

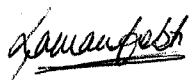



FORM A

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

1.	Name of the Company	Ester Industries Limited
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	Signed by	
	<ul style="list-style-type: none"> • CEO/Managing Director 	 <hr style="width: 100%;"/> Arvind Singhania Executive Chairman
	<ul style="list-style-type: none"> • CFO 	 x <hr style="width: 100%;"/> Pradeep Kumar Rustagi Executive Director & CFO
	<ul style="list-style-type: none"> • Auditor of the company 	 <hr style="width: 100%;"/> Raman Sobti Partner S.R. Battliboi & Associates LLP Chartered Accountants
	<ul style="list-style-type: none"> • Audit Committee Chairman 	 <hr style="width: 100%;"/> V. B. Haribhakti Chairman of Audit Committee

28th Annual
Report
2013-14

Ester Industries Limited

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. ARVIND SINGHANIA	EXECUTIVE CHAIRMAN
MR. V. B. HARIBHAKTI	INDEPENDENT DIRECTOR
MR. A. K. NEWATIA	INDEPENDENT DIRECTOR
MR. M. S. RAMACHANDRAN	INDEPENDENT DIRECTOR
MR. DINESH CHANDRA KOTHARI	INDEPENDENT DIRECTOR
DR. ANAND CHAND BURMAN	INDEPENDENT DIRECTOR
MR. P. S. DASGUPTA	INDEPENDENT DIRECTOR
MR. PRADEEP KUMAR RUSTAGI	EXECUTIVE DIRECTOR & CFO
MRS. ARCHANA SINGHANIA	NON - EXECUTIVE DIRECTOR

COMPANY SECRETARY

MR. DIWAKER DINESH

STATUTORY AUDITORS

M/S S.R. BATLIBOI & ASSOCIATES, GURGAON

BANKERS

BANK OF INDIA
BANK OF BARODA
UNION BANK OF INDIA
CANARA BANK
STATE BANK OF BIKANER & JAIPUR

HEAD OFFICE

PLOT NO. 11, BLOCK-A, INFOCITY-I,
SECTOR 33 & 34, GURGAON-122001, HARYANA

REGISTERED OFFICE & WORKS

SOHAN NAGAR, P.O. CHARUBETA
KHATIMA – 262 308, DISTRICT UDHAM SINGH NAGAR
UTTARAKHAND

REGISTRAR & SHARE TRANSFER AGENTS

MCS LIMITED
F-65, OKHLA INDUSTRIAL AREA, PHASE-I
NEW DELHI – 110 020

LISTING OF SECURITIES

BOMBAY STOCK EXCHANGE LIMITED
PHIROZE JEEJEBHOY 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

ESTER INDUSTRIES LTD.

CIN: L24111UR1985PLC015063

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th ANNUAL GENERAL MEETING (AGM) of ESTER INDUSTRIES LIMITED will be held on 22nd September, 2014 at 12.30 PM at the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2014 and the Profit and Loss account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To declare final dividend of Rs. 0.50/- per equity share
3. To appoint a Director in place of Mr. Arvind Singhania (DIN 00934017) who retires by rotation and being eligible, offers himself for re-appointment;
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT subject to the provisions of Section 139, 140 & 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. S.R. Batliboi & Co. LLP (Regn No. 301003E), Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. 28th Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) in place of the retiring Auditors, M/s. S. R. Batliboi & Associates LLP (Regn No. 101049W), at a remuneration to be fixed by the Board of Directors.

Special Business:

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

As Ordinary Resolution

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

“RESOLVED THAT pursuant to Sections 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) a Remuneration of Rs. 2,50,000/- (Rs. Two Lacs and Fifty thousands only) plus applicable taxes and out of

pocket expenses payable to M/s. Sanjay Gupta & Associates (Regn No. 000212), the Cost Auditor of the Company for the financial year 2014-15, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby approved and ratified.”

6. APPOINTMENT OF MR. V B HARIBHAKTI AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. V B Haribhakti (DIN 00088062), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office upto 31 March, 2019 and whose term of office shall not be liable to retirement by rotation.”

7. APPOINTMENT OF MR. DINESH CHANDRA KOTHARI AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Dinesh Chandra Kothari (DIN 00195609), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office upto 31 March, 2019 and whose term of office shall not be liable to retirement by rotation.”

8. APPOINTMENT OF MR. M S RAMACHANDRAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. M S Ramachandran (DIN 00943629), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, and who is eligible for appointment, be and is hereby appointed as an Independent

Director of the Company to hold office upto 31 March, 2019 and whose term of office shall not be liable to retirement by rotation."

9. APPOINTMENT OF MR. ASHOK NEWATIA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Ashok Newatia (DIN 01057233), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office upto 31 March, 2019 and whose term of office shall not be liable to retirement by rotation."

10. APPOINTMENT OF DR. ANAND CHAND BURMAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr. Anand Chand Burman (DIN 00056216), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office upto 31 March, 2019 and whose term of office shall not be liable to retirement by rotation."

11. APPOINTMENT OF MR. P S DASGUPTA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. P S Dasgupta (DIN 00012552), an Independent Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office upto 31 March, 2019 and whose term of office shall not be liable to retirement by rotation."

12. APPOINTMENT OF MRS. ARCHANA SINGHANIA AS DIRECTOR

"RESOLVED THAT Mrs. Archana Singhania (DIN 01096776), who was appointed as an Additional Director of the Company and holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing her candidature for the office of the director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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."

13. REAPPOINTMENT OF MR. PRADEEP KUMAR RUSTAGI AS WHOLE-TIME DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 196, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), re-appointment of Mr. Pradeep Kumar Rustagi (DIN 00879345) be and is hereby approved on the terms and conditions mentioned below-

A) PERIOD OF APPOINTMENT

The Period of appointment of Mr. Pradeep Kumar Rustagi shall be from 1st April, 2014 to 31st March, 2017.

B) DETAILS OF REMUNERATION

- i) Basic Salary shall be within the grade of Rs. 2,50,000 – Rs. 4,00,000 per month.
- ii) Special Allowance and House Rent Allowances – As per the policy applicable to employees in the same grade.
- iii) Leave Travel Allowance – The yearly payment in the form of allowance shall be equivalent to one month's basic salary
- iv) Leased Car shall be provided as per the policy of the Company.
- v) Company's contribution to Provident Fund, Superannuation Fund, as per Company Policy applicable time to time.
- vi) Reimbursement of the Medical Expenses, Business Attire, Driver Salary, Vehicle Running and Maintenance, Business Meeting and entertainment, traveling and all other expenses incurred by him for the business of the Company.
- vii) Performance Linked Incentives as per the policy of the Company as applicable time to time.
- viii) Apart from the above Mr. Pradeep Kumar Rustagi shall be entitled such other reimbursements, allowances, incentives, perquisites, amenities and benefits as per the policy of the Company as applicable time to time.

However the appointee shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Directors.

RESOLVED FURTHER THAT pursuant to the requirements of Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), if during the tenure of Mr. Pradeep Kumar Rustagi as Whole-time Director, the Company has no profits or its profits are

inadequate in any financial year, the above remuneration will be paid to him as minimum remuneration.

RESOLVED FURTHER THAT the period of office of Mr. Pradeep Kumar Rustagi shall be liable to be determined by retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors are authorized to sign such documents or papers as may be necessary, file such applications, forms and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable to give effect the above resolutions."

14. APPOINTMENT OF MR. ARVIND SINGHANIA AS WHOLE-TIME DIRECTOR OF THE COMPANY

"**RESOLVED THAT** pursuant to the provisions of Section 196, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), appointment of Mr. Arvind Singhania (DIN 00934017) be and is hereby approved as Whole-time Director on the terms and conditions mentioned below-

A) PERIOD OF APPOINTMENT

The Period of appointment of Mr. Arvind Singhania shall be from 21st May, 2014 to 31st March, 2017.

B) DETAILS OF REMUNERATION

- i) Basic Salary shall be within the grade of Rs. 6,00,000 – Rs. 7,50,000 per month.
- ii) House Rent Allowance – 50% of the Basic Salary
- iii) Special Allowance – 15 % of Basic Salary
- iv) Leave Travel Allowance – The yearly payment in the form of allowance shall be equivalent to one month's basic salary
- v) Medical Reimbursement – Rs. 1250 per month
- vi) Business Attire Allowance – Rs. 6000 per month
- vii) Provident Fund – 12% of Basic Salary or such other amount as may be prescribed by the provision of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 or any other applicable law (including any statutory modification or re-enactment thereof, for the time being in force).
- viii) Gratuity shall be payable as per the provisions of the Payment of Gratuity Act, 1972 or any other applicable law (including any statutory modification or re-enactment thereof, for the time being in force).
- ix) Company maintained car with Driver shall be provided by the Company for official and personal use.

The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Commission – Subject to the provisions of Section 196, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), Commission may be paid in addition to above remuneration calculated with reference to the net profits of the company in a particular year, as may be determined by the Board of the Directors of the Company at the end of each financial year

Overall Remuneration -The aggregate of the remuneration, commission and perquisites as aforesaid in any financial year shall not exceed the limit prescribed from time to time under Section 196, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or otherwise as may be permissible by law.

However the appointee shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Directors.

RESOLVED FURTHER THAT subject to the requirements of Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), if Company has no profits or its profits are inadequate in any financial year, the above remuneration will be paid to him as minimum remuneration.

RESOLVED FURTHER THAT the period of office of Mr. Arvind Singhania shall be liable for determination by way of retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to sign such documents or papers as may be necessary, file such applications, forms and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable to give effect the above resolutions."

As Special Resolution

15. APPOINTMENT OF MR. JAI VARDHAN SINGHANIA AS GROUP LEADER – BUSINESS PLANNING AND SUPPORT

"**RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and rules, if any, made thereunder approval of the Company be and is hereby accorded to the appointment of Mr. Jai Vardhan Singhania (son of Mr. Arvind Singhania) to hold office as 'Group Leader – Business Planning and Support' (or any other designation and roles which the Board / Committee of the Board may decide from time to time) on the following terms and conditions -

1. **Period of Appointment** - 3 years from 1st October, 2014 to 30th September, 2017
2. **Details of Remuneration** - Total Remuneration paid to Mr. Jai Vardhan Singhania shall be limited to Rs. 2,50,000/- (Rupees Two Lacs and Fifty 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."

16. ALTERATION IN ARTICLES OF ASSOCIATION OF THE COMPANY

"**RESOLVED THAT** pursuant to Section 14 of the Companies Act, 2013 and other applicable provisions, if any, the articles of association of the Company be and is hereby amended as under:

Substitution of the following Articles alongwith Headings:

Article No. 1

Applicability of TABLE F

The regulation contained in Table 'F' of Schedule 'I' of the Companies Act, 2013, shall apply to the Company so far as the Articles contained in these Articles of Association are inconsistent with or repugnant to any provisions of the Companies Act, 2013 and rules made thereunder.

Article No. 3

Share Capital

The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association of the Company. The Company shall have the power to increase, reduce, sub-divide, cancel, reclassify different class of shares in any manner, consolidate and divide share capital into shares of larger amount than its existing shares, convert into stock and re-convert into stock and to attach thereto any ordinary, preferential or special rights and to vary such rights subject to the provisions of the Companies Act, 2013.

Article No. 157

Rotation of Director -

Notwithstanding anything contained in the Articles of Associations of the Company, The Board of Directors shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

Article No. 169

Appointment of any Individual as Chairperson as well as Managing Director/CEO -

The Board of Directors shall have the power to appoint any Individual as Chairperson as well as Managing Director or Chief Executive Officer of the Company.

Addition of following Article:

Article No. 231

General Powers of Articles of Association

Wherever in the Companies Act, 2013 (the Act), it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case by virtue of this Articles, the Company is hereby specifically authorised, empowered and entitled to have such right, privilege or authority, to carry out such transactions as permitted by the Act without there being any separate/specific Article in that behalf herein provided.

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

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

Sd/-

Diwaker Dinesh

Company Secretary

Place : New Delhi

Date : 4th August, 2014

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT SOHAN NAGAR, P.O. CHARUBETA, KHATIMA-262308, DISTRICT UDHAM SINGH NAGAR, UTTARAKHAND NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
- 2) Additional information pursuant to Clause 49 of the listing agreement with the stock exchanges in respect of the Directors seeking appointment/re-appointment as mentioned under items nos. 3 and 6 to 14 at the annual general meeting are furnished and forms part of this Notice.
- 3) The Register of Member and Share Transfer Books will remain closed from 13th September, 2014 to 22nd September, 2014 for the purpose of determining the names of members eligible for dividend on equity shares, if declared at the Meeting.

- 4) The dividend as recommended by the Board of Directors, if approved by the Shareholders at the ensuing annual general meeting, shall be paid to those members/beneficial owners whose names appear on the register of members/depository records as at the closing hours of business on 12th September, 2014.
- 5) In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
- 6) Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 7) Members are requested to notify immediately:
 - I. **In case shares are held in physical form:** any change in address, if any, to the Company at Plot No.11, Block-A, Infocity-I, Sector 33 & 34, Gurgaon – 122001, India or to the Registrar and Share Transfer Agent of the Company viz. 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
- 8) Members/Proxies should bring Annual Report along with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- 9) Members desiring any information on the accounts are required to write to the Company at Plot No.11, Block-A, Infocity-I, Sector 33 & 34, Gurgaon – 122001, India at least 7 days before the Meeting so as to enable the management to keep the information ready. Replies will be provided only at the Meeting.
- 10) All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during normal business hours on all the working days except Saturday up-to the date of the Annual General Meeting.
- 11) An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
- 12) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 13) Electronic copy of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of evoting along with Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Annual Report is being sent in the permitted mode.
- 14) Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We thus, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares) and make this initiative a success.
- 15) Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for the financial period ended on 31.03.2014 will also be available on the Company's website www.esterindustries.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: shares.deptt@ester.in.
- 16) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MCS Limited (Registrar & Transfer Agent).
- 17) As per SEBI Circular dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.
- 18) Pursuant to provisions of Section 205C of the Companies Act, 1956 the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company has transferred such unpaid or unclaimed dividends from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
Further pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th September, 2013 (date of last Annual General Meeting) on the website of the Company viz www.esterindustries.com and also on the website of the Ministry of Corporate Affairs viz www.iepf.gov.in
- 19) Pursuant to the provisions of Section 140 and other

applicable provisions of the Companies Act, 2013, details of Special Notice for appointment of M/s S. R. Batliboi & Co. LLP as Statutory Auditors has been made part of the Notice.

VOTING THROUGH ELECTRONIC MEANS

Commencement of E-voting	10:00 AM, 15th September, 2014
End of E-voting	6:00 PM, 17th September, 2014

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).
- II. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
- III. Mr. Akash Jain, ACS, Practising Company Secretary (CP No. 9432) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
- IV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- V. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within prescribed period.
- VI. The scrutinizer's decision on the validity of e-voting will be final.

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

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.

- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

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

* Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field

* Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.

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

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

Please enter any one of the details in order to login i.e. DOB or Dividend Bank Details. If the details are not recorded with the depository or company please enter the number of shares held by you as on 22nd August, 2014 in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your

password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the EVSN for Ester Industries Limited.
 - (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B) The voting period begins at 10.00 AM on 15th September, 2014 and ends on 6.00 PM on 17th September, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

- 14) Notice of Annual General Meeting will be sent to those shareholders/ beneficial owners whose name will appear in the register of members/list of beneficiaries received from the depositories as on Friday, 22nd August, 2014.
- 15) The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: shares.deptt@ester.in

NOTE ON APPOINTMENT OF M/S. S. R. BATLIBOI & CO. LLP, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY (ITEM NO. 4)

M/s S.R. Batliboi & Associates LLP, Chartered Accountants who retires at this Annual General Meeting has shown its unwillingness for reappointment as Statutory Auditors of the Company and has not offered themselves for reappointment.

Further the Company has received special notice of a resolution from a Member of the Company, in terms of Section 140 and other applicable provisions of the Companies Act, 2013, signifying the intention to propose the appointment of M/s. S. R. Batliboi & Co. LLP as the Statutory Auditors, in place of existing Statutory Auditors, of the Company from the conclusion of this Annual General Meeting till the conclusion of the thirty first AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

M/s. S. R. Batliboi & Co. LLP has expressed its willingness to act as statutory auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013. M/s. S. R. Batliboi & Co. LLP is a network firm of M/s S.R. Batliboi & Associates LLP.

The Members' approval is being sought for the appointment of M/s. S. R. Batliboi & Co. LLP as the statutory auditors and to authorise the Board of Directors to determine the remuneration payable to them. None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs is concerned or interested in the said resolution.

DETAILS OF 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. Mr. V. B. Haribhakti is also a prominent and well respected figure in the trade and industrial circles in India. The Government of India had appointed him as an independent director in public sector enterprises and as a member of the Sales Tax Enquiry Committee. He continues to render guidance to many large limited companies as an Independent director.

Mr. V. B. Haribhakti was the Deputy Leader of the Indian delegation to the IX International Congress of Accountants held in Paris where he submitted a paper on "Accountant's Role in the Evaluation of Capital Investments". He is the author of "Taxation of Non Residents in India". He has written several articles and has been invited to speak at public forums on subjects ranging from Taxation Policy to Public Finance and Management.

Directorship of Mr. V B Haribhakti in other Companies as on 31st March, 2014 are as follows:

S. No.	Name of the Company
1	Tilaknagar Industries Ltd.
2	Lakshmi Automatic Loom Works Ltd.
3	The Simplex Realty Ltd.
4	The Anglo-French Drug Co. (Eastern) Ltd.
5	Bajaj Electricals Ltd.
6	Citadel Realty and Developers Ltd.
7	The Free Press House Ltd.
8	DH Consultants Pvt. Ltd.
9	Mirae Asset Trustee Co. Pvt. Ltd.

Membership of Mr. V B Haribhakti in Committees of the Board of other companies as on 31st March, 2014 is as follows:

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

Directorship of Mr. Dinesh Chandra Kothari in other Companies as on 31st March, 2014 are as follows:

S. No.	Name of the Company
1	Aro Granite Industries Ltd.
2	Asian Hotels (North) Limited
3	Interstar Financial Services Ltd.
4	Ambuja Cement India Private Limited
5	Holcim (India) Private Limited
6	New Delhi Corporate Consultancy Pvt. Ltd.
7	New Delhi Corporate Consultancy Services Pvt. Ltd.
8	Sarla Holdings Pvt. Ltd.
9	Interstar Home Décor Pvt. Ltd.
10	Intertec Softwares Pvt Ltd
11	Venture Media Pvt Ltd
12	Shugan Chandra Kothari Educational Foundation
13	Delhi Private School LLC
14	DPS Academy LLC
15	Interstar Marbles Industries LLC
16	Interstar Advisory Services JLT
17	The Victory Heights Primary School LLC

Membership of Mr. Dinesh Chandra Kothari in Committees of the Board of other companies as on 31st March, 2014 is 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) Limited	Shareholders' Grievance Committee	Chairman
3	Aro Granite Industries Ltd.	Shareholders' Grievance Committee	Member
4	Asian Hotels (North) Limited	Audit Committee & Remuneration Committee	Member

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

C. Mr. M S Ramachandran

Mr. M.S. Ramachandran is a Mechanical Engineer by Profession. He joined Indian Oil Corporation in 1969 and assumed various roles before being appointed as Executive Director of the Oil Coordination Committee set up by the Government of India in 1998. He joined the Board of Indian Oil Corporation as Director (Planning & Business Development) in 2000. He was the Chairman of Indian Oil Corporation from 2002 to 2005. During his tenure with IOC he had redirected the organisation around key business lines with greater commercial focus, capital prudence and market-facing capabilities. As head of the national oil company, he had helped the government to initiate and implement several crucial policy changes to support de-regulation and energy security. Mr. M.S. Ramachandran was conferred with the Chemtech-Pharma Bio Hall of Fame Award in 2005 for outstanding contribution to the petroleum and petrochemicals industry.

