	3,345.10
Others		4,284.24		4,288.71
Total		**51,833.23**		**33,897.44**

Inventory of Raw material

(Rs. In lacs)

	2011-12 Value (Rs. in lacs)	2010-11 Value (Rs. in lacs)
PTA	893.02	745.17
MEG	311.54	242.53
PBT chips	625.84	421.40
Others	1,473.26	1,533.40
	3,303.66	**2,942.51**

20. (Increase) / Decrease in Inventories

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Closing stock		
- Finished goods	5,028.23	2,945.39
- Work in process	1,127.68	735.66
	6,155.91	**3,681.05**
Opening stock		
- Finished goods	2,945.39	290.65
- Work in process	735.66	1,053.25
	3,681.05	**1,343.90**
Total (Increase) / Decrease	**(2,474.86)**	**(2,337.15)**

Inventory of finished goods

	2011-12		2010-11	
	Qty. (MT)	Value (Rs. in lacs)	Qty. (MT)	Value (Rs. in lacs)
Polyester chips	964	844.35	1,192	996.12
Polyester films	1821	2,144.32	777	978.84
Engineering plastics	181	271.32	195	251.00
Recycled polyester chips	2215	1,768.65	855	719.43
		5,028.64		**2,945.39**

Inventory of work in progress

(Rs. In lacs)

	2011-12 Value	2010-11 Value
Polyester chips	267.36	167.51
Polyester films	824.61	568.15
Engineering plastics	35.71	-
	1,127.68	**735.66**

21. Employee benefit expenses

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, wages & bonus	1,899.95	2,411.67
Contribution to provident and other funds	207.77	195.27
Gratuity (refer note 28)	34.91	85.92
Staff welfare expenses	339.57	302.32
	2,482.20	**2,995.18**

22. Other Expenditure

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Manufacturing expenses		
Consumption of stores and spare parts	1,119.64	801.93
Consumption of packing material	1,699.52	974.62
Power & fuel	5,365.94	3,601.84
Material handling charges	215.89	135.88
Increase / (decrease) in excise duty on closing stock	202.66	132.62
Total manufacturing expenses (A)	**8,603.65**	**5,646.89**
Selling expenses		
Freight	2,717.15	1,608.70
Commission and brokerage (other than sole selling agents)	381.53	210.02
Discount, claims and rebates	163.89	83.38
Others	98.76	97.31
Total selling expenses (B)	**3,361.33**	**1,999.41**
Administration and other expenses		
Rent	123.85	109.79
Rates and taxes	70.42	17.29
Insurance	118.31	108.14
Repairs & maintenance		
- Building	33.29	21.82
- Plant & machinery	153.21	104.95
- Others	123.75	101.37

	For the year ended March 31, 2012	For the year ended March 31, 2011
Travelling & conveyance	686.44	685.13
Communication costs	130.69	110.62
Legal & professional charges	494.15	612.66
Printing & stationery	29.26	26.29
Donations (other than political parties)	73.30	19.00
Directors sitting fees	4.30	4.30
Director's commission	-	100.00
Auditors' remuneration		
- Statutory audit fee	14.52	17.39
- Limited review fee	8.50	7.50
- Out of pocket expenses	0.92	1.28
- Other services	-	6.00
Loss on sale of DEPB license	13.71	24.65
Loss on fixed assets sold / discarded	15.31	39.46
Bad debts, advances & irrecoverable balances written off	0.20	2.57
Foreign exchange fluctuation loss	-	86.89
Obsolete inventory written off	-	2.41
Premium on forward contract amortised	140.72	75.56
Miscellaneous expenses	390.51	433.93
Total Administrative & other expenses (C)	**2,625.36**	**2,719.00**
Total other expenses (A+B+C)	**14,590.34**	**10,365.30**

23. Finance cost

(Rs. In lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest		
- on term loans	823.82	256.16
- on working capital	802.72	526.57
- on buyer's credit facilities	355.69	71.37
Exchange fluctuation component of borrowing cost	906.01	83.85
Bank charges	661.24	338.46
	3,549.48	**1,276.41**

24. Earning per share (EPS)

(Rs. in lacs)

	Year ended March 31, 2012	Year ended March 31, 2011
Net profit/(loss) for calculation of basic /diluted EPS (Rs. in lacs)	(1,392.91)	12,945.88
Weighted average number of equity shares in calculating basic & diluted EPS	62,893,706	62,893,706
Basic / diluted EPS (in Rs.)	(2.21)	20.58

25. Capital & other commitments

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	10,392.81	9,454.54

Capital Commitments are on account of commissioning of new polyester film line, construction of new corporate office based at Gurgaon, relating to the part of assets (Inline Coater & Reclaim Extrusion) replaced in existing polyster film lines and other assets.

26. Contingent liabilities not provided for

(Rs. In lacs)

	As at March 31, 2012	As at March 31, 2011
(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 Terephalate. 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)	**362.73**	**526.93**
(b) Show cause notices related to Service Tax & Excise rebate on export	**13.75**	**2.59**
(c) Income Tax:		
(i) Demand raised during assessment (A.Y. 1989-90)	1.84	1.84
(ii) 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. 1990-91, 1993-94 to 1997-98 by ITAT.	1.68	1.68
(iii) 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. 1990-91, 1993-94 to 1994-95 & A.Y. 2005-06 by ITAT.	1.80	1.80
(iv) 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

	As at March 31, 2012	As at March 31, 2011
(v) Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68
(vi) Demand of MAT (including interest) A.Y. 2004-05*	5.78	46.63
* Disallowances of expenses incurred on earning exempt income like dividend and interest 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.		
(vii) Demand of MAT (including interest) A.Y. 2005-06@	11.16	17.05
@ 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.		
(viii) 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.	37.27	14.43
Total (c)	**79.31**	**103.21**
(d) Labour Cases:		
Workers suspended, pending in High Court, Delhi	**1.67**	**1.67**
Total (D) = (a)+(b)+(c)+(d)	**621.66**	**634.40**
(e) Other claims not acknowledged as debts	**48.50**	**47.50**
(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.	**163.75**	**426.48**

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.

27. Directors' Remuneration

The Company appointed Mr. Ashok Kumar Agarwal and Mr. Pradeep Kumar Rustagi as Whole Time Directors of the Company with effect from February 14, 2011 with the approval of the shareholders. During the FY 2010-11, the Company had adequate profits and both the directors were paid remuneration within the limits as prescribed in Schedule XIII to the Companies Act, 1956.

During the current year, due to changed market condition caused by over-supply, the Company has suffered losses which were not determinable at the time of appointment. The remuneration paid to both the whole time directors is in excess of the limit prescribed under schedule XIII of the Companies Act, 1956 by Rs. 25.19 lacs. Therefore the Company, with the approval of shareholders in the Extra ordinary general meeting held on April 7, 2012, has made an application to the Central Government seeking its approval for the payment of remuneration in case of losses. The application is still under consideration with the Central Government.

Further in respect of managerial remuneration of Rs. 15.50 lacs paid during earlier years and not sanctioned by the department of company affairs, an interim stay has been granted by the Hon'ble High Court of Delhi on the writ petition filed by the Company.

28. 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, 2012	**March 31, 2011**
Current service cost	33.14	29.96
Interest cost on benefit obligation	33.70	26.65
Net actuarial loss recognised in the year	(31.93)	29.30
Net benefit expense	**34.91**	**85.91**

Balance sheet

Details of provision for Gratuity

(Rs. In Lacs)

	March 31, 2012	March 31, 2011
Defined benefit obligation	410.24	396.44
Plan liability	**410.24**	**396.44**

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

(Rs. In Lacs)

	March 31, 2012	March 31, 2011
Opening defined benefit obligation	396.44	333.16
Interest cost	33.70	26.65
Current service cost	33.14	29.96
Benefits paid	(21.12)	(22.63)
Actuarial losses on obligation	(31.93)	29.30
Closing defined benefit obligation	**410.24**	**396.44**

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, 2012	March 31, 2011
	%	%
Discount rate	8.50	8.00
Increase in compensation cost	6.00	5.50
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, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	410.24	396.44	333.16	306.32	268.72
Deficit	410.24	396.44	333.16	306.32	268.72
Experience adjustments on plan liabilities Loss/(Gain)	(30.33)	29.30	(10.11)	25.24	-

Contribution to Defined Contribution Plans:

(Rs. In lacs)

	March 31, 2012	March 31, 2011
Superannuation fund	73.06	75.66
Provident fund contribution to Government authority	75.93	68.44

Provident Fund

The company has set up provident fund trust which is managed by the company, and 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.