Directorship of Mr. M S Ramachandran in other Companies as on 31st March, 2014 are as follows:

S. No.	Name of the Company
1	ICICI Bank Limited
2	Gulf Oil Corporation Limited
3	Supreme Petrochem Limited
4	Andhra Pradesh Paper Mills Limited
5	Bharat Electronics Limited
6	Houghton International INC.
7	Infrastructure India Plc.

Membership of Mr. M S Ramachandran in Committees of the Board of other companies as on 31st March, 2014 is as follows:

S. No.	Name of the Company	Nature of Committee	Designation
1	ICICI Bank Limited	Audit Committee	Member
2	Gulf Oil Corporation Limited	Remuneration Committee	Member

He does not have any shareholding in the Company.

D. Mr. Ashok Newatia

Mr. Ashok Kumar Newatia is a professional and independent director and is associated with the Company since 1994. Mr. Newatia is a Chemical Engineer. He is not holding any directorships/ memberships of committees of any other Company.

He does not have any shareholding in the Company.

E. Dr. Anand Chand Burman

Dr. Anand Chand Burman is an eminent Industrialist with particular interests in the areas of Research and Development in the Pharmaceutical Sciences as well as Biotechnology and Technology issues. Dr. Burman's education was both multidisciplinary and international. His high school education occurred at St. Paul's School in Darjeeling, India and was followed by a B. Sc. in Chemistry from the University

of Wisconsin and M. Sc. in Chemistry from the University of Kansas. His Doctorate was in the area of Pharmaceutical Chemistry from the University of Kansas in 1980.

Professionally he has held many assignments with Dabur Group. He is currently the Chairman of Dabur India Limited.

Directorship of Dr. Anand Chand Burman in other Companies as on 31st March, 2014 are as follows:

S. No.	Name of the Company
1	H & B Stores Ltd
2	Dabur Pharmaceuticals Ltd
3	Dabur Research Foundation
4	Dabur UK Ltd
5	Excellent (India) Pvt Ltd
6	VIC Enterprises Pvt Ltd
7	Milky Investment & Trading Co.
8	Acee Enterprises
9	Puran Associates Pvt Ltd
10	Moonlight Ranch Pvt Ltd
11	B.A.Holdings Pvt Ltd
12	Aviva Life Insurance Company India Limited
13	Althea Lifesciences Ltd
14	Hero MotoCorp Ltd
15	KBC India Pvt Ltd
16	IMB Infrastructure Pvt Ltd
17	Vansh Holdings Pvt Ltd
18	Windy Investments Pvt Ltd
19	M. B. Finmart Pvt Ltd
20	A.V.B Finance Pvt Ltd
21	Dabur India Limited
22	Hobi Kosmetik
23	Dabur International Ltd.
24	Dermoviva Skin Essentials
25	Diwan Chand Medical Services Private Limited
26	Diwan Chand Radnet Services Private Limited
27	Diwan Chand Integral Health Services Private Limited
28	Asia Pacific Healthcare Advisors Private Limited
29	Pune Shuttle Masters Private Limited
30	Dabur Securities Private Limited
31	Health Care at Home India Private Limited
32	Berkeley HealthEDU Private Limited
33	Welltime Investments Private Limited
34	Param Investments Private Limited

Membership of Dr. Anand Chand Burman in Committees of the Board of other companies as on 31st March, 2014 is as follows:

S. No.	Name of the Company	Nature of Committee	Designation
1	Dabur India Limited	Remuneration Committee	Member

He does not have any shareholding in the Company.

F. Mr. P S Dasgupta

Mr. P. S. Dasgupta was admitted to the Delhi Bar Council in the year 1978. He has been engaged in the practice of Law since 1978. He has a vast knowledge and experience of Law in the last over 32 years of legal practice. He was trained directly under the senior partner; Late Mr. Dadachanji & worked as a Sr. Associate in the firm's corporate practice for fourteen years with JB Dadachanji & Co.; where he was known for his excellent counselling, and where he was regularly consulted on strategic corporate and commercial issues and in particular on entry strategies, mergers & acquisitions, restructuring, shareholder disputes.

Directorship of Mr. P S Dasgupta in other Companies as on 31st March, 2014 are as follows:

S. No.	Name of the Company
1	Cummins India Ltd.
2	Otis Elevator Co. India Ltd.
3	Maral Overseas Ltd.
4	Bhilwara Technical Textiles Ltd.
5	Tricone Projects India Limited
6	Asian Hotels (North) Limited
7	Interstar Financial Services Ltd.
8	RSWM Limited
9	Timken India Limited
10	Snap-on Tools Pvt. Ltd.
11	Holcim India Pvt. Ltd.
12	Dasgupta Consulting Pvt. Ltd.
13	NDLO Consulting Pvt. Ltd.
14	Kothari Education Infrastructure Pvt. Ltd.
15	Afforce Business Consulting Pvt. Ltd.

Membership of Mr. P S Dasgupta in Committees of the Board of other companies as on 31st March, 2014 is as follows:

S. No.	Name of the Company	Nature of Committee	Designation
1	Timken India Limited	Audit Committee	Chairman
2	Bhilwara Technical Textiles Ltd.	Shareholders' Grievance Committee & Remuneration Committee	Chairman
3	Cummins India Ltd.	Audit Committee & Shareholders' Grievance Committee	Member
4	Tricone Projects India Limited	Audit Committee	Member
5	Otis Elevator Co. India Ltd.	Audit Committee & Shareholders' Grievance Committee	Member

6	Timken India Limited	Remuneration Committee	Member
7	Maral Overseas Ltd.	Audit Committee & Remuneration Committee	Member
8	Bhilwara Technical Textiles Ltd.	Audit Committee	Member

He does not have any shareholding in the Company.

G. Mrs. Archana Singhania

Mrs. Archana Singhania has earned a degree of B.Com (Honours) from Delhi University in 1987 and was associated with Lombard Street (Estates) Private Limited (popularly known as Pizza Express) and Uniglobe Mod Travels Private Limited as Director of the Company till Sept 2009 and Jan 2008 respectively.

Directorship of Mrs. Archana Singhania in other Companies as on 31st March, 2014 are as follows:

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

She is not holding any memberships of committees of any other Company.

She does not have any shareholding in the Company.

H. Mr. Pradeep Kumar Rustagi

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

Directorship of Mr. Pradeep Kumar Rustagi in other Companies as on 31st March, 2014 are as follows:

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

He is not holding any memberships of committees of any other Company.

He holds 400 equity shares in the Company.

I. Mr. Arvind Singhania

Mr. Arvind Singhania is the promoter of the company. 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. Mr. Arvind 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. Under his tutelage, Ester has undertaken and seen tremendous success with its various expansion and modernization initiatives.

Directorship of Mr. Arvind Singhanian in other Companies as on 31st March, 2014 are as follows:

S. No.	Name of the Company
1	Fenton Investments Private Limited
2	Rekha Finance and Investment Private Limited
3	Acme Investments Limited
4	Sriyam Impex Private Limited
5	PHD Chambers of Commerce and Industry

He is not holding any memberships of committees of any other Company.

He holds 150 equity shares in the Company.

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

Sd/-

Diwaker Dinesh

Company Secretary

Place : New Delhi

Date : 4th August, 2014

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

At the Board Meeting held on the 4th August, 2014, after considering the recommendation of the Audit Committee, the Directors have appointed M/s. Sanjay Gupta & Associates, as the Cost Auditor of the Company for the year 2014-15 on a remuneration of Rs. 2,50,000. Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

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

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

Item No. 6 to 11

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation within 1 year from such effective date.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. V B Haribhakti, Mr. Dinesh Chandra Kothari, Mr. M S Ramachandran, Mr. Ashok Newatia, Dr. Anand Chand Burman and Mr. P S Dasgupta, as Independent Directors of the Company, in compliance with the requirements of the clause.

These Directors have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

Pursuant to Section 152, an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and shall not be liable to retire by rotation. Accordingly it is proposed to appoint Mr. V B Haribhakti, Mr. Dinesh Chandra Kothari, Mr. M S Ramachandran, Mr. Ashok Newatia, Dr. Anand Chand Burman and Mr. P S Dasgupta as Independent Directors to hold office upto 31st March, 2019.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The brief profile of the Independent Directors have been made part of the notice. The copy of draft letter of appointment of the above directors setting out the terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day except Saturday up-to the date of the Annual General Meeting. The said Independent Directors are not related to any of the Directors or Key Managerial Personnel (KMP including relatives of Directors and KMPs of the Company in terms of Section 2(77) of the Companies Act, 2013).

The Resolutions as set out in abovementioned Item No. 6 to 11 of the Notice will be placed before the meeting for the approval of the members.

Based on their rich knowledge & experience the Board considers their appointment in the interest of the Company & recommend the approval of proposed Ordinary resolution by the Members.

Except Mr. V B Haribhakti, Mr. Dinesh Chandra Kothari, Mr. M S Ramachandran, Mr. Ashok Newatia, Dr. Anand Chand Burman and Mr. P S Dasgupta themselves, none of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is concerned or interested in the said resolution.

Item No. 12

Mrs. Archana Singhanian, was appointed as an additional Director of the Company w.e.f. 4th Aug, 2014 and holds the office upto the date of this Annual General Meeting, pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company.

The company has received notice pursuant to Section 160 of the said Act from a member along with the deposit of Rs. 1,00,000/- signifying her intention to propose the name of Mrs. Archana Singhanian, for appointment as a Director of the Company. Mrs. Archana Singhanian, has already filed his consent, to act as a Director, with the Company. Mrs. Archana Singhanian is wife of Mr. Arvind Singhanian, Executive Chairman of the Company.

The Resolution as set out in Item No. 12 of the Notice will be placed before the meeting for the approval of the members.

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

None of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is interested except Mr. Arvind Singhania and Mrs. Archana Singhania herself, in the resolution except to the extent of shares held by them in the Company, if any.

Item No. 13

Mr. Pradeep Kumar Rustagi was appointed as Whole-time Director from 14th February, 2011 to 31st March, 2014 vide resolution passed on 14th February, 2011 and 14th February, 2012. As the term of Mr. Rustagi expired on 31st March, 2014, on the recommendation of Remuneration Committee he was reappointed by the Board of Directors as Whole-time Director for further period of 3 years w.e.f. 1st April, 2014, subject to the approval of the shareholders of the Company.

The Resolutions as set out in abovementioned Item No. 13 of the Notice will be placed before the meeting for the approval of the members. The brief profile of Mr. Pradeep Kumar Rustagi has been made part of the notice.

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

Except Mr. Pradeep Kumar Rustagi himself, none of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is concerned or interested in the said resolution.

Item No. 14

Mr. Arvind Singhania is the promoter of the company. In the past he has managed affairs of the company as Chairman and Managing Director of the Company. After resignation from the position of Managing Director, he continued to act as Non Executive Chairman of the Company.

On the recommendation of Remuneration Committee, the Board of Directors appointed Mr. Arvind Singhania as Whole-time Director of the Company from 21st May, 2014 to 31st March, 2017 subject to the approval of Shareholders. The brief profile of Mr. Arvind Singhania has been made part of the notice.

The Resolutions as set out in abovementioned Item No. 14 of the Notice will be placed before the meeting for the approval of the members.

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

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

Item No. 15

Mr. Jai Vardhan Singhania (son of Mr. Arvind Singhania and Mrs. Archana Singhania) has completed Bachelor of Science and Business Administration, Concentration in Finance from Boston University School of Management; Boston. The Board of Directors, in its meeting held on 4th August, 2014, approved his appointment as 'Group Leader – Business Planning and Support' subject to the approval of the Shareholders. The proposed remuneration to Mr. Jai Vardhan Singhania is commensurate with his qualification and is in line with the industry standards.

In terms of Section 188 of the Companies Act, 2013, appointment of any related party to any office of place of profit in the Company should be approved by the Shareholders by way of Special Resolution. As Mr. Jai Vardhan Singhania is a related party in terms of Companies Act, 2013, his appointment requires approval of Shareholders by way of Special Resolution.

The terms and condition of the appointment and the remuneration of Mr. Jai Vardhan Singhania are mentioned in the Resolutions as set out in abovementioned Item No. 15 of the Notice. The same will be placed before the meeting for the approval of the members.

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

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

Item No. 16

On Account of implementation of New Companies Act, 2013, certain provisions of Articles of Association need to be modified / altered. In view of the above, Board of Directors decided to alter the Articles of Association as mentioned in the above said Resolution.

None of the Directors and Key Managerial Personnels of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

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

Sd/-

Place : New Delhi
Date : 4th August, 2014

Diwaker Dinesh
Company Secretary

CHAIRMAN'S MESSAGE



Dear shareholders,

I am delighted to present the Annual report for the financial year 2013-14, whereby your company has achieved robust performance through focused implementation of its strategy viz. profitable growth.

The year saw the world economy struggle on a path to consistent and widespread economic stability. The growth in developed economies is divergent, with an uptrend in the United States and weak conditions in Europe, whereas the developing economies have shown only a moderate growth. Set against a background of a worsening Current Account Deficit coupled with rupee depreciation against the US Dollar & Euro, and persistently high inflation, the Indian economy has slowed down in the last 12 months and some of the sectors including FMCG have been faced with demand deceleration that is unlikely to turnaround quickly.

The BOPET Film SBU (Strategic Business Unit) continues to face considerable challenges due to supply-demand mismatch and subdued economic growth in global markets. Additional global capacities will ensure that such supply-demand imbalance continues in near future putting pressure on margins and these

are not the times when we can continue doing business as usual. At Ester, we have taken the responsibility to rewrite the rules of game and redefine our value offering as well as consumer experience so that the relationship becomes rewarding for both customer and your company.

Our strategy continues to focus on investing in product lines and applications where we have a clear differentiation and a beneficial value proposition. Ester maintained its focus on value added and specialty products through the year and delivered a volume growth of 15% on this portfolio thereby partially mitigating the challenges of the operating environment. Ester strengthened its efforts towards improving operational efficiency in its newest production line resulting in an increased production by 5%. Our consumer strategy has been to align ourselves closely with our customers and maintain a direct contact with them. Ester strengthened a portfolio of developmental projects with key players in various industry segments, including FMCG via a process of co-creation based on consumer insights.

The Engineering Plastics SBU maintained its aggressive growth strategy, recording an impressive sales growth of 37% – the second consecutive year wherein we grew significantly ahead of industry. Our focused customer acquisition process and enhanced product range helped us in securing approvals from key OEMs, thereby growing our active customer base by ~40%. Our concerted customer focus also earned us a “best supplier” award from one of our key customers in the Auto segment.

We intend to sustain our aggressive growth journey in 2014-15 and have enhanced capacities during the year to support our ambitious growth aspirations. Besides further strengthening our position in the domestic market, we plan to explore and develop opportunities in the exports market as well.

The overall PET industry has grown significantly over the last two decades. While the need of the commodity resin has been met with the establishment of large continuous polymerization lines, the customer needs for Specialty PET resins remains unfulfilled. Ester saw an opportunity and started developing Specialty PET Polymers less than three years ago to address this specific demand. We invested in establishing state-of-the-art R&D facilities and modified our existing batch polymerization facilities to be able to

cater to this requirement. The efforts put in over the last two years are beginning to show results as we have started receiving final approvals from customers for some of the Specialty grades. We expect substantial commercial volumes to start moving before the end of the current financial year.

The approval process for Specialty Polymers is a long and strenuous journey as most of the customers are large multinationals in the developed economies, which have elaborate and complicated approval process. The targeted applications currently are in Textile, Carpets, Rigid & Flexible packaging. Ester will continue its efforts on Research and Development for creating new grades not only for these applications but for newer applications such as Automobile, Healthcare, Electronics and Electrical. Since many of the products will be protected as intellectual property through patents, this will result in a major advantage for us.

Continuing its relentless focus on cost leadership & encouraged by the performance of its first Bio-mass based Thermal Energy generation unit, the Company is enhancing its Thermal Energy generation capacity by installing an additional Bio-mass based Thermal Energy generation unit reducing its dependence on FO based thermal energy generation units. Further, the company has also undertaken various Business Improvement Plans (BIPs) that will result in reducing costs & improving operational efficiencies.

We plan to maintain our focused growth strategy in 2014-15 following two consecutive years of growth with an added emphasis on improving profitability. We expect to further improve our performance through increased presence in new geo markets industry diversification and developing opportunities by continuing to focus on technology vide innovation, consistent product quality and rapid response to customer and market requirements.

Our people strategy has always been to recruit and retain talent with leadership qualities. We invest in our people and believe they are and will continue to be one of the major reasons for our success. We believe that growth of our people precedes the growth of the company. We promote leadership within the ranks by offering greater responsibility with the freedom to perform to their best. With an objective of creating a talent pool, we have successfully rolled out High Potential management and Succession Planning programs. Our people policy has always been fair and we operate in an atmosphere where skills are respected and achievement is rewarded.

The economy appears to have bottomed out and we hope to look forward with enthusiasm to better times ahead. The existing challenges remain and new ones will emerge in a dynamic and growing economy but we are hopeful that with the fresh thrust towards balanced growth initiatives by the new and stable Government and support from the Reserve Bank of India with appropriate monetary policies, the economy will once again start re-charting the growth trajectory. Your company continues to focus on the identified strategic priorities of profitable growth and sustainability through development of right product and solution mix, quality customer portfolio and competent resources.

I express my sincere gratitude to our shareholders, investors and banks who continue to support us. I wish to express my appreciation to my colleagues on the Board and our employees for their thought leadership, dedication and commitment. I am indeed grateful to you all for your cooperation and the trust you have reposed in us.

With regards,

Arvind Singhania

Chairman

DIRECTORS' REPORT

To The Members

Your directors are pleased to present the Twenty Eighth Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2014.