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011 the actuary has accordingly provided a valuation for the year ended on March 31, 2012 (previous year ended on March 31, 2011 valuation is not available) and based on the below provided assumptions there is a shortfall of Rs. 1.50 lacs as at March 31, 2012. This shortfall in Provident Fund has been made good by way of creating sufficient provision.

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

(Rs. In lacs)

Projected Benefit Obligation	March 31, 2012
Projected Benefit Obligation at Beginning of year	365.95
Current Service Cost	56.67
Interest Cost	31.11
Contributions by plan participants / employees	65.55
Actuarial (Gain) / Loss due to Interest guarantee	0.00
Benefits Paid	(170.38)
Past Service Cost	--
Settlements / Transfer In	115.90
Projected Benefit Obligation at End of year	465.54

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

(Rs. In lacs)

Reconciliation of Plan Assets	**March 31, 2012**
Plan Asset at beginning of year	398.06
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-
Expected Return on Plan Asset	33.83
Employer Contribution	56.67
Plan Participants / Employee Contribution	65.55
Benefit Payments	(170.38)
Asset Gain /(Loss)	0.53
Settlements / Transfer In	115.90
Ending Asset at Fair Value	500.17

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

Economic Assumptions	**March 31, 2012**
i) Interest rate	8.50%

Demographic Assumptions	**March 31, 2012**
i) Mortality	LIC (1994–1996)
ii) Disability	None
iii) Normal Retirement Age	58

29. Details of Loans & advances to parties in which directors are interested and investment by the loanee in the shares of the company (as required by clause 32 of the listing agreement)

(Rs.in lacs)

Description	**Outstanding amount as at**		**Maximum amount outstanding as at**	
	March 31, 2012	**March 31, 2011**	**March 31, 2012**	**March 31, 2011**
- Sriyam Impex Private Limited	-	-	-	-
Investment by the above mentioned loanee (Super Leasing Limited) in the share capital of the Company	458.63	458.63	458.63	458.63

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. 123.85 lacs (previous year Rs. 109.79 lacs) towards lease rentals.

31. Forward contract outstanding as at Balance sheet date:

Particulars	**Currency**	**As at March 31, 2012**	**As at March 31, 2011**	**Purpose**
Purchase (Cross Currency)	EURO:USD	500,000	-	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.
Purchase	EURO	2,014,600	2,014,600	
	USD	3,546,615	3,546,615	
	USD	1,602,400	291,200	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
Sales	EURO	337,206	-	Forward contract to hedge foreign currency receivables in respect of export of finished goods.
	USD	1,750,000	-	

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, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Import Creditors (Acceptances)	Euro	101,574.59	-	67.39	-	68.45	-
	USD	2,275,740.71	201,600.00	50.94	44.47	1,159.26	89.65
	JPY	-	1,940,400.00	0.62	0.54	-	10.48
Export Debtors	USD	2,158,485.49	12,267,486.00	50.89	44.21	1,098.45	5,423.46
	Euro	9,275.80	530,990.00	67.30	61.58	6.24	326.98
	GBP	29,145.25	90,800.00	81.78	71.29	23.83	64.73
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	5,883,665.00	4,663,565.00	50.90	44.43	2,994.79	2,072.02
	Euro	10,534,336.40	10,446,306.40	67.35	62.22	7,094.88	6,499.69
- For Raw material	USD	1,603,100.00	-	50.90	-	815.98	-

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

(Rs. In lacs)

		For the year ended March 31, 2012	For the year ended March 31, 2011
i)	The principal amount & the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount	64.53	30.53
	Interest Due thereon	-	-
ii)	Payments made to supplier beyond the appointed day during the year		
	Principal	648.62	284.25
	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)
Names of Associates/Joint Ventures :	
- Associates	- Saraswati Trading Company Limited (up to April 19, 2011)
Key Management Personnel.	- Mr. A K Singhania (Chairman) - Mr. Ashok Kumar Agrawal (Executive Director) - Mr. Pradeep Rustagi (Executive Director)
Relatives of Key Management Personnel.	- Mr. Ayush Vardhan Singhania (Son of Mr. A K Singhania)
Individuals, which directly or indirectly through subsidiaries, control or exercise significant influence over the company.	- Mr. Jai Vardhan Singhania
Enterprises owned or significantly influenced by Key management personnel or their relatives	- Sriyam Impex Private Limited - Saraswati Trading Company Limited (up to April 19, 2011) - Sri Lakshmi Investments Limited (up to April 19, 2011) - Wilemina Finance Corporation * - Fenton Investments Private Limited - PDJ Properties & Investment Services Private Limited - Polyplex Corporation Limited

* Saraswati Trading Company Limited and Sri Lakshmi Investments Limited amalgamated in Wilemina Finance Corporation w.e.f. April 20, 2011.

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						
A.K.Singhania	-	-	-	-	-	-
	-	-	(482.28)	-	-	(482.28)
Ashok.K.Agrawal	-	-	65.98	-	-	65.98
	-	-	(6.75)	-	-	(6.75)
Pradeep Rustagi	-	-	63.21	-	-	63.21
	-	-	(7.07)	-	-	(7.07)
Rent Paid						
Super Leasing Ltd	-	-	-	-	-	-
	-	-	-	-	(18.00)	(18.00)
Fenton Investment Pvt. Ltd.					19.55	19.55
Salary Paid						
Ayush Vardhan Singhania	-	-	-	12.00	-	12.00
	-	-	-	-	-	-
Material Sold						
Polyplex Corporation Limited	-	-	-	-	0.32	0.32
	-	-	-	-	(1.19)	(1.19)
Material Purchased						
Polyplex Corporation Limited	-	-	-	-	0.17	0.17
	-	-	-	-	(4.83)	(4.83)
Sriyam Impex Pvt.Ltd.	-	-	-	-	-	-
	-	-	-	-	(0.92)	(0.92)
Balances Outstanding as at year end						
Commission Payable						
A.K.Singhania	-	-	-	-	-	-
	-	-	(400.00)	-	-	(400.00)
Balance payable						
Ester International USA Limited	-	60.00	-	-	-	60.00
	-	(60.00)	-	-	-	(60.00)
Balance Recoverable						
Ester International USA Limited	-	63.70	-	-	-	63.70
	-	(63.19)	-	-	-	(63.19)
Security deposit						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
Receivable for sale of goods						
Polyplex Corporation Limited	-	-	-	-	0.32	0.32
	-	-	-	-	-	-
Guarantees given against Loans Taken (jointly and severally) by the Company						
- Wilemina Finance Corporation	30,171.19	-		-		30,171.19
- Saraswati Trading Company Limited *					(25,159.06)	(25,159.06)
- A.K.Singhania	-	-	150.77	-	-	150.77
			(25,159.06)			(25,159.06)

- Previous year figures are given in brackets.
- No amount has been written off or provided for in respect of transactions with related parties.

* Saraswati Trading Company Limited amalgamated in Wilemina Finance Corporation w.e.f. April 20, 2011.