FINANCIAL RESULTS

(Rs. in lacs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Sales and Other Income	101956.88	96442.59
Profit before Financial Expenses, Depreciation and Tax	7931.83	4724.44
Less: Interest & Other Financial Expenses	3486.77	2646.81
Profit / (Loss) before Depreciation, Extra Ordinary Items and Tax	4445.06	2077.63
Depreciation	3030.39	2858.52
Profit / (Loss) before Tax	1414.67	(780.89)
Deferred Tax	573.96	(253.90)
Impact of Scheme of amalgamation relating to earlier period	(3.76)	
Profit / (Loss) after Tax	836.95	(526.99)
Balance brought forward from previous year	11846.90	12373.89
Appropriation : Dividend & Tax on Dividend	366.45	-
Balance Carried to Balance Sheet	12317.40	11846.90
Basic Earnings Per Share (Rupees)	1.34	(0.84)

DIVIDEND

In respect of financial year 2013-14, your directors are pleased to recommend, subject to the approval of the shareholders, a dividend of 10% on the paid up equity share capital.

OPERATIONS REVIEW

After two years of sub optimal performance, the Company has been able to earn Net Profit after Tax of Rs. 836.95 lacs. During the year under review, Gross Revenue from operations crossed landmark of Rs. 1000 crores. The Gross Revenue from operations is Rs. 101,956.88 lacs as compared to Rs. 96,442.59 lacs in the previous year, an increase of 5.7%. The increase is primarily on account of higher sales volume of Engineering Plastics. Though the sales volume of Polyester Films decreased by 14%, revenues of Polyester Film increased by 1.8%. The year under review witnessed improvement in margins in Polyester Film due to bridging of demand supply gap and increase in share of Value Added & Specialty products in overall product portfolio. Drop in the demand for Polyester Film in India caused by ban on use of Plastics Films in packing of Pan Masala and Gutkha in the year 2011 has been completely offset by increase in demand from other applications during 2012 to 2014. To mitigate the adverse effect of ban and cyclicity, Company continued to implement the defined strategy of increasing the proportion of Value Added & Specialty products in its portfolio. The sales of Value Added and Specialty film increased by 15% from 5285 MT in 2012-13 to 6064 MT in 2013-14.

In Engineering Plastics segment, following an aggressive growth strategy, the Company achieved volume growth at a compounded annual rate of 43% over the last two years which is significantly higher than the industry annual growth rate of about 8%. During the year under review, the Company, in quantitative terms, witnessed a growth of 37% in sales of Engineering Plastics products. Consequently, Gross Revenue from sale of Engineering Plastics products increased by 37% from Rs. 11807.17 lacs to Rs. 16191.16 lacs. Volatility in forex market and liquidity crunch faced by customers had adverse effect on the profitability of Engineering Plastics segment.

As a result of various initiatives and capacity expansions over the last five years, the Net Sales have grown at a CAGR of 20% pa, viz from Rs. 37241 lacs in FY2008-09 to Rs. 91868 lacs in FY2013-14.

Interest and financial expenses during the year under review were 3.76% of Net Sales with overall leveraging at prudent levels of 1.59.

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

CAPACITY EXPANSION

During the year under review, the Company enhanced operating capacity in Engineering Plastics to 16500 TPA by installing state of the art compounding extruder of 8000 TPA capacity.

To exploit the opportunity in the Optical Fiber Cable segment created by several government & private projects including National Optic Fiber Network's plan to connect all 250,000 gram panchayats in the country, the Company has enhanced its Solid State Polymerization (SSP) capacity by 4800 TPA by installing a 32 cubic meters SSP dryer during the year under review.

Company continued to make investment in modernization and debottlenecking initiatives during the year under review.

PROJECTS UNDER IMPEMENTATION

Enthused by the performance of its first Bio-mass based Thermal Energy generation unit and awareness of ongoing global warming concerns, the Company is enhancing its Thermal Energy generation capacity by installing an additional Bio-mass based Thermal Energy generation unit of 10 million kilo calories. Company would be able to further reduce its dependence on Furnace Oil based thermal energy generation after commissioning of Bio-mass based Thermal Energy generation project by August 2014.

In order to achieve objective of increasing proportion of Value Added & Specialty products, Company has decided to modify Film Line # 1 by installing Twin Screw Extruder and Primary Scanner for measuring Thickness. With this modification, Film Line # 1 will be able to produce various Specialty Films, reduce conversion cost and wastage. The modification is likely to be completed by March 2015.

In addition to existing UPS of 7590 KVA, a rotary type UPS of 1670 KVA will be installed during 2014-15. This will ensure uninterrupted supply of power resulting into improvement in the quality of production and reliability of operations.

Company has also undertaken Business Improvement initiatives that will result into reduced cost, improved quality and operating efficiency.

SCHEME OF ARRANGEMENT

Ester Industries Limited (Transferee) has entered into a Scheme of Arrangement with M/s. Sriyam Impex Private Limited (Transferor). The Hon'ble High Court of Uttarakhand, Nainital has approved the said Scheme of Arrangement vide its order dated 25th March 2014. The effective date of the Scheme is 7th May 2014. Company has filed necessary intimations and forms with the concerned authorities. Effect of the Scheme has been incorporated in the accounts for the FY 2013-14.

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 Directors' Report of Ester International (USA) Limited (Subsidiary of Ester Industries Limited) for financial year 2013-14, 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

Mr. Ashok Kumar Agrawal resigned from the Directorship of the Company w.e.f. 31st March, 2014 to pursue his career growth aspiration.

Mr. Pradeep Kumar Rustagi has been re-appointed as Whole-time Director for 3 years w.e.f. 1st April, 2014 and Mr. Arvind Singhania has been appointed as Whole-time Director from 21st May 2014 till 31st March 2017. Their appointments are subject to the approval of the shareholders in the forthcoming Annual General Meeting.

As per the provisions of the Companies Act, 2013 and rules/circulars made thereunder, Independent Directors are required to be appointed for a term upto five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors till 31st March 2019, form part of the Notice of the 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 the following, 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 2014 the applicable Accounting Standards have 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 2014 have been prepared on a going concern basis.

INTERNAL CONTROLS

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

systems, policies and procedures have been followed. The Audit Committee constituted by the Board reviews the internal controls and financial reporting issues with Internal Auditors on 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 Mr. Arvind Singhania, Executive Chairman 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

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

CONSOLIDATED FINANCIAL STATEMENT

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

AUDITORS' REPORT

The 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.

STATUTORY AUDITORS

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants have expressed their unwillingness to be considered for reappointment as Statutory Auditors of the Company for the ensuing term.

Your directors recommend the appointment of M/s S R Batliboi & Company LLP, Chartered Accountants, as Statutory Auditors from the forthcoming ie 28th Annual General Meeting till 31st Annual General Meeting. M/s S R Batliboi & Company LLP, Chartered Accountants, have confirmed that their appointment, if made, shall be as per Section 139 and other applicable provisions of the Companies Act, 2013.

COST AUDITORS

During the year under review, with the approval of the Central Government, your directors re-appointed M/s. Sanjay Gupta & Associates, Cost Accountants as Cost Auditor to carry out the cost audit for year FY 2013-14. The cost audit for the year 2013-2014 shall be completed within the statutory time limit i.e. 27th September, 2014.

The particulars of Cost Auditor and Cost Audit Report, as required vide General Circular No. 15/2011 dated 11th April, 2011 issued by Cost Audit Branch, Ministry of Corporate Affairs, Government of India, are as under:

Name of the Cost Auditor for 2012-2013	M/s. Sanjay Gupta & Associates, Cost Accountants C4E/135, Janak Puri, New Delhi- 110058
Firm Registration Number of Cost Auditor	00212
Due date for filing of Cost Audit Report for the financial 2012-13 by the Cost Auditor with the Central Government	Within 180 days from the close of the Company's financial year, i.e. upto 27th September, 2013
Actual date for filing of Cost Audit Report for the financial year 2012-13 by the Cost Auditor with the Central Government	Cost Auditor filed the Cost Audit Report on 13th November, 2013

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 2014-15.

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 the Central & State Government, banks and Non-banking finance companies. Directors also express their gratitude and thanks to Customers, Suppliers and other Business Associates for their continued co-operation and patronage.

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

On behalf of the Board

Place : New Delhi
Date : 4th August, 2014

A.K. Singhania
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:

- Savings of about 540000 units per annum by installing new energy efficient Air Compressor.
- Savings of about 250800 units per annum by replacing old pumps with energy efficient pumps in Cooling Towers.
- Savings of Rs. 61.20 lacs per annum by replacing two old VAM chillers with efficient chillers.
- Savings of Rs. 14.64 lacs per annum by installation of Flash Steam Recovery system.
- Saving of Rs. 1.02 lacs per annum by installation of Close Loop Heat Exchanger in EGR resulting in savings of 10800 cubic meters per annum of soft water & reduction in ETP loading.

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

Power & Fuel Consumption

	2013-14	2012-13
1. Electricity		
a. Purchased		
Units (Kwh)	5,98,68,200	5,68,95,200
Total Amount (Rs.)	30,99,50,980	24,94,14,421
Rate per unit (Rs / Kwh)	5.18	4.38
b. Own Generation		
i) Through Diesel Generator		
a) Through HSD Unit (Kwh)	8,28,865	61,63,407
Units / Litre of diesel (HSD)	3.37	3.35
Cost/ per unit (Rs/Kwh)	14.24	11.51
b) Through LDO Unit (Kwh)	N.A.	N.A.
Unit / Litre of LDO	N.A.	N.A.
Cost/ per unit (Rs/Kwh)	N.A.	N.A.
c) Through FO Unit (Kwh)	7,71,420	43,86,149
Unit / Litre of FO	4.19	4.18
Cost/ per unit (Rs/Kwh)	10.12	10.14
ii) Through Steam Turbine/Generator	N.A.	N.A.
2. Coal	N.A.	N.A.
3. Furnace Oil Quantity (MT)		
i) Primary Heating MT	2,267	1,641
ii) Boiler MT	44	473

		2013-14	2012-13
Total	MT	2,312	2,114
Total Amount	(Rs)	10,22,86,386	8,83,99,366
Average Rate /MT	(Rs)	44,246	41,812
4. HSD Quantity (MT)			
i) Primary Heating	MT	NIL	1,668
ii) Boiler	MT	NIL	NIL
Total Qty	MT	NIL	1,668
Total Amount	(Rs)	NIL	6,35,69,441
Average Rate /MT	(Rs)	NIL	38,115
5. Husk			
Quantity (MT)			
i) For Primary Heating	(MT)	21,205	23,445
ii) Boiler MT	(MT)	14,919	12,475
Total Qty	(MT)	36,124	35,920
Total Amount	(Rs)	12,76,19,831	12,51,30,947
Average Rate /MT	(Rs)	3,533	3,484

Consumption KWH (unit) per MT of production

PRODUCT	UNIT	PER TON	PER TON
1. Electricity			
Polyester Chips	KWH	234	127
Continuous Polymerization	KWH	79	76
Polyester Film (Line -1)	KWH	950	948
Polyester Film (Line -2)	KWH	1,142	928
Polyester Film (Line -3)	KWH	665	671
2. Heating			
Polyester Chips	MKC	1.352	0.975
Continuous Poly	MKC	0.626	0.586
Polyester Film (Line -1)	MKC	0.661	0.593
Polyester Film (Line -2)	MKC	0.609	0.533
Polyester Film (Line -3)	MKC	0.629	0.678

The % 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	-	-	-	-	0.96%
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.	<p>a) Company has made significant developments in plain as well barrier film products for usage in high growth end markets viz. food, beverages etc.</p> <p>b) Initiated work on development of cost effective formulations for the CFL market, with a view to enhancing market share. Initial results are promising.</p> <p>c) Developed Glass Fiber filled compounds of Polyamide 6 and 66, with higher % loading of GF. These grades have been commercialized successfully at some key customer accounts.</p> <p>d) Enhanced the PET-based product portfolio.</p> <p>e) Approximately 45 new grades introduced during the year in Ester's existing product basket of PET, PC,ABS,PBT Polyamide 6 and 66, with major focus on Polyamides. These developments contributed towards achieving significant growth in volumes for the second consecutive year.</p> <p>f) Enhanced PC based compounded grades, with key focus on the E&E market segment.</p> <p>g) As a part of "green" initiatives, developed few halogen free FR based PBT and Polyamides grades, with 2 grades being commercialized during the year.</p> <p>h) Polyester Master Batch for improving stain resistance of Nylon – 6 and Nylon - 66</p> <p>i) Master Batch for improving cationic dyeability of Polyester</p> <p>j) Master Batch for Easy Dyeable Polyester</p> <p>k) Modified PBN for incorporation in PET to improve performance of PET</p> <p>l) PET for Beer Kegs</p> <p>m) Easy Dyeable Polyester</p>
2.	Future plan of action	<p>a) Company continues to remain focused on development of new products for applications in specialized Polyester Films and Engineering Plastics.</p> <p>b) Introduction of PPS-based compounded products</p> <p>c) Continue to focus on development of cost effective formulations for CFL market</p> <p>d) Continue to focus on development of halogen free FR based PBT & Polyamide grades</p> <p>e) Heat Resistant PET for Hot Filling at 85 degree centigrade and 90 degree centigrade</p> <p>f) Compatibilizer for PET & Nylon</p> <p>g) Various polymer grades for Aerosol Containers</p>

B. Technology absorption:

Efforts in brief made towards technology absorption, adaptation and innovation.

Benefits derived as a result of the above efforts.

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

- Installed a new Compounding Extruder of 8500 TPA capacity for Engineering Plastics business.
- Installed a new 32 cubic meter SSP Dryer
- Upgraded Kampf Slitter in Film Line # 2.
- Compounding capacity in Engineering Plastics business enhanced
- SSP capacity increased.
- Quality of slitting improved

C. Foreign Exchange Earnings and Outgo:**(Rs. in Lacs)**

	2013-14	2012-13
1. Earnings – FOB Value of Exports	22,667.24	27,674.39
2. Outgo – CIF Value of Imports	9,071.00	11,094.04

Management Discussion and Analysis

Indian Economy

The Indian economy faced considerable challenges during the last fiscal year. The Indian Rupee faced a decline due to a combination of the large current account deficit and sudden outflow of capital on fears of QE (Quantitative Easing) tapering by the US Federal Reserve. This led to a rise in input prices and increase in cost of already scarce capital drastically impacting business sentiments.

India's GDP grew at a rate of 4.75% in 2013-14 as compared to 4.5% in 2012-13, marking a second straight year of sub 5 per cent growth. Moreover, the growth was held back by weak household consumption and a sluggish investment scenario. The industrial production has been stagnant for several quarters now; credit growth and money supply have slowed considerably.

However by late FY14, some positive steps by the government and the RBI supported fiscal consolidation and are expected to trigger a growth trend. As we enter FY15, we can at-best expect a modest recovery in growth. The new government having received clear mandate in the general elections has several challenges at hand, the most prominent ones being "reviving stalled capital projects (infrastructure)", "continuing fiscal consolidation", "Streamlining government policies & processes" etc. Taking into account a macro view of the overall economy and keeping in mind the difficult global environment, the World Bank expects GDP growth in 2014-15 to be 5.5%. A gradual pick-up in GDP growth is likely to be supported by recovery in investment and stronger export growth on the back of improved global conditions. With a majority led government at center now, a recovery in growth is expected with improved thrust on execution of infrastructure projects. The recovery is expected to be underpinned by stronger consumption and investment in the context of enhanced macroeconomic stability. External demand is also projected to improve in 2014-15 as economic activity in developed economies gains momentum.

Operational Performance

Business Segment

Thin BOPET Films

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

Overview¹ : BOPET film is used in a wide number of packaging and industrial applications. The worldwide market, which will be 3.5 million tons by end of 2014, is growing at 5-6% a year. Industry producers from India and China are increasingly dominating the world stage. With investments in low cost and highly efficient modern extrusion plants, such producers have been successfully able to lead on placing volumes in the global market, albeit at very competitive prices. More than half of the world's BOPET film capacity as well as half of global demand is in Central and East Asia (China, Japan, South Korea & Taiwan). The BOPET film industry now operates on a global scale, wherein some producers have built large scale plants at a single location, while others have opted for a network of small plants across the globe. Trade in BOPET was almost 16% of world production by 2012 and over 70% of the total traded volume was imported by mainly three regions i.e. Western Europe, North America and Central & East Asia.

Growth drivers:

- Shift in demand from Rigid (metal/ glass) to Flexible (paper/ laminated) packaging

The packaging industry is dominated by rigid packaging, such as glass bottles, cans etc., which account for over 75% of the total market. Flexible packaging accounts for the rest. However, flexible packaging is the fastest growing sector (replacing rigid packaging) largely due to its attractiveness, cost effectiveness and strength aided by increasing consumer demand (Fast Moving Consumer Goods) and increasing trend of using smaller SKU's to gain newer (rural &/or serving nuclear population) markets.

¹ Report on "World Market for BOPET Films to 2017" by PCI Films

- Sustainability

Focus on sustainability and environmental concerns causing a shift from other substrates (such as PVC) to BOPET, being a more environment friendly material. However price premiums are currently not available for the same.

Some emerging themes in the flexible packaging market are:

- Increasing replacement of rigid pack types helping in cost optimization and deeper reach
- Thinner and simplified laminate structures offering similar or better performance driving growth in value added flexible films
- Demographic & lifestyle changes in fast developing and emerging economies augmenting consumption of ready to eat /snack foods by ever expanding upper middle class population.

Indian markets

Overview : The total installed production capacity in India is now approx. 530 KTPA of Thin BOPET films. Out of India's production of around 380 KTPA, around 67% 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 around 290,000 MT growing at a CAGR (Compounded Annual Growth Rate) of ~ 6%.

Growth and drivers: The growth in India is driven by large & growing middle class and the current low penetration of organized retail sector are the catalysts for growth. With changing lifestyles the consumerist patterns are expected to change towards a greater emphasis on convenience, health and messaging. Organized retail will shift the trend from 'loose' items to branded packs on items like commodities, food grains, vegetable oil etc. This has resulted in increased demand for innovative and attractive high quality packaging. The current per capita packaging consumption in India (US\$ 9) is much below the world average (~US\$ 70) and thus offers tremendous growth opportunities with increasing income and aspiration levels.

Higher levels of disposable income translate to higher growth of the impulse spending category which is packaging intensive. Further, increased spending from rural households will increase the shift from bulk packages to smaller packages due to lower

purchasing power. Also as companies try to differentiate in the face of increased competition, they are expected to focus on newer packaging design, materials and formats. Organized retail and liberalization have increased the competition in the industrial goods sector.

Companies are slowly but steadily changing their packaging design even in industrial segments like paints, chemicals, lubricants etc.

As in other packaging segments, growth in this sector is expected to remain strong from traditional products and with new categories migrating from other expensive forms of packaging to flexible pouches. Some recent innovations in this category are the introduction of re-closable packs and packs that have a spout and screw cap; which can be used to package condiments, sauces, juices etc. and can also be made from aseptic packaging materials. These innovations could find increasing application in other categories and may garner a higher share from rigid plastics.

A new trend is the increasing usage of flexible films in beverage and water packaging. With innovative materials being used this category is likely to see a very high growth as companies start introducing individual portions of beverages in flexible packs.

Business Performance (FY 2013-14)

The strategic initiatives started in FY 12-13 (with respect to focus on value added products, maximizing production efficiency etc.) yielded desired results & better performance in FY 13-14. Despite the new capacity additions globally resulting in unfavorable supply-demand situation and the weak pricing environment, the films division was able to significantly improve the earnings by 92% over previous year. This was due to your company's focus on efficient execution of long term strategy:

1. Focus on profitable growth – Ester increased sales volume of its Value Added and Specialty products (product line-up of highly profitable products) by 14.7% over the last fiscal. Moreover, Ester also placed its commodity film volumes very selectively in high realization markets. This focused approach of placing volumes in select profitable markets ensured a better overall realization.
2. Sustained efforts on maximizing operational efficiency while aggressively pursuing new product development. The production (12 micron equivalent) on its newest line improved by 5%.

- Enhanced customer satisfaction through improvement & consistency in product quality and better response time

Outlook

While the global demand for BOPET films will continue to grow, pressure on margins due to demand supply imbalance and cost saving measures being undertaken by companies globally, is likely to continue in 2014-15. Ester's long term 3-pronged strategy (Robust customer base, Solution provider & long term partnerships) to ensure that it is able to meet and exceed the expectations of its shareholders and stakeholders is bearing positive results.

Buoyed by a significant improvement in business performance, wherein the earnings grew by 92% - we intend to maintain the growth momentum in FY 14-15 as well. We further expect to build upon this profitable growth through focused initiatives such as

- Continued focus on new product development led by a closer engagement with customers
- Enhancing relationship with end-users and entering into long term supply arrangements
- Innovation & Value selling to support our growth aspirations
- Exploring and developing opportunities in new high value markets
- Continuous improvement in systems & processes to enhance business robustness
- Exploring opportunities for vertical integration or in related fields
- Exploring opportunities for entering new market segments
- Operational excellence through optimizing asset utilization and costs

The effective implementation of its strategy has enabled creation of a robust business model ensuring value maximization for its shareholders and stakeholders. Ester intends to strengthen this going forward.

Engineering Plastics

The Product

Engineering Plastics (such as Polybutylene Terephthalate, Polyamides and Polycarbonate) have better mechanical and/or thermal properties as compared to commodity plastics (such

as Polystyrene, Polypropylene and Polyethylene). Engineering Plastics usually exhibit a combination of properties (such as mechanical strength, heat resistance, and impact & abrasion resistance) that make them suitable for applications in various industries such as automotive, electrical and electronics, medical, consumer durables and telecommunication.

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

Industry Overview

Global: The global engineering plastics market is expected to grow at a CAGR of 5% thus reaching ~25 million metric tons by 2020. This growth – driven primarily by sustained economic growth, enhanced purchasing power and new applications in end-user segments – is expected mainly from the emerging regions such as Asia, South America and Middle-East as well as some developing regions in Europe. Growth in 2013 was lower than expected. Polymer-wise growth and future outlook have been detailed below:

- PC recorded no growth as compared to a growth of ~5% in the previous year, with the shrinking optical media demand being the key reason for this lack of growth. This trend is unfortunately expected to continue in 2014.
- ABS recorded a 2% growth vis-a-vis a negative growth in the previous year. This trend is expected to continue in 2014.
- PA6 & PA66 recorded growth of 1% & 2% respectively. These segments are expected to grow at ~5% in 2014.

With an overcapacity scenario, capacity additions for PC & ABS are slowing significantly. However, PA6 capacity addition has been announced in China ahead of global demand. An overcapacity scenario has been created for PBT as well, with significant capacity addition in China.

Asia-Pacific: Asia-Pacific (which accounts for ~40% of the global engineering plastics market) is expected to grow at a CAGR of ~9% till 2020. The Engineering Plastics market in Asia-Pacific, led by China and India, has witnessed a higher growth as compared to the global market in the recent past. Increased purchasing power and advancements in new applications across various industries such as automotive, construction and infrastructure, transportation, telecommunications and household appliances

have primarily contributed to this growth. Polyamides and PBT are expected to contribute significantly towards achieving the growth projections.

India: Per capita consumption of engineering plastics in India is lower than the global average, thus offering good growth prospects as more applications are being realized. The EP compounds market in India, estimated at about 140000 MT, is expected to grow at a CAGR of ~ 14% till 2017. Rapid industrialization and increased investments in infrastructure development are expected to contribute significantly towards this growth. PC, PBT and Polyamides would account for a major portion of the projected growth. The automotive sector (which accounts for approximately half of the EP consumption in India) is expected to witness a revival in the near future.

Performance Overview

Ester's concerted efforts towards continuously enhancing market share yielded positive results in FY 2013-14, with our Engineering Plastics business recording a material sales growth of approximately 37%. This was the second consecutive year wherein Ester grew significantly ahead of industry. While the sales growth was impressive, a corresponding improvement in profitability could not be made possible due to the continuous increase in input costs on account of the adverse movement in forex rates for a period of 4 to 5 months. Though Ester was successful in securing regular price increases from its customers, the constant lag as well as liquidity crunch in the market did not allow a commensurate increase to be secured – thereby impacting profitability. However, once the price increases were secured from customers and the foreign exchange rates having stabilised in November 2013, a significant improvement in profitability was registered in the latter part of the year. This is expected to pave the path for a significant improvement in financial performance in 2014-15.

Our focused customer acquisition process and improved product range helped in enhancing our active customer base by ~ 40%, with some key approvals being secured from Original Equipment Manufacturers (OEMs)/ Tier 1 customers in the automotive, electrical and appliances industries. We also received a "best supplier" award from one of our key customers in the Auto segment.

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

- Commissioning of the 3rd extrusion line, thereby enhancing operating capacity for EP compounds (at current product mix) by 8000 MT. Operating capacity for catering to the OFC segment was also enhanced. These capacity enhancement initiatives were taken in order to support our growth aspirations.
- An active participation in Plastivision India 2013 at Mumbai contributed towards enhancing Ester's Brand image/visibility as well as some promising engagement for Business Development.
- Continued focus on new product development to meet customer needs. This helped in expanding our product portfolio to ~350 grades, including specialized Polyamide grades for metal replacement and Halogen & Phosphorous free PBT and Polyamide grades.
- Securing UL listing for Ester's flame retardant PBT grades.
- Enhancement of customer-facing team. Separate cells for Application Development & Technical Services were created for better understanding / meeting changing customer needs and delivering high levels of customer satisfaction.
- Sustained efforts towards productivity/efficiency improvement at the manufacturing facility
- Continual evaluation of alternate vendors in order to improve supply chain efficiency as well as to enhance robustness towards ensuring business continuity.

Key drivers for Industry Growth

1. Increased usage of plastics in the automotive industry to reduce the weight of vehicles for better fuel efficiency and lesser emissions.
2. Increased focus by the government to promote usage of energy-saving lightings.
3. Enhanced safety awareness resulting in increased usage of low voltage switch gear.
4. New applications for engineering plastics being developed across various industries
5. Shifting of manufacturing bases by several global players (mainly automotive and electrical) to India for reduced production costs.
6. Increased government & private spending in construction and infrastructure projects

7. Favourable demographic distribution with rise in working population / urbanization leading to increased per capita usage of plastics.

Business Prospects

Automotive Segment: The automotive segment comprises of automobile and auto-components and is one of the key drivers of the Indian economy. The tough market scenario in 2013-14 (owing to low growth of the economy, high interest rates, fuel prices and low sentiments) resulted in a second consecutive year of sluggish performance. Despite this, the sheer size of the market makes it one of the most important end-user segments for the engineering plastics market, accounting for about half of the EP consumption in India. India is the world's second largest two-wheeler manufacturer and this segment registered a growth of 7.31% in 2013-14, resulting in an overall growth of 3.53% for the automotive industry despite a negative growth in other segments. The segment-wise growth in FY2013-14 is tabulated below:

Segment	Growth in FY2013-14
Passenger Vehicles	(-) 4.65%
Commercial Vehicles	(-) 20.23%
Two-Wheelers	7.31%
Three-Wheelers	(-) 1.15%
Overall	3.53%

Notwithstanding the lack of growth in the last 2 years, India continues to be an attractive destination for manufacturers in view of the projected demand growth. As per industry reports, a revival is expected to commence from the current year with the passenger vehicles segment projected to grow at 4%. Projected CAGR for various segments is tabulated below:

Segment	CAGR (FY 2013-20)
Passenger Vehicles	16%
Commercial Vehicles	16%
Two & Three Wheelers	9%

Over the years, the automotive industry has realized the importance of engineering plastics over metals due to reduction in vehicle weight and production costs, improvement in time-to-market and design freedom thus enhancing the overall safety of

the vehicles. Today, plastics account for nearly 16% of the average vehicle weight which is expected to go up to 18% by 2020.

Electrical & Electronics Segment

The electrical industry comprises of the lighting and electrical equipment industries. The key segments in the electrical equipment industries, with respect to consumption of engineering plastic compounds, include the switchgear and the energy meters industries. These segments recorded a growth of 4.4% and 10% respectively in FY 2013-14. While the energy meters industry is expected to maintain a steady growth rate of ~10%, the switch & control gears industry is expected to register a CAGR (FY12-22) of ~15%.

The size of India's lighting industry currently stands at Rs 9500 crores, with the CFL segment – introduced about a decade ago – accounting for Rs 3000 crores. The government has been promoting the usage of energy-saving lighting which has resulted in a high growth over the last two to three years, led by CFL bulbs. The CFL market grew by ~10% in FY2013-14 and this growth trend is expected to continue for the next couple of years. The LED segment, which picked up about 3 years ago, is already pegged at Rs 500 crores in the organized market and expected to grow at >50%, replacing traditional products. As per industry reports, LED products would replace about 70% of traditional products by 2020.

Electronics industry consists of applications like TV, computers, semiconductor chips, etc. This industry is being strongly promoted by the government through various initiatives. The electronics market in India currently stands at USD 69.6 billion and is expected to register a CAGR of ~24% by 2020. This high growth is also expected to boost the consumption of engineering plastics in the Indian market.

Optical Fiber Cable Segment

The OFC industry – that had remained more or less stagnant over the last few years – witnessed a revival in FY2013-14, registering a healthy growth of ~20%. This industry is expected to further grow by >50% in FY 2014-15. Consumption over the next couple of years is expected to be steady, with a number of government & private projects in the pipeline. The National Optic Fiber Network's plan to connect all 250,000 gram panchayats in the country and a Defence-funded project are expected to account for a major portion of the growth projections.

Future Outlook

Ester intends to maintain its aggressive growth strategy in FY2014-15 as well, whilst focusing on actions to enhance profitability. Investments have already been made in FY2013-14 towards capacity enhancement and team-building in order to support its ambitious growth aspirations. Some of the key actions that would help in ensuring profitable growth include;

- Enhancing relationship with OEMs/Tier 1/Tier 2 customers in the automotive & electrical segments and securing approvals for long-term sustainability. Working on collaborative VAVE (Value Addition & Value Engineering) & localization projects with some of our OEM customers
- Exploring options for maximizing machine utilization, having enhanced capacities ahead of planned growth
- Building R&D capability (in-house or through strategic alliances) aligned with technological developments.
- Continued focus on new product/application development. An additional injection molding machine would be commissioned along with investments to enhance QA capability in order to support NPD initiatives
- Exploring and developing opportunities in the Exports market, with resources in place to support this initiative
- Evaluating options to enhance distribution reach and delivery capability for increased presence in West/South markets
- Continuous improvement in systems & processes to enhance business robustness
- Maintaining focus towards enhancing Ester's brand visibility and brand value, including participation in Plastindia 2015
- Development of Halogen & Phosphorous free compounds in line with our "green initiatives" programme
- Development of specialized grades to exploit the opportunities available in the rapidly expanding LED market
- Development of cost-effective formulations to thwart competition from cheaper alternatives
- Evaluating options for introduction of additional polymer compounds for entering new market segments

Specialty Polymers

The Product

Specialty polymers are differentiated polymers for unique applications primarily used in textiles, packaging (rigid or flexible) and industrial applications. The global consumption of PET resin continues to grow at a steady CAGR of ~6%, which is expected to continue in the next decade. Specialty Polymers is a niche component in this PET resin market. PET consumption in textile applications & packaging is growing at a rapid pace, wherein recycled PET is playing a crucial role.

Key Market Drivers

The demand for specialty polymers is driven by 3 main aspects:

1. **Niche Markets** – Over the last few years the PET industry has grown significantly as producers have targeted economies of scale. While such capacities were under construction, certain market niches with customised requirements could not develop at the same pace as the supply which was under creation simultaneously. These niche markets offer sizeable growth opportunity.
2. **Material substitution** – The replacement of traditional materials such as metal, glass and thermosets and other plastics such as PP, PE and PS is expected to continue which in turn will support demand growth in the specialty polymers market
3. **Recovery & Recycling optionality** – Globally the PCR PET recovery rates are around 50%, whereas in certain developing countries the said rates are in excess of 75% and continuously increasing. Further, the recyclability of PET material and its suitability for food contact applications is enhancing the versatility of usage in varied applications.

Competitive Edge

Being a technology based business area and requiring extensive customization, Ester has chosen to develop a team of research professionals and flexible production systems to address this niche market demand. Further, Ester, in partnership with reputed global companies is involved in development & testing of almost 44 new grades of applications in textiles and engineering plastics. In order to build an edge over competitors, Ester is securing its technology through patent filings. Furthering its sustainability agenda, Ester is incorporating PCR PET Flakes and Bio MEG to

manufacture all its specialty polyester grades. Ester has also successfully recycled all the polyester based waste generated during manufacture so as to achieve a zero wastage process.

BUSINESS & FINANCIAL PERFORMANCE

	Quantity Produced (MT) (During 2013-14)	Quantity Produced (MT) (During 2012-13)	Growth
PET Chips (including Specialty Polymers)	62731	69571	(9.8%)
PET Film – Non Metallized	42846	50076	(14.4%)
PET Film – Metallized	9323	9366	(0.5%)
Engineering Plastics	10258	6964	47.7%

	Quantity Sold (During 2013-14)	Quantity Sold (During 2012-13)	Growth
PET Chips	17177	17257	(0.5%)
Specialty Polymers	2037	2241	(9.1%)
PET Film – Non Metallized	33425	40237	(16.9%)
PET Film – Metallized	9380	9402	(0.2%)
Sub Total – PET Film	42805	49639	(13.8%)
Engineering Plastics	9509	6945	36.9%

	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2013-14)	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2012-13)	Growth
PET Chips	14981.88	14424.60	3.9%
Specialty Polymers	3849.83	3941.90	(2.3%)
PET Film – Non Metallized	43811.33	45213.69	(3.1%)
PET Film – Metallized	14764.31	12952.33	14.0%
Sub Total – PET Film	58575.64	58166.02	(0.7%)
Engineering Plastics	14388.28	10527.69	36.7%

	(Rs. in Lacs) (During 2013-14)	(Rs. in Lacs) (During 2012-13)	Growth
EBITDA	7931.83	4724.44	67.9%
PBT	1414.67	(780.89)	281.1%
PAT	836.95	(526.99)	258.8%

Increase in sales value (net of Excise Duty) has been primarily on account of significant increase in the sales of Engineering Plastics. Our Engineering Plastics business recorded a remarkable sales growth of 36.7%.

Due to the decision to weed out non-remunerative sales in the Film business, place commodity films in markets which offer better realisations and an increased focus on value added and speciality films, the selling price and the margins improved significantly during the year under review. In quantitative terms, while the sales reduced by 13.8%, in value terms, it reduced only by 0.7%. Continuous focus on the strategic initiative of increasing the proportion of Value Added and Speciality films (along with rationalising its customer and market portfolio) has enabled the company to increase the sales of Value Added & Speciality films by about 15%. In addition, there was a focus on decreasing inventory levels in the Films business which improved efficiency of operations.

Overall the financial performance of the company improved significantly with EBITDA, PBT and PAT improving by 67.9%, 281.2% and 258.8% respectively.

Due to repayment of term borrowings, the financial leveraging indicated by Total Debt: Tangible Net Worth ratio stands at the prudent level of 1.59 as on 31st March 2014. The book value per equity share stood at Rs. 41.30

Risk Management

In the current volatile and dynamic environment, each business is embedded with uncertainties, affecting operational & financial performance and prospects. Risk Management is a critical component in institutionalizing governance framework in an organization. An effective risk management framework provides robust oversight in evaluating the inherent and emerging risks faced by the organization and strategy adopted to manage the risks. A robust and live risk management process contributes towards achievement of business objectives. A key factor for a Company's capacity to create sustainable value is the risks that the Company is willing to take (at strategic and operational levels) and its ability to manage them effectively.

A policy has been put in place that aims to detail the objectives and principles of risk management along with an overview of the risk management process and related roles and responsibilities. Risk Management process is focused at ensuring that risks are known and addressed through a pragmatic and effective risk management process. Risk Management framework adopted by the Company encompasses clear understanding of strategies,

policies, initiatives, norms, structured reporting and control.

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, business decisions are taken in a manner that risk and reward are optimally balanced, ensuring that the Company's revenue-generating initiatives are consistent with the risks taken, so that shareholders get their desired total return.

Company has classified the risks broadly into Strategic risks, Financial risks, Operational risks and Compliance risks. The risk classification framework provides a common risk language for articulating risks.

STRATEGIC

Strategy is a systematic plan that connects the current state of a company to its desired future state. The direction of a company is defined by its vision and goals while strategy is the path envisaged for the achievement of those objectives. Risks that coerce a change in strategy or severely question its realization are termed as Strategic Risks. This category covers the risks which may impact the strategic focus and future of the company.

FINANCIAL

In the pursuit of its objectives a corporate raises and manages capital as well as protects its monetary resources. Financial risks include risks relating to the manner in which a corporate raises and manages its finances, reduces uncertainty due to market movement of currency, interest rates and commodity prices and accounting and reporting of its finances.

OPERATIONS

Operations refer to the activities of the company in harnessing its resources to execute its business model. This category of risks includes risks related to resources and processes which come together to create products and services that satisfy customers and help achieve the company's quality, cost and time performance objectives.

COMPLIANCE

Operations of the company are governed by numerous laws and regulations in addition to being subject to large number of obligations emanating from contractual agreements entered

by it. This category of risks includes risks which may arise due to the company's inability to comply with the applicable laws, regulations and contractual terms and conditions.

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.

Through risk policy and risk management process document, a monitoring process has been institutionalized to ensure periodic review of organization risk profile, identify emerging risks and assess the implementation status of mitigation plans and propose change in the mitigation strategy.

Intellectual capital

Increasingly, Human Capital is becoming a differentiator and a key enabler in fuelling growth and creating value in organizations across the sectors. During this year, we continued to progress with our people agenda that lays its foundation on the philosophy of developing Human Capital at Ester so as to facilitate achievement of our vision and create value that is aligned with our business objectives. We continued on the momentum that we created last year around the people agenda especially with respect to the Performance Management System, Employee Development and facilitating inculcation of Esterian DNA (Ester's competency framework).

This year, Learning and Development framework, which offers our employees to learn and grow within the organization, was created and implemented. Apart from addressing individual learning needs, the framework also address organizational and specific functional needs and thereby provides our employees a platform for holistic development.