35. 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, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
REVENUE						
External Sales	62,921.17	59,466.77	7,036.84	7,697.45	69,958.01	67,164.22
Inter Segment Sales		-		-	-	-
Total Revenue	**62,921.17**	**59,466.77**	**7,036.84**	**7,697.45**	**69,958.01**	**67,164.22**
SEGMENT RESULT	**4,083.32**	**24,024.52**	**348.96**	**884.18**	**4,432.29**	**24,908.71**
Unallocated Corporate Expenses					3,558.75	4,457.85
Operating Profit					**873.53**	**20,450.86**
Finance Costs					(3,549.48)	(1,276.40)
Other Income					578.31	163.97
Profit Before Tax					**(2,097.64)**	**19,338.42**
Income Taxes					(704.70)	6,392.55
Net Profit					**(1,392.94)**	**12,945.87**
OTHER INFORMATION						
Segment assets	46,548.95	47,402.78	4,176.86	4,006.13	50,725.81	51,408.92
Unallocated corporate assets					11,863.59	10,902.91
Total assets					**62,589.40**	**62,311.83**
Segment liabilities	5,415.54	5,160.21	1,137	353.45	6,552.31	5,513.66
Unallocated corporate liabilities					29,714.91	29,058.28
Total liabilities					**36,267.23**	**34,571.94**
Capital expenditure	2,848.54	18,710.67	15.97	78.33	2,864.51	18,789.00
Unallocated Capital expenditure					811.84	3,837.34
Total Capital expenditure					**3,676.35**	**22,626.34**
Depreciation/Amortisation	2,309.29	1,350.09	59.08	55.42	2,368.37	1,405.51
Unallocated Depreciation/Amortisation					285.17	387.07
Total Depreciation/Amortisation					**2,653.54**	**1,792.58**
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation					-	2.41
Total Non-cash expenses other than depreciation and amortisation					-	**2.41**

B. INFORMATION ABOUT SECONDARY SEGMENTS

a) Revenue as per Geographical Markets

(Rs. In lacs)

	March 31, 2012	March 31, 2011
India *	41,833.74	44,892.90
Outside India	28,124.27	22,271.32
Total	**69,958.01**	**67,164.22**

* Includes Deemed export within India

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

(Rs. In lacs)

	March 31, 2012	March 31, 2011
India	4,451.20	4,036.33
Outside India	3,969.45	8,066.98
Total	**8,420.65**	**12,103.31**

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

c) The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence, separate figures for fixed assets / additions to fixed assets cannot be furnished.

36. Value of imports calculated on CIF basis (Cash basis)

(Rs. in lacs)

	March 31, 2012	March 31, 2011
Raw Materials	3,281.76	5,961.88
Stores & Spare Parts	769.73	499.20
Capital Goods	1,468.58	13,454.82
TOTAL	**5,520.08**	**19,915.90**

37. Net dividend remitted in foreign exchange

	March 31, 2012	March 31, 2011	
Period to which it relates	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2009 to March 31, 2010
Number of non-resident shareholders (in absolute no's)	4	5	5
Number of equity shares held on which dividend was due	36,170,192	36,370,192	36,370,192
Amount remitted (USD) (in absolute no's)	1,593,576	1,590,997	778,805
Amount remitted in Rs in lacs	723	727	364

38. Earning in foreign currency:

(Rs. in lacs)

	March 31, 2012	March 31, 2011
FOB value of Export of Goods	27,195.93	21,734.45
Total	**27,195.93**	**21,734.45**

(FOB Value of Exports does not include Deemed Exports of Rs. 132.81 lacs (previous year Rs.26.40 lacs)).

39. Imported and indigenous raw material and spare parts consumed

	March 31, 2012		March 31, 2011	
	Percentage	Value (Rs. In lacs)	Percentage	Value (Rs. In lacs)
Raw Material				
Imported	12.23	6,337.46	23.82	8,073.46
Indigenous	87.77	45,495.77	76.18	25,823.99
Total	**100.00**	**51,833.23**	**100.00**	**33,897.45**
Stores & spares				
Imported	47.55	532.41	55.37	444.00
Indigenous	52.45	587.24	44.63	357.93
Total	**100.00**	**1,119.64**	**100.00**	**801.93**

40. Expenditure in foreign currency:

(Rs. in lacs)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Bank charges	68.25	60.89
Legal & professional	68.33	42.73
Expense on foreign technicians	28.48	493.55
Books & periodicals	1.67	23.64
Brokerage & commission	237.18	122.61
Traveling expenses	89.94	174.37
Quality compensation and discounts	77.15	12.58
Miscellaneous expenses	47.98	24.69
TOTAL	**618.97**	**955.06**

41. 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.
Firm Registration No. 301003E
Chartered Accountants