With the objective of identifying and developing key talent within the organization, specific Talent Management interventions were initiated. Using a structured and scientific process involving multiple selection/elimination criteria and an Assessment Centre, High Potential employees were identified under the "Ester Hi-Pot Employee program". Also, to create internal Leadership Talent Pool for future leadership roles within the organization and to ensure business continuity, we initiated Succession Planning framework.

To foster a healthy and open working relationship amongst our employees, multiple communication channels and forums were introduced during this year. Intranet – “Esternet”, Voice of Employees (VOE) and “Ester Times” are the initiatives that were taken during this year to facilitate better communication amongst employees at all levels.

While steps are continually taken to attract, develop and retain talent, the recognition of a highly engaged workforce with respect to achieving greater organizational success is also important. We continued with various activities towards employee engagement; however, to measure the engagement levels and to attract focus in these activities, an Employee Engagement Survey – “Viewpoint” was launched during this year. Almost 90% of the employees participated in the survey and the action plans emerging out of it would be implemented during the next year.

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
- Regular Performance Reviews

The integrated financial accounting system on SAP ECC 6.0, supported by in-built controls, ensures reliable and timely financial and operational reporting. Internal Checks and Controls are periodically reviewed by audit systems. The financial accounting and audit systems ensure prevention and detection of frauds and negligence.

Managers across company are making informed decisions based on relevant data & information on real time basis using a Business Intelligence tool that was implemented in 2012-13.

Corporate Social Responsibility

Ester remains committed towards pursuing its CSR program irrespective of the requirements stipulated by the Companies Act. We continue to support the Make-A-Wish Foundation, a global organization that works towards fulfilling wishes of terminally ill children. We have also demonstrated our concern for the environment by continually reducing our carbon footprint by minimizing consumption of fossil fuels and replacing the same with renewable resources. An additional Bio-mass based Thermic Fluid Heater would be commissioned in FY2014-15 towards meeting this objective.

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

Cautionary statement

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

CORPORATE GOVERNANCE REPORT

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

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

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

1. Board of Directors

The Board of the Company is constituted in compliance with the Companies Act, 2013 as applicable, Listing Agreement with the Stock Exchange(s) and in accordance with best practices in Corporate Governance, having 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.

Composition of the Board

Category	Name of Directors
Promoter Directors	Mr. Arvind Singhania, Executive Chairman
	Mrs. Archana Singhania, Non-Executive Director
Executive Directors	Mr. Pradeep Kumar Rustagi

Independent Directors	Mr. V. B. Haribhakti
	Mr. M. S. Ramachandran
	Mr. Ashok Kumar Newatia
	Mr. Dinesh Chandra Kothari
	Mr. Anand Chand Burman
	Mr. P. S. Dasgupta

Note

1. Mr. Ashok Kumar Agarwal, who was Director in the Company since 14th February, 2011, resigned from the Directorship of the Company w.e.f. closing hours of 31st March, 2014.
2. Mrs. Archana Singhania has been appointed as Additional Director by the Board w.e.f. 4th August, 2014.

No Director is, inter se, related to any other Director on the Board, except Mrs. Archana Singhania and Mr. Arvind Singhania. Mrs. Archana Singhania is wife of Mr. Arvind Singhania.

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

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

Mr. Arvind Singhania

Mrs. Archana Singhania

Mr. V. B. Haribhakti

Mr. Anand Chand Burman

Mr. P. S. Dasgupta

Mr. M. S. Ramachandran

Mr. Dinesh Chandra Kothari

Mr. A. K. Newatia

Mr. Pradeep Kumar Rustagi

Number of Board Meetings held and the dates on which held

7 (Seven) Board Meetings were held during the year 2013-14. The dates on which the meetings were held are 24th May, 2013, 4th July, 2013, 5th August, 2013, 3rd October, 2013, 29th October, 2013, 17th December, 2013, and 3rd February, 2014.

Details of Name, Composition, and Attendance record of the Directors for the year ended 31.03.2014 and the number of Directorship and Committee Chairmanship/Membership held by them in other Companies are as follows:

Name of the Director	Designation	Attendance Particulars		No. of directorships in other Companies ¹	No of Membership/ Chairmanship of Committees in other Companies ²	
		Board Meeting	Last AGM		Committee Membership	Chairperson of Committees
Mr. Arvind Singhanian ³	Executive Chairman	7	Yes	None	None	None
Mr. V.B. Haribhakti	Independent Director	5	No	7	7	3
Mr. A.K. Newatia	Independent Director	6	Yes	None	None	None
Mr. M.S. Ramachandran	Independent Director	5	No	5	1	None
Mr. Dinesh Chandra Kothari	Independent Director	4	No	3	4	2
Mr. Anand C. Burman	Independent Director	3	No	6	None	None
Mr. P.S. Dasgupta	Independent Director	4	No	9	9	2
Mr. Pradeep Kumar Rustagi	Whole-time Director	7	Yes	None	None	None
Mr. Ashok Kumar Agarwal ⁴	Whole-time Director	7	Yes	None	None	None

¹The 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.

²As 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.

³Mr. Arvind Singhanian has been appointed as Executive Chairman of the Company w.e.f. 21st May, 2014

⁴Mr. Ashok Kumar Agarwal has resigned from the Directorship of the Company w.e.f. closing hours of 31st March, 2014

Information provided to the Board of Directors

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

1. Annual operating plans of the business, capital budgets, acquisitions etc.
2. Quarterly results of the company.
3. Quarterly Operational Performance Report of the Company
4. Minutes of the Board Meeting and all Committee Meetings
5. Information on recruitment and remuneration of senior officer below the Board level.
6. Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems
7. Information related to the shareholder services and share transfers.
8. Significant development on the human resources and industrial relations front.

9. Details of any investment, merger, joint venture or collaboration agreement, if any.

10. Sale of material nature, of investments, subsidiaries assets, which is not in normal course of business.

11. Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any

Statutory Compliance

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

Compliance of Code of Conduct

We have laid down a code of conduct for all Board Members and senior management of the Company. The code of conduct is available on the website of the Company viz. www.esterindustries.com. All Board members and senior

management personnel of the Company have affirmed their adherence to the code. The declaration to this effect from Executive Chairman forms a part of this report.

3. Audit Committee

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

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

- 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 2013-2014, the Audit Committee has met on 24th May, 2013, 5th August, 2013, 29th October, 2013 and 3rd February, 2014.

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. M. S. Ramachandran	Independent Director	4	4
Mr. Dinesh Chandra Kothari	Independent Director	4	3

Mr. V. B. Haribhakti & Mr. Dinesh Chandra Kothari are qualified Chartered Accountant having rich experience in Accounting and Finance. Other member of the Committee has 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 177 of the Companies Act, 2013.

The Chairman and CFO are invited to the meetings. Representatives of Statutory Auditors and Internal Auditors are also being invited to the meetings. All the Meeting of Audit Committee are attended by Statutory Auditors. Cost Auditors also attend the meeting when the Cost Audit Report is discussed. 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 could not attend the last Annual General Meeting held on 30th September, 2013 due to cancellation of flight from Delhi to Pant Nagar at last moment due to bad weather.

4. Nomination and Remuneration Committee (earlier known as Remuneration Committee)

The Company has changed the nomenclature of Remuneration Committee as Nomination and Remuneration Committee of the Company as defined under Section 178 of the Companies Act, 2013 and redefines its roles and responsibilities in compliance with the Companies Act, 2013.

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

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,

- to recommend to the Board their appointment and removal
- to carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees,
- to formulate criteria for evaluation of Independent Directors and the Board
- to perform any other function, duty as stipulated by the Companies Act or under any applicable laws, as amended from time to time.

The Composition of the Nomination and Remuneration Committee -

Name of Members	Category
Mr. V. B. Haribhakti (Chairman of Committee)	Independent Director
Mr. M. S. Ramachandran	Independent Director
Mr. Dinesh Chandra Kothari	Independent Director

Meeting of the Nomination & Remuneration Committee & attendance during the year.

No Nomination & Remuneration Committee Meeting was held during the year.

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, 2013. 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 2013-14 to the Non-Executive Directors are given below –

Name of the Director	Sitting Fees Paid (In Rs.)
Mr. Arvind Singhania	70,000
Mr. A. K. Newatia	60,000
Mr. V. B. Haribhakti	50,000
Mr. Dinesh Chandra Kothari	40,000
Mr. M. S. Ramachandran	50,000
Dr. Anand Chand Burman	30,000
Mr. P. S. Dasgupta	40,000

Details of remuneration paid/payable to Executive Directors

The 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/Central Government. The notice period for Executive Directors is three months.

During financial year 2013-14, following remuneration to Executive Directors were paid/payable -

(Rs. in lacs)

Name of Director	Designation	Salary	Allowances & Perquisites	Contribution to PF and SAF	Total
Mr. Pradeep Kumar Rustagi	Executive Director and CFO	30.42	46.74	4.65	81.81
Mr. Ashok Kumar Agarwal	Executive Director- Operations & Projects	31.38	50.08	4.77	86.23

Details of Shareholding of Directors in Ester Industries Limited

Name of the Director	No. of Shares hold
Mr. Arvind Singhania	150
Mr. V. B. Haribhakti	1500
Mr. M. S. Ramachandran	Nil
Mr. A. K. Newatia	Nil
Mr. Dinesh Chandra Kothari	20000
Dr. Anand Chand Burman	Nil
Mr. P. S. Dasgupta	Nil
Mr. Pradeep Kumar Rustagi	400
Mrs. Archana Singhania	Nil

5. Stakeholders' Relationship Committee (earlier known as Share Transfer cum Shareholders'/ Investors' Grievance Committee)

The Company has changed the nomenclature of Share Transfer cum Shareholders'/ Investors' Grievance Committee as Stakeholders' Relationship Committee and redefines its roles and responsibilities in compliance with the Companies Act, 2013.

The present constitution of the Committee is as follow –

1. Mr. A. K. Newatia, Independent Director (Chairman of the Committee)
2. Mr. Arvind Singhania, Executive Chairman of the Board
3. Mr. Pradeep Kumar Rustagi, Executive Director & CFO

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

The terms of reference of the Committee has been expanded in terms of the provisions of the Companies Act, 2013 which inter-alia includes the following:

1. To review and redress complaints from various shareholders which includes, such as non receipt of dividend, non receipt of interest on debentures, non receipt of annual report, transfer of shares or debentures, issue of duplicate share / debenture certificates, etc.
2. To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities issued by the Company.

3. To oversee the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.
4. To review/take note of various investors presentations / communication with stakeholders
5. To affix or authorise affixation of the Common Seal of the Company on Share Certificate of the Company.
6. To perform any other function, duty as stipulated by the Companies Act or under any applicable laws, as amended from time to time.

During the year 4 meetings of the Committee were held.

The Company has received 60 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, 2014.

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

4. Borrowing Committee

The Company has a Borrowing Committee, authorized and empowered 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.

During the year Mr. Ashok Kumar Agarwal has resigned from the Directorship of the Company w.e.f. the closing hours of 31st March, 2014.

Mr. Arvind Singhania, Non-Executive Chairman of the Company, has been reappointed as Executive Chairman of the Company w.e.f. 21st May, 2014.

Therefore the present constitution of the Committee is as follow –

1. Mr. A. K. Newatia, Independent Director (Chairman of the Committee)

2. Mr. Arvind Singhania, Executive Chairman of the Board
3. Mr. Pradeep Kumar Rustagi, Executive Director & CFO

No Borrowing Committee Meeting was held during the Year 2013-2014.

5. Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on 21st May, 2014 has constituted a Corporate Social Responsibility Committee consisting of majority of Independent Directors.

The Committee consists of –

Mr. M. S. Ramachandran, Chairman of the Committee,

Mr. Ashok Kumar Newatia, Member

Mr. Arvind Singhania, Member

The terms of reference of the Committee includes -

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

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
2012-2013	30.09.2013	11.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	No Special Resolution was passed.
2011-2012	28.09.2012	12.00 Noon	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	<ol style="list-style-type: none"> 1. Commission on Profits to Non Executive Director of the Company 2. Modification in terms and conditions of appointment of Mr. Ayush Vardhan Singhania
2010-2011	25.07.2011	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	<ol style="list-style-type: none"> 1. Commencement of New Business under Other Objects 2. Alteration of Articles of Association of the Company

Extra Ordinary General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2012-2013	07.04.2012	1.30 P.M	Sohan Nagar, P.O Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand	<ol style="list-style-type: none"> 1. Modifications in the terms of appointment of Mr. Pradeep Kumar Rustagi as Whole-Time Director of the Company. 2. Modifications in the terms of appointment of Mr. Ashok Kumar Agarwal as Whole-Time Director of the Company.
	31.10.2013	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	Approval for Preferential Allotment of Zero Coupon Compulsory Convertible Warrants

Court Convened Meeting

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

Financial Year	Date	Time	Venue	Special Resolution Passed
2012-2013	30.09.2013	1.00 P.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	No Special Resolution was passed

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

During the year, an ordinary Resolution as proposed in the Postal Ballot Notice dated 3rd October, 2013 was passed on 20th November, 2013 to seek consent of Public Shareholders for amalgamation of Sriyam Impex Private Ltd and Ester Industries Limited pursuant to the Companies Act, 1956, the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 and the Securities and Exchange Board ("SEBI") Circular No CIR/CFD/DIL/5/2013 dated 4th February, 2013 and Circular No CIR/CFD/DIL/8/2013 dated 21st May, 2013. Mr. Akash Jain, Practicing Company Secretary was appointed as the Scrutinizer for overseeing the postal ballot voting process.

Results of Postal Ballot -

Total No. of shareholders (Total members other than Promoter and Promoter Group Member)	: 25799
Total No. of equity Shares (Total shares other than shareholding of Promoter and Promoter Group Member)	: 17550264

Particulars	No. of Valid Postal Ballot Forms/evotes	No. of Shares	% of valid votes polled
No. of votes polled	103	284965	100
No. of Votes - in favour	98	282540	99.15
No. of Votes – against	5	2425	0.85

7. Disclosures

Related Party Transactions

During the financial year 2013-14 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.

Risk Management

The Company has laid a comprehensive Risk Management Policy. The company has identified the Risks pertinent to the Business of the Company and prepared the plans to mitigate these Risks. The Board on quarterly basis reviews the progress of Mitigation Plans so as to control the Risks.

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 forms the part of the Annual Report to the Shareholders.

Whistle Blower Policy

In compliance with Section 177 of the Companies Act, 2013 and rules made there under, the company has established Whistle Blower Policy for employees/directors to report instances of unethical behaviour, actual or suspected fraud or violation of the law. Mr. Arvind Singhanian, Executive Chairman of the Company is appointed as Vigilance and Ethics officer under the policy.

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

Certification by Executive Chairman and Executive Director & CFO as stipulated in the Clause 49 (V) of the Listing Agreement was placed before the Board along with the financial statement for the year ended 31st March 2014, and the Board reviewed the same. The said Certificate is annexed with the Corporate Governance Report.

8. Means of communication

- The quarterly and yearly financial results are generally published in the following newspapers:
Economic Times, Times of India, Financial Express, Himachal Times, Dehradun.
- Website** - Ester's website www.esterindustries.com contains a separate dedicated section 'Investor Relations' which provides shareholders information like quarterly financial results, annual reports, shareholding patterns, news and announcements and other shareholder information. Further as all such information are also filed/intimated to BSE and NSE, the shareholder can also obtain information from their website viz. www.bseindia.com and www.nseindia.com respectively.
- NSE Electronic Application Processing System (NEAPS)** - NEAPS is a web based application designed by NSE for

corporate. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report etc. are intimated/filed electronically on NEAPS.

- **BSE Listing Centre** - BSE has launched web based application for compliances and intimation under Listing Agreement for companies Listed in BSE. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report etc. are intimated/filed electronically on Listing Centre.
- **Designated e-mail address for investor services**- In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is shares.deptt@ester.in.

9. General Shareholder Information:

9.1 Forthcoming Annual General Meeting

Date and Time	12.30 PM on 22nd September, 2014
Venue	Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand

9.2 Financial Calendar (Tentative and subject to change):

Financial Results for the Quarter ending 30th June 2014	August – 2014
Financial Results for the Quarter ending 30th September 2014	November – 2014
Financial Results for the Quarter ending 31st December 2014	February – 2015
Financial Results for the Quarter and year ending 31st March 2015	May – 2015
Annual General Meeting	Any date between May 2015 - September 2015

9.3 Books closure date 13th September, 2014 to 22nd September, 2014(both days inclusive).

9.4 Dividend

Our Board has recommended the Final Dividend of Rs. 0.50/- per share i.e. 10% on Equity Share of face value of Rs. 5.00 each for the Financial Year 2013-14. In case dividend is declared, it will be paid on or before 10th October, 2014.

9.5 Listing of Equity Shares on Stock Exchanges

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

Address of Stock Exchanges	Bombay Stock Exchange Limited	National Stock Exchange of India Limited
	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	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 company has filed application to both the Stock Exchanges to change the listed capital pursuant to the Scheme of Arrangement. After taking effect of the Scheme, the Listed Capital will be 62643759 Equity Shares of Rs. 5/- each

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-13	11.45	8.65	192708	11.65	9.40	323162
May-13	10.39	9.12	223451	10.70	9.20	249062
Jun-13	10.40	7.65	78302	9.95	7.25	102559
Jul-13	10.49	7.42	155152	10.75	7.50	157181
Aug-13	9.90	6.56	208077	10.45	7.05	159330
Sep-13	10.48	8.51	258494	10.55	8.60	142402
Oct-13	15.30	10.05	343382	15.35	10.00	562268
Nov-13	16.75	13.02	300906	16.90	13.05	516503
Dec-13	14.70	12.95	150403	14.90	12.95	233793
Jan-14	14.40	12.17	228407	14.40	12.00	240777
Feb-14	13.00	10.30	88452	12.50	10.35	106786
Mar-14	11.60	10.00	94477	11.55	9.90	292280

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 10 to 15 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 2014:

Distribution	No. of Shareholders	% to total holders	No. of shares	% to total shares
1-500	21096	83.3900	3760002	5.9783
501-1000	2068	8.1746	1758228	2.7956
1001-2000	1050	4.1505	1662109	2.6427
2001-3000	368	1.4547	954885	1.5183
3001-4000	168	0.6641	608699	0.9678
4001-5000	146	0.5771	700556	1.1139
5001-10000	218	0.8617	1655977	2.6330
10001-50000	156	0.6166	2973795	4.7283
50001-100000	14	0.0553	1085064	1.7252
And Above	14	0.0553	47734391	75.8969
Total	25298	100.00	62893706	100.00

Shareholding Pattern as on 31st March 2014::

Category of Shareholder	No. of Shareholders	No. of Shares	% to total shares
A. PROMOTER AND PROMOTER GROUP			
1. Indian			
a. Individual/HUF	3	450	0.0007
b. Bodies Corporate	1	10222650	16.2539
Sub Total	4	10223100	16.2546
2. Foreign			
a. Individuals (NRI/ Foreign Individuals)	1	150	0.0002
b. Bodies Corporate	1	35120192	55.8406
Sub Total	2	35120342	55.8408
Total Shareholding of Promoter and Promoter Group	6	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	445	2064910	3.2832
b. Resident Individuals	24685	14452660	22.9795
c. Non-Resident Individual	146	970094	1.5424
Sub Total	25276	17487664	27.8051
Total Public Shareholding	25292	17550264	27.9046
GRAND TOTAL (A) + (B)	25298	62893706	100

9.10 Dematerialisation of Shares:

As on 31st March 2014, 96.80% of the Company's shares were held in dematerialised form.

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

As on date there are 20750000 Zero Coupon Convertibles Warrants are pending for conversion. However, they are convertible at the option of the Warrant Holder within 18 months from the date of allotment i.e; 11th April, 2014. Further 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 / dematerialisation of shares and any other query related to the shares of the Company)

For shares held in physical form

To Registrar & Transfer Agent (RTA)

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**

Legal & Secretarial Department

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

Sector 33 & 34, Gurgaon, Haryana – 122 001

Phone: 0124-4572100

Fax : 0124-4572199

E-Mail: shares.deptt@ester.in

Web site: www.esterindustries.com

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

DECLARATION

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

Place : New Delhi
Date : 4th August, 2014

For Ester Industries Limited

Sd/-

Arvind Singhania
Executive Chairman

CERTIFICATE BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR & CFO

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 2014 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 2013-2014 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.

Arvind Singhania
Executive Chairman

Dated : 21st May, 2014
Place : New Delhi

Pradeep Kumar Rustagi
Executive Director and CFO

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Ester Industries Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Ester Industries Limited, for the year ended 31st March, 2014, 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 the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Dhananjay Shukla & Associates**
(Company Secretaries)

Date : 4th August, 2014
Place : Gurgaon

Sd/-
Dhananjay Shukla
Proprietor
COP. No. – 8271

INDEPENDENT AUDITOR'S REPORT

To the members of Ester Industries Limited

1) Report on the financial statements

We have audited the accompanying financial statements of Ester Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2) Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3) Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

4) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") 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, 2014;

- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5) Report on other legal and regulatory requirements

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

As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with there turns received from branches not visited by us;
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Other Matter

We did not audit total assets of Rs. 53.21 lacs as at March 31, 2014, total revenues of Rs. 32.96 lacs and net cash outflows amounting to Rs. 9.81 lacs for the year then ended, included in the accompanying financial statements in respect of erstwhile Sriyam Impex Private Limited which got amalgamated with the Company pursuant to the order of High Court of Uttarakhand vide its order dated March 25, 2014. The financial statements and other financial information of erstwhile Sriyam Impex Private Limited have been audited by other auditors and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of erstwhile Sriyam Impex Private Limited is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Raman Sobti

Partner

Place : New Delhi

Date : May 21, 2014

Membership Number: 89218

Annexure referred to in paragraph 5 of our report of even date under section 'Report on other legal and regulatory requirements'

Re: Ester Industries Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part 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. The activities of the Company do not involve the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (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 of the Company 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. We have not, however, made a detailed examination of the same.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty 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
Central Excise Act, 1944	Demand raised on account of differences in stocks as per physical and book records.	7.72	November 1992	Commissioner Meerut II
Central Excise Act, 1944	Reversal of Cenvat credit availed on HSD.	206.92	March 1994 to February 1997 and March 1997 to March 1998	High Court, Delhi
Central Excise Act, 1944	Demand on shortages on inputs on department physical verification.	3.09	July 2010	Assistant Commissioner, Rampur
The Customs Act, 1962	Dispute on disallowance of remission on MEG lost in Transit and utilization of MODVAT credit	32.99	June 87 to Oct 88, March 91 to May 91 and 1993	Assistant Commissioner, Rampur
Finance Act, 1944	Demand for short payment of Service Tax against brokerage and commission	13.54	F.Y. 2011-12	Additional Commissioner, Meerut
Income Tax Act, 1961	Dispute on Disallowance of advertisement expenditure pursuant to Rule 6B of IT Rules, 1962 by ITAT	1.68	A.Y. 1990-91, 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on Disallowances of club expenditure on the contention that expenses not incurred wholly and exclusively for the business needs.	1.80	A.Y. 1990-91, 1993-94 to 1994-95 & A.Y.2005-06	Income Tax - Assessing officer & Commissioner of Income Tax (Appeals) Delhi

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Dispute on Disallowances of 50% of entertainment expenses on the contention of non participation of the employee for incurring such expenditure.	5.10	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of expenses relating to previous year.	14.68	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, commission paid to agent, club expenses, provision for doubtful debts and expenses incurred on earning exempt income by invoking section 14A of the Act	16.94	AY: 2004-05 to 2005-06	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, bonus provision, expenses incurred on earning exempt income by invoking section 14A of the Act	17.93	A.Y. 2006-07 to A.Y. 2011-12	Commissioner of Income Tax (Appeals) Delhi & Income Tax Appellate Tribunal, Delhi

- (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 bank. The Company does not have any dues outstanding to debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before 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 the 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 period.
- (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.

ForS.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Raman Sobti

Partner

Place : New Delhi

Date : May 21, 2014

Membership Number: 89218

BALANCE SHEET

as at March 31, 2014

(Rs. in Lacs)

	Notes	As at March 31, 2014	As at March 31, 2013
Equity and liabilities			
Shareholders' fund			
Share capital	3	3,144.69	3,144.69
Share capital control account	40	(12.49)	-
Reserves & surplus	4	23,259.37	22,717.31
		26,391.57	25,862.00
Non - current liabilities			
Long term borrowings	5	12,415.30	15,960.42
Deferred tax liability (net)	6	2,469.41	1,895.45
Long term provisions	7	518.58	436.89
		15,403.29	18,292.76
Current liabilities			
Short term borrowings	8	20,793.51	14,930.37
Trade payables	9	2,023.18	1,918.13
Other current liabilities	10	4,647.78	4,075.88
Short term provisions	7	648.34	225.68
		28,112.81	21,150.06
Total		69,907.67	65,304.82
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	38,912.19	37,462.42
Intangible assets	11	86.83	89.10
Capital work in progress		1,808.21	510.79
Non-current investment	12	11.71	1.71
Long term loans & advances	13	982.37	801.40
Other non-current assets	14	64.77	9.61
		41,866.08	38,875.03
Current assets			
Inventories	15	12,411.04	12,270.11
Trade receivables	16	12,423.91	10,902.17
Cash & bank balances	17	824.41	1,425.52
Short term loans & advances	13	1,959.23	1,354.04
Other current assets	14	423.00	477.95
		28,041.59	26,429.79
Total		69,907.67	65,304.82
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 & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No. 101049W

per Raman Sobti

Partner

Membership no. 89218

Place : New Delhi

Date : May 21, 2014

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

Arvind Singhania

Chairman

Pradeep Rustagi

Executive Director & CFO

Diwaker Dinesh

Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(Rs. in Lacs)

	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue from operations (gross)	18	101,464.05	95,863.14
Less: - Excise duty		8,616.83	7,260.86
Revenue from operations (net)		92,847.22	88,602.28
Other income	19	492.83	579.45
Total revenues (I)		93,340.05	89,181.73
Expenses			
Cost of material consumed	20	66,265.07	64,490.13
(Increase) / decrease in inventories of finished goods & work in progress	21	(385.64)	427.58
Employee benefits expense	22	3,872.64	3,220.20
Other expenses	23	15,656.15	16,319.38
Total expenses (II)		85,408.22	84,457.29
Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)		7,931.83	4,724.44
Depreciation and amortisation expense	11	3,044.99	2,873.12
Less: Transferred from revaluation reserve		14.60	14.60
Finance costs	24	3,486.77	2,646.81
Profit / (loss) before tax		1,414.67	(780.89)
Tax expense			
Current tax		298.99	-
Mat credit		(298.99)	-
Deferred tax		573.96	(253.90)
Total tax expenses		573.96	(253.90)
Profit / (loss) after tax but before impact of scheme of arrangement		840.71	(526.99)
Impact of scheme of amalgamation relating to earlier period (refer note 40)		(3.76)	-
Profit / (loss) after tax		836.95	(526.99)
Earnings per share			
Basic & diluted (in Rs.)	25	1.34	(0.84)
{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 & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No. 101049W

per Raman Sobti

Partner

Membership no. 89218

Place : New Delhi

Date : May 21, 2014

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

Arvind Singhania

Chairman

Pradeep Rustagi

Executive Director & CFO

Diwaker Dinesh

Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2014

(Rs. in Lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	1,414.67	(780.89)
Adjustments for:		
Depreciation/Amortisation	3,030.39	2,858.52
Loss on Fixed Assets Sold/Discarded (net)	8.19	83.69
Interest Expense	3,024.69	1,998.00
Interest income	(119.90)	(120.60)
Dividend income	-	(0.03)
Premium on forward contracts amortised	325.33	267.21
Unrealized foreign exchange loss (net)	50.39	54.27
Bad debts, advances and irrecoverable balances written off (net)	25.13	89.83
Provision for Obsolete Inventories	11.76	4.03
Loss on sale of Investment	-	8.32
Provisions / liabilities no longer required written back	(21.14)	(19.86)
Operating Profit before Working Capital Changes	7,749.51	4,442.49
Movements in working capital :		
Decrease / (Increase) in trade receivables	(1,379.79)	(2,447.81)
Decrease / (Increase) loans and advances/other current assets	(764.45)	2,110.16
Decrease / (Increase) in Inventories	(152.69)	(1,843.11)
Increase/ (Decrease) in trade & other Payables/ Provisions	(256.19)	2.19
Cash generated from Operations	5,196.39	2,263.92
Direct taxes paid	35.26	-
Net cash flow from operating activities	5,231.65	2,263.92
Impact of scheme of amalgamation relating to earlier period (refer note 40)	(25.11)	-
Net cash flow from operating activities (a)	5,206.54	2,263.92
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,718.93)	(3,672.62)
Sale of Fixed Assets	20.40	28.65
Deposits	(227.64)	(238.18)
Proceeds of deposits matured	48.51	940.38
Purchase of investment	(10.00)	-
Sale of investments	-	70.38
Interest Received	125.97	133.28
Dividend Received	-	0.03
Net cash flow from / (used) in investing activities (b)	(5,761.69)	(2,738.08)
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from short term borrowings	5,794.26	3,834.91
Proceeds from long term borrowings	14,012.65	1,279.94
Repayment of long term borrowings	(16,977.55)	(2,630.57)
Interest Paid	(3,035.27)	(2,041.20)
Dividend Paid	(0.52)	(5.65)
Net cash flow from / (used) in financing activities (c)	(206.43)	437.43
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(761.58)	(36.73)
Cash and cash equivalents at the beginning of the year	984.88	1,021.61
Cash and cash equivalents acquired under scheme of amalgamation	36.51	-
Cash and cash equivalents at the end of the year	259.81	984.88
Components of cash and cash equivalents		
Cash on Hand	9.83	6.08
Balances with Scheduled Banks :		
- On current Accounts	186.92	915.22
- On Term Deposits	629.37	450.25
- On Unpaid Dividend Accounts*	63.06	63.58
Cash & Bank Balances	889.18	1,435.13
Less: Fixed deposits not considered as cash and cash equivalents		
- Deposit Pledged with banks	28.00	37.00
- Deposit having maturity period more than 3 months	601.37	413.25
	259.81	984.88

* 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 & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 21, 2014

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

Arvind Singhania
Chairman

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

NOTES TO FINANCIAL STATEMENT for the year ended March 31, 2014

1. Nature of operations

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

2. Statement of significant accounting policies

a) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006,(as amended) and the relevant provisions of the Companies Act,1956 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. 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.

b) 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.

c) Tangible fixed Assets

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

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

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

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

d) 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.5,000 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.

e) Intangibles

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

f) 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.

g) Leases

Where the Company is the lessee

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

h) 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.

i) 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.

j) 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 when there is reasonable assurance that the company will comply with the conditions attached to them and the export benefits will be received. Export benefits under Duty Exemption Pass Book (DEPB) & Duty Draw back are considered as other operating income.

Interest

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

Dividends

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

Policy for Insurance Claims

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

k) Foreign currency transactions

Initial Recognition

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

Conversion

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

Exchange Differences

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

Forward Exchange Contracts not intended for trading or speculation purposes

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

l) Retirement and other employee benefits

- i. Retirement benefits in the form of Superannuation Fund (being funded to LIC), Provident Fund (where contributed to the Regional Provident Fund Commissioner) and employee state insurance are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective authorities. The Company recognizes contribution payable to respective authorities as an expenditure, when an employee renders the related service. If the contribution

payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

- ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Retirement benefit in the form of provident Fund (Where administered by trust created and managed by Company) is a defined benefit obligation of the company and the contributions are charged to Statement of profit & loss of the year when the contribution to the respective funds are due. Shortfall in the funds, if any, is adequately provided for by the company based on the actuarial valuation on projected unit credit method carried out at the end of each financial year.
- iv. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- v. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

m) Income Taxes

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

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

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

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

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

n) Borrowing Costs

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

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

o) 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.

p) 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.

q) 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.

r) 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.

s) 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.

t) Measurement of EBITDA

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

3. Share capital

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Authorized shares (No.)		
150,000,000 (previous year: 150,000,000) equity shares of Rs. 5/- each	7,500.00	7,500.00
47,960,000 (previous year: Nil) equity shares of Rs. 10/- each (refer note 40)	4,796.00	-
600,000 (previous year: 600,000) cumulative convertible preference shares of Rs. 50/- each	300.00	300.00
8,000,000 (previous year: 8,000,000) redeemable cumulative preference shares of Rs. 50/- each	4,000.00	4,000.00
Issued, subscribed & fully paid up shares (No.)		
62,893,706 (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 dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2014, the amount of dividend recognized as distribution to equity shareholders was Rs. 0.50 per share (previous year : Rs. nil).

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, 2014	As at March 31, 2013
Wilemina Finance Corp., holding company 44,915,012 (previous year 35,120,192) equity shares of Rs. 5 each fully paid (refer note 40)	2,245.75	1,756.01
Sriyam Impex Private Limited (subsidiary of holding) Nil (previous year 10,222,650) equity shares of Rs. 5 each fully paid (refer note 40)	-	511.13

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, 2014	As at March 31, 2013
7,391,306 equity shares allotted as fully paid-up pursuant to conversion of warrants and fully convertible debentures during the year 2009-10.	369.57	369.57

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

	As at March 31, 2014 (%)	As at March 31, 2013 (%)
Wilemina Finance Corp., holding company 44,915,012 (previous year 35,120,192) equity shares of Rs. 5 each fully paid (refer note 40)	71.70	55.84
Sriyam Impex Private Limited (subsidiary of holding) Nil (previous year 10,222,650) equity shares of Rs. 5 each fully paid (refer note 40)	-	16.25

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

4. Reserves & surplus

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Capital reserve		
Balance as per last financial statement	5,778.57	5,778.57
Less: Impact of scheme of amalgamation (refer note 40)	2,257.83	-
Closing Balance	3,520.74	5,778.57
Capital redemption reserve	335.37	335.37
Securities premium account		
Balance as per last financial statement	2,718.77	2,718.77
Add: Impact of scheme of amalgamation (refer note 40)	2,343.99	-
Closing Balance	5,062.76	2,718.77
Revaluation reserve		
Balance as per last financial statement	534.03	548.63
Less: Transferred to statement of profit and loss as reduction from depreciation	14.60	14.60
Closing Balance	519.43	534.03
General reserve		
Balance as per last financial statements	1,503.67	1,503.67
	1,503.67	1,503.67
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statement	11,846.90	12,373.89
Add: profit / (loss) for the year	836.95	(526.99)
Less: appropriations		
Proposed dividend on equity shares	313.22	-
Tax on dividend	53.23	-
Net surplus in the statement of profit & loss	12,317.40	11,846.90
Total reserve & surplus	23,259.37	22,717.31

5. Long-term borrowings

(Rs. In lacs)

	Non-Current Portion		Current maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured				
Term loans from banks	10,886.84	1,658.51	3,023.82	2,467.34
Term loans from body corporate	-	-	-	43.51
Vehicle loans	86.16	98.45	98.76	78.34
Buyers' credit for capital goods	1,442.30	14,203.46	-	-
	12,415.30	15,960.42	3,122.58	2,589.19
Amount Disclosed under the head "other current liabilities" (Refer note 10)	-	-	(3,122.58)	(2,589.19)
Total Long-term borrowings	12,415.30	15,960.42	-	-

I. Term loans

- a) **From Bank of Baroda** of Rs. 1,364.00 lacs (previous year Rs. 1,712.00 lacs) for corporate office project is secured by mortgage created by way of deposit of title deeds in respect of the immovable property (land and building) at Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the rate base rate plus 4.25% pa. As per sanction, the term loans are repayable in 71 monthly installments starting from April 1, 2012. The outstanding amount as on March 31, 2014 is repayable in 47 monthly installments starting from April 1, 2014.
- b) **From State Bank of Bikaner and Jaipur** of Rs. 111.82 lacs (previous year Rs. 160.82 lacs) is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.25% pa. The Term Loans are repayable in 20 quarterly installments starting from December 2011. The outstanding amount as on March 31, 2014 is repayable in 10 quarterly installments starting from April 1, 2014.
- c) **From Union Bank of India** of Rs. 793.64 lacs (previous year Rs. NIL) for Metalizer Project is secured by first exclusive charge by way of hypothecation of Metalizing Unit and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loans are repayable in 20 quarterly installments starting from September 2013. The outstanding amount as on March 31, 2014 is repayable in 17 quarterly installments starting from April 1, 2014.
- d) **From Union Bank of India** of Rs. 709.56 lacs (previous year Rs. NIL) for Bio mass fuelled Husk Fired thermic Fluid Heater is secured by first exclusive charge by way of hypothecation of Bio Mass fuelled Husk Fired Thermic Fluid Heater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loans are repayable in 20 quarterly installments starting from September 2014. The outstanding amount as on March 31, 2014 is repayable in 20 quarterly installments starting from September 30, 2014.
- e) **From Bank of India** of Rs. 246.44 lacs (previous year Rs. NIL) for Engineering Plastics Extruder, Twin Screw extruder and UPS is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw extruder and UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loans are repayable in 20 quarterly installments starting from June 2014. The outstanding amount as on March 31, 2014 is repayable in 20 quarterly installments starting from June 30, 2014.
- f) **From consortium member banks** of Rs. 10,685.19 lacs (previous year Rs. 2,253.03 lacs) are secured by first mortgage created by way of deposit of title deeds in respect of the immovable properties at Khatima, both present & future and first charge by way of hypothecation of Company's all movable assets (save and except inventories, book debts, vehicles acquired through vehicles loans and machinery acquired through term loan taken from banks / body corporate on exclusive charge basis), ranking pari passu inter-se and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loans bear floating interest rate ranging from Base Rate plus 2.75% pa. These term loans are repayable in 28 quarterly installments starting from April 1, 2012. The outstanding amount as on March 31, 2014 is repayable in 20 quarterly installments starting from April 1, 2014.

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

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. Vehicle loans bears interest rates ranging from 9.65 to 11.00% pa. These loans are repayable in monthly installments till July 2017.