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

per Manoj Gupta
Partner
Membership no. 83906

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2012

Name of Subsidiary – Ester International (USA) Limited

S. No.	Particulars	Amount (Rs. in Lacs)
1	Capital	9.69
2	Reserves	(90.42)
3	Total Assets	1.95
4	Total Liabilities	1.95
5	Details of Investment (Except in case of investment in the subsidiaries)	-
6	Turnover and other income	-
7	Profit before taxation	(11.20)
8	Provision for taxation	-
9	Profit after taxation	(11.20)
10	Proposed Dividend	-

Note –

1. TT Buying Rate as on 31st March, 2012 – 1 USD = Rs. 50.85
2. TT Selling Rate as on 31st March, 2012 – 1 USD = Rs. 50.90
3. Average of TT Buying and TT Selling Rate as on 31st March, 2012 - 1 USD = Rs. 50.88
4. All figures have been converted taking average of TT Buying and TT Selling Rate as on 31st March, 2012 except Capital which is converted at Historical Exchange Rate i.e. 1 USD= Rs. 38.76

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

Ashok Newatia
Director

Date : 4th May, 2012
Place : Gurgaon

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

ESTER
INDUSTRIES LTD.

E-MAIL REGISTRATION FORM

Dear Shareholder

Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the circulars no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send documents like Notice of Annual General Meeting, Annual Report, Postal Ballot Notice or any other notice/intimation etc. to their shareholders through electronic mode, to their registered e-mail addresses.

We invite you to take part in this opportunity to contribute to the Corporate Social Responsibility initiative of the Company. We therefore request you to register your Email Id by sending this form duly filled in and signed to the Company's Registrar & Share Transfer Agent "M/s MCS LIMITED" or your concerned Depository Participant.

IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE	IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE
Please send the form to the Registrar at following address- **MCS Limited** **Unit – Ester Industries Limited** **F – 65, Okhla Industrial Area, Phase - I,** **New Delhi – 110 020**	Please send the form to your concerned Depository Participant where you maintain your Demat Account.

Dear Sir/Madam,

Green Initiative in Corporate Governance

I agree to receive all communication from the Company in electronic mode. Please register my following e-mail id in your records for sending communication through e-mail -

E-mail ID to be registered

Name of Sole/Joint Holder(s)	Folio No./DP ID and Client ID	Signature

Date ………………………………

Important Notes:

1) After registration, all the communication will be sent to your registered e-mail Id. However, you can anytime ask for physical copy of the document.
2) The form is also available on the website of the Company viz www.esterindustries.com
3) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given hereunder is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID.

ESTER INDUSTRIES LTD.

Registered Office: Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand

PROXY FORM

D. P. Id No.	
Client Id No.	

Folio No.	
No. of Shares	

I/We……………………….................................……R/o.…………………………………………………………………………………..
……………………………………………………………......being a Member/Members of ESTER INDUSTRIES LIMITED hereby appoint Mr./Ms. ……………….………………………….……..……. R/o ………………...………………………….……………….. or failing him/her Mr./Ms ………………………….............…..……. R/o ……………………………..........……….……………………... as my/our Proxy to attend and vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Friday, the 28th Day of September, 2012 at 12.00 Noon at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand and/or any adjournment thereof.

Signed this …….…day of ……………. 2012.

Re. 1/-
Revenue
Stamp

Signed by the said ____

Note: 1. A proxy need not be a member of the Company.

2. A Proxy can not speak at the meeting or vote on show of hand.

3. This form duly completed and signed as per specimen signature registered with the Company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the Meeting.

4. Strike out whichever is not applicable.

ESTER INDUSTRIES LTD.

Registered Office: Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand

26th ANNUAL GENERAL MEETING
ATTENDANCE SLIP

DULY FILLED IN ATTENDENCE SLIP SHALL BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

D. P. Id No.	
Client Id No.	

Folio No.	
No. of Shares	

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company to be held on Friday, the 28th Day of September, 2012 at 12.00 Noon at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand.

Name of the Shareholder (IN CAPITAL LETTER)	
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)

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ESTER
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