III. Buyers' credit for capital goods

- a) Buyers' Credit amounting to Rs. 1,205.18 lacs (previous year Rs. 1,028.76 lacs) are against LOUs / LOCs issued by State bank of Bikaner & Jaipur (SBBJ). LOUs / LOCs facility from SBBJ is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater, and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

- b) Buyers' Credit amounting to Rs. 237.12 lacs (previous year Rs. NIL) are against LOUs / LOCs issued by Bank of India/ (Canara Bank to be taken over by Bank of India). LOUs / LOCs facility from BOI is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder and UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

Company has availed LOUs / LOCs facilities from the banks to avail the Buyers' Credit of Rs. 1442.30 lacs (previous year - Rs. 14,203.46 Lacs). These LOU / LOC facilities are sanctioned to the company as a sub limit of term loans upto a period of 3 years till December 2015.

LOCs / LOUs facilities are sanctioned to the company as a sub limit of term loan, bears interest rate ranging from 0.80% to 1.27%. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable in 20 quarterly installments.

6. Deferred tax liability

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,159.88	4,237.16
Gross deferred tax liability	4,159.88	4,237.16
Deferred tax assets		
Unabsorbed depreciation and carry forward losses	1,269.76	1,262.92
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	420.71	1,078.79
Gross deferred tax assets	1,690.47	2,341.71
Net deferred tax liability	2,469.41	1,895.45

7. Provisions

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Long term provisions		
Provision for gratuity (refer note 29)	518.58	436.89
Total long term provision	518.58	436.89
Short term provisions		
Provision for taxation (net of advance tax payments)	105.56	74.96
Provision for wealth tax	2.95	1.92
Provision for proposed dividend	313.21	-
Provision for tax on proposed dividend	53.23	-
Provision for gratuity (refer note 29)	29.90	32.71
Provision for leave benefits	143.49	116.09
Total short term provision	648.34	225.68
Total provisions	1,166.92	662.57

8. Short Term Borrowings

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Secured		
Working capital loan from banks	7,527.88	6,773.59
Bills discounting	4,436.85	3,015.91
Buyers' credit for raw material	2,682.14	760.81
Acceptances	6,146.64	4,380.06
Total short term borrowings	20,793.51	14,930.37

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

The working capital loans from banks bear floating interest rate at Base Rate plus ranging from 2.00% to 2.80% pa. The bill discounting from banks bear floating interest rate ranging from 10.70% to 11.75% pa.

Buyers' credit for raw material are against LOUs / LOCs issued by consortium of banks. The LOUs / LOCs facilities is sanctioned to the Company as a sub limit of Non Fund (LCs) based facility. The facility is secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of Wilemina Finance Corp. (Holding company). Buyers' credit for raw material taken in USD and Euro bears interest rate ranging from 0.73% to 1.17%.

9. Trade Payable

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Trade payables		
Total outstanding dues of other than micro & small enterprises	2,019.36	1,889.37
Total outstanding dues of micro & small enterprises (refer note 33)	3.82	28.76
Total trade payables	2,023.18	1,918.13

10. Other liability

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Current maturities of term loans from banks	3,023.82	2,467.34
Current maturities of term loans from body corporate	-	43.51
Current maturities of vehicle loans	98.76	78.34
Capital creditors	310.20	164.19
Interest accrued but not due on borrowings	52.92	63.50
Deposits from dealer / customer & others	2.38	2.58
Advances from customers	237.42	259.31
Investor education & protection fund will be credited by this amount (as & when due) - Unpaid dividend	63.06	63.58
Others payables		
- dues to statutory authorities	66.23	200.49
- others	792.99	733.04
Total other liabilities	4,647.78	4,075.88

11. Fixed assets

(Rs. in lacs)

Description	Gross block			Accumulated depreciation / amortisation			Net block		
	April 1, 2013	Additions	Adjustment for amalgamation (refer note 40)	March 31, 2014	April 1, 2013	Current year	Adjustment for amalgamation (refer note 40)	March 31, 2014	March 31, 2013
Tangible assets:									
Land - freehold (ii)	1,504.36	-	-	1,504.36	-	-	-	1,504.36	1,504.36
Buildings (ii)	7,168.59	329.41	-	7,498.00	1,683.75	205.23	-	1,888.98	5,484.84
Plant & machinery (i) & (ii)	60,111.49	3,798.81	-	63,759.82	30,521.83	2,660.75	-	33,053.44	29,589.66
Furniture & fixtures	288.10	102.68	1.76	392.54	50.06	22.79	1.41	74.27	238.04
Office equipments	512.59	109.52	0.20	621.29	254.04	51.30	0.20	305.37	258.55
Vehicles	569.05	139.71	-	670.74	182.08	62.04	-	212.50	386.97
Intangible assets:									
Software	407.06	40.61	-	447.67	317.96	42.88	-	360.84	89.10
Total	70,561.24	4,520.74	1.96	74,894.42	33,009.72	3,044.99	1.61	35,895.40	37,551.52
Previous year	65,512.18	5,492.33	-	70,561.24	30,467.53	2,873.12	-	33,009.72	35,044.65

(i) (a) Amount of borrowing cost aggregating Rs. 28.40 lacs (Previous year Rs. 108.20 lacs) have been capitalised during the year.

Building - Nil (previous year - Rs. 85.16 lacs)

Plant & Machinery - Rs. 28.40 lacs (previous year Rs. 20.73 lacs)

Office Equipment - Nil (previous year - Rs. 2.31 lacs)

(b) Foreign Exchange Fluctuation aggregating Rs. 1430.98 lacs on plant & machinery (Previous year Rs. 614.88 lacs) have been capitalised during the year.

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

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

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

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

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

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

12. Non-current Investments

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
A. Other than trade - quoted (valued at cost unless stated otherwise)		
Equity shares		
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Ltd.	0.04	0.04
- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Synthetics Ltd.	0.03	0.03
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Haryana Petrochemicals Ltd.	0.04	0.04
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Sanghi Polyester Ltd.	0.08	0.08
- 360 (previous year 360) equity shares of Rs.5 each fully paid up in Venlon Enterprises Ltd.	0.10	0.10
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Ltd.	0.11	0.11
	0.40	0.40
Less: provision for diminution in the value of Investments	0.22	0.22
	0.18	0.18
Units of mutual fund		
- 99,990 (previous year Nil) units of BOI- AXA Equity Debt rebalancer Fund - Regular plan - Growth of Rs. 10.00 each fully paid up (units purchased during the year 99,990 (previous Year - Nil)	10.00	-
	10.18	0.18
B. Other than trade - unquoted (valued at cost unless stated otherwise)		
Preference shares		
- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up Ispat Industries Limited	4.78	4.78
	4.78	4.78
Less : provision for diminution in the value of Investment Ispat Industries Limited	3.25	3.25
	1.53	1.53
C. In subsidiary companies (valued at cost unless stated otherwise)		
Other than trade (unquoted, fully paid up)		
- 25,000 (previous year 25,000) equity shares of Rs. 1 each fully paid Ester International [USA] Ltd. (a company under the same management under section 370(1B) of the companies Act, 1956.)	9.69	9.69
Less : provision for diminution in the value of Investment	9.69	9.69
	-	-
	11.71	1.71
Aggregate amount of quoted investments (market value Rs. 10.19 lacs, (previous year Rs. 0.034 lacs) (net of provision)	10.18	0.18
Aggregate amount of unquoted investments (net of provision)	1.53	1.53
Total investment net of provisions	11.71	1.71
Aggregate provision for diminution in value of investments	13.16	13.16

13. Loans & advances

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Non-current		
Unsecured, considered good		
Capital advances	423.77	242.20
Prepaid expenses	59.97	64.31
Deposits-others	430.74	428.18
Loans and advances to related parties (Refer note 34)	67.89	66.71
Total (A)	982.37	801.40
Current		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	595.91	489.27
Prepaid expenses	359.81	350.52
Advance tax & tax deducted at source (net of provision of tax)	180.04	195.70
MAT credit entitlement	298.99	-
Balances with statutory / Government authorities	465.57	208.29
Loans to employees	49.08	62.30
Deposits-others	9.83	47.96
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	1,991.14	1,385.95
Less: provision for doubtful advances	31.91	31.91
Total (B)	1,959.23	1,354.04
Total (A+B)	2,941.60	2,155.44

14. Other assets

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Non-current		
Unsecured, considered good		
Other bank balances (refer note 17)	64.77	9.61
Total other non-current assets	64.77	9.61
Current		
Unsecured, considered good		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	-	0.51
Interest receivable on fixed deposits	23.40	29.47
Export benefit receivable	331.60	385.85
Unamortized premium on forward contracts	68.00	62.12
Total other current assets	423.00	477.95
Total other assets	487.77	487.56

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

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Raw materials {including stock in transit Rs. 1,135.17 lacs (previous year Rs. 978.93 lacs)}	5,104.34	5,376.04
Work in process	679.84	436.25
Finished goods {including stock in transit Rs. 1,529.25 lacs (previous year Rs. 1156.34 lacs)}	5,434.13	5,292.08
Stores and spares {including stock in transit Rs. 2.03 lacs (previous year Rs. 0.21 lacs)}	1,192.73	1,165.74
Total inventories	12,411.04	12,270.11

16. Trade receivables

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	13.44	10.84
Doubtful	21.64	20.93
	35.08	31.77
Less: Provision for doubtful trade receivables	21.64	20.93
Total (A)	13.44	10.84
Other receivables		
Un-secured, considered good	12,410.47	10,891.33
Total (B)	12,410.47	10,891.33
Total (A+B)	12,423.91	10,902.17

17. Cash and bank balances

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
Cash on hand	9.83	6.08
Balances with banks in current accounts	186.92	915.22
Unpaid dividend accounts *	63.06	63.58
Total (A)	259.81	984.88
Other bank balance		
Short term deposits pledged	28.00	37.00
Deposits with maturity of more than 3 months but up to 12 months	528.24	351.99
Deposits with original maturity of more than 12 months	73.13	61.26
Total (B)	629.37	450.25
Total Cash & Bank Balance (A+B)	889.18	1,435.13
Less:- Amount disclosed under non-current assets (refer note 14)	(64.77)	(9.61)
Cash & Bank Balance	824.41	1,425.52

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

18. Revenue from operations

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of products	100,517.86	94,390.29
Other operating revenue	946.19	1,472.85
Revenue from operations (gross)	101,464.05	95,863.14
Less: Excise duty	8,616.83	7,260.86
Revenue from operations (net)	92,847.22	88,602.28

Excise duty on sales amounting to Rs. 8,616.83 lacs (previous year Rs. 7,260.86 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/(decrease) of stock Rs. 85.13 lacs (previous year Rs. (56.52 lacs)) has been considered as (income) / expenses in note 23 of the financial statements.

Other operating revenue comprises the following income:

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Other operating revenue		
Sales of scrap	26.78	27.20
DEPB earned	-	12.90
Drawback earned	919.41	1,432.75
	946.19	1,472.85

Details of goods sold

	2013-14		2012-13	
	Qty (MT)	Value	Qty (MT)	Value
Polyester / PBT chips	17,177	16,835.49	17,257	16,202.27
Speciality polymers	2,037	3,901.21	2,241	3,983.68
Polyester films	42,805	63,474.70	49,639	62,320.12
Engineering plastics	9,509	16,191.16	6,945	11,807.17
Others		115.30		77.05
Total		100,517.86		94,390.29

19. Other income

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest on:		
- Fixed deposits {tax deducted at source Rs. 4.46 lacs (previous year Rs. 5.77 lacs)}	43.45	58.23
- Trade receivable {tax deducted at source Rs. 0.40 lacs (previous year Rs. 2.12 lacs)}	41.95	33.59
- Others {tax deducted at source Rs. 3.50 lacs (previous year Rs. 2.88 lacs)}	34.50	28.78
Insurance claim	26.28	19.93
Dividend	-	0.03
Provisions / liabilities no longer required written back	21.14	19.86
Foreign exchange fluctuation gain	262.33	409.98
Miscellaneous income	63.18	9.05
Total other income	492.83	579.45

20. Cost of raw material consumed

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cost of raw material consumed	66,265.07	64,490.13
Total	66,265.07	64,490.13

Details of raw material consumed

	2013-14		2012-13	
	Qty (MT)	Value	Qty (MT)	Value
PTA	52,711.06	36,261.18	59,108.73	38,003.85
MEG	21,016.52	13,802.67	23,179.27	13,829.02
PBT chips	5,517.43	7,245.50	3,765.80	4,790.89
NYLON	2,440.45	3,304.03	1,630.69	2,151.38
BUTANE DIOL	469.92	644.68	431.95	657.06
NDC	4.90	17.62	169.60	545.30
Others		4,989.39		4,512.63
Total		66,265.07		64,490.13

Inventory of Raw material

(Rs. In lacs)

	2013-14 Value	2012-13 Value
PTA	608.62	2,250.14
MEG	301.57	275.79
PBT chips	1,389.08	569.78
NYLON	619.26	437.88
BUTANE DIOL	6.41	212.43
Others	2,179.40	1,630.02
	5,104.34	5,376.04

21. (Increase) / Decrease in Inventories

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013	(Increase) / Decrease
Closing stock			
- Finished goods	5,434.13	5,292.08	142.05
- Work in process	679.84	436.25	243.59
	6,113.97	5,728.33	385.64
Opening stock			
- Finished goods	5,292.08	5,028.23	263.85
- Work in process	436.25	1,127.68	(691.43)
	5,728.33	6,155.91	(427.58)
Total (Increase) / Decrease	(385.64)	427.58	

Inventory of finished goods

	2013-14		2012-13	
	Qty (MT)	Value	Qty (MT)	Value
Polyester chips	714.83	637.26	1,117.97	970.95
Speciality Polymers	376.91	518.27	371.15	622.62
Polyester films	1,566.63	1,998.41	1,809.29	2,260.66
Engineering plastics	949.64	1,482.01	200.40	302.72
Recycled polyester chips	819.82	798.18	1,263.02	1,135.13
		5,434.13		5,292.08

Inventory of work in progress

	2013-14	2012-13
	Value	Value
Polyester chips	175.30	206.40
Speciality Polymers	21.36	-
Polyester films	385.03	154.70
Engineering plastics	98.15	75.15
	679.84	436.25

22. Employee benefit expenses

(Rs. In lacs)

	For the year ended	For the year ended
	March 31, 2014	March 31, 2013
Salaries, wages & bonus	3,025.19	2,494.94
Contribution to provident and other funds	256.30	237.57
Gratuity (refer note 29)	106.13	93.72
Staff welfare expenses	485.02	393.97
	3,872.64	3,220.20

23. Other Expenditure

(Rs. In lacs)

	For the year ended	For the year ended
	March 31, 2014	March 31, 2013
Manufacturing expenses		
Consumption of stores and spare parts	1,327.60	1,136.62
Consumption of packing material	1,562.47	1,686.15
Power & fuel	5,860.26	6,486.87
Material handling charges	357.96	255.75
Increase / (decrease) in excise duty on closing stock	85.13	(56.52)
Total manufacturing expenses (A)	9,193.42	9,508.87
Selling expenses		
Freight (includes prior period expenses of Rs. 2.03 lacs)	2,688.70	3,230.78
Commission and brokerage (other than sole selling agents)	336.97	409.37
Discount, claims and rebates	89.39	171.78
Others	-	0.68
Total selling expenses (B)	3,115.06	3,812.61

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Administration and other expenses		
Rent	47.51	123.01
Rates and taxes	28.73	25.85
Insurance	251.17	209.70
Repairs & maintenance		
- Building	35.76	26.27
- Plant & machinery	196.42	186.92
- Others	166.47	138.03
Travelling & conveyance	936.62	748.21
Communication costs	97.22	106.40
Legal & professional charges (includes prior period expenses of Rs. 4.91 lacs)	398.37	431.31
Printing & stationery	28.21	22.17
Donations (other than political parties)	14.06	8.80
Directors sitting fees	4.50	4.40
Auditors' remuneration		
- Statutory audit fee	16.79	16.00
- Limited review fee	12.00	12.00
- Certification services	0.51	-
- Out of pocket expenses	0.87	0.98
Loss on fixed assets sold / discarded	8.19	83.69
Loss on sale of investments	-	8.32
Bad debts, advances & irrecoverable balances written off	25.13	89.83
Provision for obsolete inventory	11.76	4.03
Premium on forward contract amortised	325.33	267.21
Miscellaneous expenses	742.05	484.77
Total administrative & other expenses (C)	3,347.67	2,997.90
Total other expenses (A+B+C)	15,656.15	16,319.38

24. Finance cost

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest		
- on term loans	1,468.26	537.03
- on working capital	1,468.29	1,125.33
- on buyers' credit facilities	88.14	335.64
Bank charges	462.08	648.81
	3,486.77	2,646.81

25. Earning per share (EPS)

	Year ended March 31, 2014	Year ended March 31, 2013
Net profit/(loss) for calculation of basic /diluted EPS	836.95	(526.99)
Weighted average number of equity shares	62,893,706	62,893,706
Impact of scheme of amalgamation relating to earlier period (refer note 40)		
Shares cancelled on account of amalgamation	(10,222,650)	-
Shares to be issued as purchase consideration on account of amalgamation	9,972,703	-
Weighted average number of equity shares in calculating basic & diluted EPS	62,643,759	62,893,706
Basic / diluted EPS (in Rs.)	1.34	(0.84)

26. Capital commitments

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,727.24	391.61

Capital Commitments are on account of installation of rice husk based thermic fluid heater, twin screw extruder for film and UPS.

27. Contingent liabilities

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
(a) Excise Duty and Customs Duty pending hearing of appeals/writ petitions:		
(i) Cenvat credit disallowed on inputs (for the period March 1990 to Mar 1991) not covered under rule 57A, mainly Santotherm, Diethyl Glycol, Delion etc. Disallowance was due to use of inputs for manufacture of exempted goods.	8.06	8.06
(ii) Removal of PET chips (exempted goods) from bonded warehouse without payment of duty.	3.00	3.00
(iii) Goods sold from depot at higher value than one declared at factory gate price for the period Jun 1988 to Mar 1992.	25.46	25.46
(iv) Cenvat credit disallowed on inputs like DMT, additives etc. for the manufacturing of polyester chips. Disallowance was due to use of inputs for manufacturing of exempted goods.	164.20	164.20
(v) Reversal of Cenvat credit availed on HSD. Department disallowed credit alleging that cenvat credit has been wrongly availed on HSD.	206.92	206.92
(vi) Cenvat credit availed on raw material. Disallowance on account of credit availed fully on raw material and not on pro-rata basis for clearance of dutiable goods i.e. polyester films.	11.72	11.72
(vii) Availment of credit on import of Dimethyl Terephthalate. Disallowance was due to use of inputs for manufacturing of exempted goods.	57.71	57.71
(viii) Other Miscellaneous Cases	33.82	33.82
(ix) Cenvat credit of Rs. 0.59 lacs not admissible on shape & section as capital goods and Rs. 2.5 lacs recoverable against shortage of cenvatable inputs.	3.09	3.09
(x) Demand raised on account of excess / shortfall in stocks alleged by preventative staff.	12.95	12.95
(xi) Demand raised for differential amount of Custom Duty on import of PBT chips.	188.36	188.36
Total (a)	715.29	715.29
(b) Show cause notices related to Service Tax & Excise rebate on export	13.54	13.54
(c) Income Tax:		
(i) Disallowance of advertisement expenditure pursuant to rule 6B of IT rules, 1962 in the revised return of income which is based on the auditor's report in respect of A.Y. 1990-91, 1993-94 to 1997-98 by ITAT.	1.68	1.68
(ii) Disallowance of club expenditure on the contention that they are not wholly and exclusively for the business needs of the company in respect of A.Y. 1990-91, 1993-94 to 1994-95 & A.Y. 2005-06 by ITAT.	1.80	1.80
(iii) Disallowance of 50% of entertainment expenses on the contention that there has been no participation of the employee for incurring such expenditure in respect of A.Y. 1993-94 to 1997-98 by ITAT.	5.10	5.10
(iv) Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
(v) Demand of MAT (including interest) A.Y. 2004-05*	5.78	5.78
* 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.		
(vi) Demand of MAT (including interest) A.Y. 2005-06@	11.16	11.16
@ Disallowance of carry forward of loss on sale of investment on which dividend income is earned which is exempt from tax by invoking section 94(7) of the Act.		
@ Disallowance of other expenses under MAT including foreign technician fees, unexplained investment.		
(vii) Liability in respect of disallowances of excess depreciation claimed by company, bonus provision, disallowance of expenses incurred on earning exempt income like dividend and interest by invoking section 14A of the Act in respect of A.Y. 2006-07 to A.Y. 2009-10.	11.66	11.66
(viii) Disallowances out of travelling exp and U/S 14A in respect of AY 2011-12	6.27	-
Total (c)	58.13	51.86
(d) Labour Cases:		
Workers suspended, pending in High Court, Delhi	-	1.67
Total (D) = (a)+(b)+(c)+(d)	786.96	782.36
(e) Other claims not acknowledged as debts	83.14	49.20
(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.	324.55	366.84
(g) Amount of duty saved on import under advance license - corresponding export obligation pending is Rs. 953.15 lacs (previous year Rs. 972.66 lacs)	7.77	8.33

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.

28. 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 financial year 2011-12, due to changed market condition caused by over-supply, the Company had suffered losses which were not determinable at the time of appointment. The remuneration paid/accrued to both the whole time directors was 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, had made an application to the Central Government seeking its approval for the payment of remuneration in case of losses. The said application has been approved by the Central Government on July 17, 2012.

The remuneration paid to Mr. Ashok Kumar Agarwal and Mr. Pradeep Kumar Rustagi during the current financial year has been accrued / paid in accordance with the approval given by 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.

29. Gratuity and other post employment benefits plan

Gratuity

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

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

Statement of profit and loss

Net employee benefit expense recognised in employee cost

(Rs. In Lacs)

	Gratuity	
	March 31, 2014	March 31, 2013
Current service cost	46.83	38.40
Interest cost on benefit obligation	37.57	32.82
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	21.72	22.50
Past service cost	-	-
Net benefit expense	106.12	93.72

Balance sheet

Details of provision for Gratuity

(Rs. In Lacs)

	March 31, 2014	March 31, 2013
Defined benefit obligation	548.47	469.60
Plan liability	548.47	469.60

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

(Rs. In Lacs)

	March 31, 2014	March 31, 2013
Opening defined benefit obligation	469.60	410.24
Interest cost	37.57	32.82
Current service cost	46.83	38.40
Benefits paid	(27.24)	(34.36)
Actuarial losses on obligation	21.72	22.50
Closing defined benefit obligation	548.48	469.60

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, 2014	March 31, 2013
	%	%
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, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	548.48	469.60	410.24	396.44	333.16
Deficit	548.48	469.60	410.24	396.44	333.16
Experience adjustments on plan liabilities Loss/(Gain)	21.40	20.86	(30.33)	29.30	(10.11)

Contribution to Defined Contribution Plans:

(Rs. In lacs)

	March 31, 2014	March 31, 2013
Superannuation fund	72.84	77.18
Provident fund contribution to Government authority	93.30	84.68

Provident Fund

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

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary have provided a valuation of provident fund liability and based on assumptions provided below there is no shortfall as at March 31, 2014 and March 31, 2013.

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

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

(Rs. In lacs)

Projected Benefit Obligation	March 31, 2014	March 31, 2013
Projected Benefit Obligation at beginning of year	583.21	465.54
Current Service Cost	88.45	74.17
Interest Cost	51.03	39.57
Contributions by plan participants / employees	105.17	87.59
Actuarial (Gain) / Loss due to interest guarantee	2.07	7.57
Benefits Paid	(149.84)	(97.63)
Past Service Cost	-	-
Settlements / Transfer In	34.33	6.36
Projected Benefit Obligation at end of year	714.43	583.17

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

(Rs. In lacs)

Reconciliation of Plan Assets	March 31, 2014	March 31, 2013
Plan Asset at beginning of year	626.63	500.16
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Expected Return on Plan Asset	54.83	42.51
Employer Contribution	88.45	74.17
Plan Participants / Employee Contribution	105.17	87.59
Benefit Payments	(149.84)	(97.63)
Asset Gain /(Loss)	1.82	4.39
Settlements / Transfer In	34.33	6.36
Ending Asset at Fair Value	761.40	617.55

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

Economic Assumptions	March 31, 2014	March 31, 2013
i) Interest rate	8.75%	8.50%

Demographic Assumptions	March 31, 2014	March 31, 2013
i) Mortality	IALM (2006-08)	IALM (1994-96)
ii) Disability	None	None
iii) Normal Retirement Age	58	58

30. Leases:

The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed under the lease agreement and there are no subleases. The company have paid Rs. 47.51 lacs (previous year Rs. 123.01 lacs) towards operating lease rentals.

31. Forward contract outstanding as at Balance sheet date:

Particulars	Currency	As at		Purpose
		March 31, 2014	March 31, 2013	
Purchase (Cross Currency) - Buyers' Credit Capital Goods	EURO:USD	-	3,935,803	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 - Buyers' Credit Capital Goods	EURO	587,200	2,014,600	
	USD	630,978	5,977,335	
Purchase - Buyers' Credit Raw Material	USD	3,734,743	760,400	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
	EURO	278,288	-	
Sales	USD	500,000	1,000,000	Forward contract to hedge foreign currency receivables in respect of export of goods.

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

Particulars	Currency	Amount In Foreign Currency (In absolute figures)		Rates		Amount (Rs in lacs)	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Import Creditors (including acceptances)	Euro	8,800.00	23,068.82	82.62	69.54	7.27	16.04
	GBP	6,500.00	-	99.90	-	6.49	-
	USD	3,517,031.51	2,665,942.44	60.14	54.39	2,115.14	1,450.01
Export trade receivables	USD	2,303,988.75	2,979,283.99	60.09	54.39	1,384.47	1,620.43
	Euro	67,422.66	139,809.26	82.53	69.54	55.64	97.22
	GBP	3,981.22	-	99.83	-	3.97	-
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	-	8,223,977.40	-	54.39	-	4,473.02
	Euro	700,000.00	7,098,533.40	82.58	69.54	578.06	4,936.32
- For Raw material	USD	345,599.58	638,400.00	60.10	54.39	207.71	347.23

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

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
i) The principal amount & the interest due thereon remaining unpaid to any supplier as at the end of year		
Principal Amount	3.82	28.76
Interest Due thereon	-	-
ii) Payments made to supplier beyond the appointed day during the year		
Principal	880.01	661.55
Interest Due thereon	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

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

34. a) Names of related parties

Nature of Relationship	Name of Related Party
Names of related parties where control exists	
- Ultimate Holding Company	- Goldring Investments Corp.
- Holding Company	- Wilemina Finance Corporation
- Subsidiary Company	- Ester International USA Limited (EIUL)
Key Management Personnel	- Mr. A K Singhania (Non-Executive 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	- Fenton Investments Private Limited
	- PDJ Properties & Investment Services Private Limited
	- Polyplex Corporation Limited

b) Related party transaction

(Rs. in lacs)

Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Transactions during the year						
Managerial Remuneration						
Ashok.K.Agrawal	-	-	86.23	-	-	86.23
	-	-	(69.35)	-	-	(69.35)
Pradeep Rustagi	-	-	81.81	-	-	81.81
	-	-	(68.30)	-	-	(68.30)
Rent Paid						
Fenton Investment Pvt. Ltd.	-	-	-	-	20.22	20.22
	-	-	-	-	(20.22)	(20.22)
Salary Paid						
Ayush Vardhan Singhania	-	-	-	31.50	-	31.50
	-	-	-	(21.08)	-	(21.08)
Material Sold						
Polyplex Corporation Limited	-	-	-	-	3.08	3.08
	-	-	-	-	(10.00)	(10.00)
Material Purchased						
Polyplex Corporation Limited	-	-	-	-	3.60	3.60
	-	-	-	-	(20.58)	(20.58)
Education, Training & Development*						
Ayush Vardhan Singhania	-	-	-	43.99	-	43.99
	-	-	-	-	-	-
Balances Outstanding as at year end						
Balance payable						
Ester International USA Limited	-	60.00	-	-	-	60.00
	-	(60.00)	-	-	-	(60.00)
Balance Recoverable						
Ester International USA Limited	-	67.89	-	-	-	67.89
	-	(66.71)	-	-	-	(66.71)
Security deposit						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
Payable for purchase of goods						
Polyplex Corporation Limited	-	-	-	-	-	-
	-	-	-	-	(1.43)	(1.43)
Receivable for sale of goods						
Polyplex Corporation Limited	-	-	-	-	-	-
	-	-	-	-	-	-
Guarantees given against Loans Taken (jointly and severally) by the Company						
- Wilemina Finance Corporation	36,146.46	-	-	-	-	36,146.46
	(31,959.19)	-	-	-	-	(31,959.19)
- A.K.Singhania	-	-	-	-	-	-
	-	-	(43.51)	-	-	(43.51)

- Previous year figures are given in brackets.

* Expenses incurred for education, Training & development is as per company's policy applicable to all employees above a certain level.

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, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
REVENUE						
External sales	78,458.41	78,074.21	14,388.82	10,528.07	92,847.22	88,602.28
Inter segment sale	-	-	-	-	-	-
Total revenue	78,458.41	78,074.21	14,388.82	10,528.07	92,847.22	88,602.28
SEGMENT RESULT	8,754.05	4,551.59	793.56	566.95	9,547.60	5,118.54
Unallocated corporate expenses					4,876.66	3,544.37
Operating Profit					4,670.94	1,574.17
Finance costs					3,486.77	2,646.81
Other income					230.50	291.75
Profit Before Tax / (Loss)					1,414.67	(780.89)
Income taxes					573.96	(253.90)
Net Profit / (Loss)					840.71	(526.99)
OTHER INFORMATION						
Segment assets	45,983.77	47,141.86	10,411.79	5,884.43	56,395.56	53,026.29
Unallocated corporate assets					13,512.11	12,278.53
Total assets					69,907.67	65,304.82
Segment liabilities	6,450.71	5,255.38	2,360.28	1,248.38	8,810.99	6,503.76
Unallocated corporate liabilities					34,705.12	32,939.06
Total liabilities					43,516.10	39,442.82
Capital expenditure	2,737.94	972.75	1,289.68	10.63	4,027.61	983.38
Unallocated Capital expenditure					1,972.11	2,689.24
Total Capital expenditure					5,999.72	3,672.62
Depreciation/Amortisation	2,687.54	2,494.06	101.17	63.70	2,788.71	2,557.76
Unallocated Depreciation/Amortisation					241.68	300.76
Total Depreciation/Amortisation					3,030.39	2,858.52
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation					74.33	211.96
Total Non-cash expenses other than depreciation and amortisation					74.33	211.96

B. INFORMATION ABOUT SECONDARY SEGMENTS

a) Revenue as per Geographical Markets

(Rs. In lacs)

	March 31, 2014	March 31, 2013
India *	69,518.17	59,622.02
Outside India	23,329.05	28,980.26
Total	92,847.22	88,602.28

* Includes Deemed export with in India

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

(Rs. In lacs)

	March 31, 2014	March 31, 2013
India	7,443.75	6,650.23
Outside India	4,980.16	4,251.94
Total	12,423.91	10,902.17

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

c) Capital expenditure by geographical location of assets

	March 31, 2014	March 31, 2013
India	5,999.72	3,672.62
Outside India	-	-
Total	5,999.72	3,672.62

36. Value of imports calculated on CIF basis

(Rs. In lacs)

	March 31, 2014	March 31, 2013
Raw Materials	7,176.67	9,804.78
Stores & Spare Parts	687.37	715.68
Capital Goods	1,206.97	573.58
Total	9,071.00	11,094.04

37. Earning in foreign currency:

(Rs. in lacs)

	March 31, 2014	March 31, 2013
FOB value of Export of Goods	22,667.24	27,674.39
Total	22,667.24	27,674.39

(FOB Value of Exports does not include Deemed Exports of Rs. 523.23 lacs (previous year Rs.271.11 lacs).

38. Imported and indigenous raw material and spare parts consumed

	March 31, 2014		March 31, 2013	
	Percentage	Value	Percentage	Value
Raw Material				
Imported	19.45	12,890.15	16.83	10,850.83
Indigenous	80.55	53,374.92	83.17	53,639.30
Total	100.00	66,265.07	100.00	64,490.13
Stores & spares				
Imported	59.08	784.38	49.91	567.25
Indigenous	40.92	543.22	50.09	569.36
Total	100.00	1,327.60	100.00	1,136.61

39. Expenditure in foreign currency:

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Bank charges	39.45	56.74
Legal & professional	35.51	78.63
Expense on foreign technicians	56.78	36.76
Commission and brokerage	240.74	307.66
Traveling expenses	107.24	102.08
Discount, claims and rebates	-	30.02
Miscellaneous expenses	109.98	37.19
TOTAL	589.69	649.08

40. Scheme of amalgamation

- i) The shareholders of the Company had approved a scheme of amalgamation between the Company (transferee Company) and fellow subsidiary Sriyam Impex Private Limited (transferor Company) with an appointed date of April 1, 2012. Sriyam Impex private limited was engaged in trading of BOPP film, chemicals and other items. This scheme of amalgamation has been approved by the High Court of Uttrakhand on March 25, 2014 and was subsequently submitted with Registrar of Companies (RoC), Uttrakhand on May 7, 2014. Accordingly, from April 1, 2012, the operation of the transferor Company stood transferred to and vested in the company on a going concern basis.
- ii) The Transferee Company shall, without further application, issue and allot to the Equity Shareholder(s) of the Transferor Company, 100 (One Hundred only) Equity Shares of the nominal value of Rs. 5/- each, credited as fully paid up, for every 197 (One hundred and ninety seven only) Equity Shares of the nominal value of Rs. 10 each fully paid up held by them in the Transferor Company. For the purpose of allotment referred to in this clause, fractional entitlements shall be rounded-off to the next higher whole number.
- iii) Pursuant to the scheme, equity shares of transferee Company held by the transferor Company's shareholders shall stand cancelled and new equity shares will be issued to equity shareholders of transferor Company in the exchange ratio as specified above. The effect of cancellation and issuance of equity shares has been disclosed under head "Share Capital Control Account"
- iv) The excess of book value of the investment held by the transferor Company in the transferee Company over the face value of equity shares has been adjusted in the Capital Reserve of the transferee Company.
- v) Debit balance of statement of profit and loss and the goodwill transferred from transferor Company has been adjusted from security premium account.
- vi) The reduction in the share capital and security premium account of the transferee Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.
- vii) Pursuant to the scheme, the authorized share capital of the transferee Company on the effective date shall automatically stand increased by merging the authorized share capital of transferor Company with transferee Company without any further act or deed on the part of the transferee Company, including payment of stamp duty and Registrar of Companies fees, for the authorized share capital of transferor Company. Further, if required, the transferee Company shall take necessary steps to further increase and alter its authorized share capital suitably to enable it to issue and allot the equity shares required to be issued and allotted by it in terms of this scheme.
- viii) Upon the Scheme becoming effective, the transferor Company shall stand dissolved without winding up.
- ix) The transfer of assets and liabilities has been effected from the "Appointed date" of April 1, 2012, as defined in the scheme and approved by the High Court of Uttrakhand.
- x) Credit balance of security premium account and capital reserve account of the transferor company have been transferred to the transferee company.

Since the Company have received all the requisite approval in the current year, operation of the Transferor company from April 1, 2012 to March 31, 2013, as detailed below have been accounted for in the current year's statement of profit & loss as a separate line item.

(Rs. In Lacs)

Particulars	Amount
	April 1, 2012 to March 31, 2013
Income	
Revenue from operations	80.61
Total revenues	80.61
Expenses	
Purchase of traded goods	56.96
(Increase) / decrease in inventories of traded goods	16.86
Employee benefit expenses	0.60
Financial cost	0.29
Other expenses	9.55
Depreciation expense #	0.12
Total expenses	84.37
Profit before tax	(3.76)
Tax expenses	-
Profit after tax	(3.76)

This excludes the amount of Rs. 162.92 lacs pertaining to the amortization of goodwill debited in the statement of Profit and Loss account of the transferor Company for the year ended March 31, 2013. However, as per the approved scheme of amalgamation, goodwill as on April 1, 2012 in the books of transferor Company should be adjusted from the securities premium account of the transferee Company. Accordingly, the amortization of goodwill amounting to Rs. 162.92 lacs has not been considered while giving effect of the operations of the transferee Company for the year April 1, 2012 to March 31, 2013 and it has been adjusted from the securities premium account as part of goodwill brought in the books of transferee Company.

Further, net cash flows for the period April 1, 2012 to March 31, 2013 pertaining to the transferor Company on account of operating, investing and financing activities aggregating Rs. 25.11 lacs, Rs. nil and Rs. nil respectively have been included in the current year's statement of cash flows as a separate line item under the respective heads.

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

After obtaining approval from Shareholders, Stock Exchanges and FIPB, the Company allotted Warrants in its Board Meeting held on April 11, 2014.

42. 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 & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 21, 2014

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

Arvind Singhania
Chairman

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 2014
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 31.03.2014 amounted to		
	i] for the subsidiary Financial Year ended on the respective date	:	US \$ [0] equivalent to Rs. 0 Lac
	ii] for the previous Financial years of the Subsidiary since it became the Holding Company's Subsidiary	:	US \$ [185,751.00] equivalent to Rs. 97.08 Lac
	b] dealt with in the accounts of Ester Industries Limited, for the year ended 31.03.2014 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. between the end of the Subsidiary Financial Year and 31.03.2014	:	NIL
F]	Material Changes between the end of the Subsidiary's Financial year and 31.03.2014	:	NIL
	1) Fixed Assets		
	2) Investments		
	3) Monies lent by the Subsidiary		
	4) Monies borrowed by the Subsidiary Company other than for meeting Current Liabilities		

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

Arvind Singhania
Chairman

Place : New Delhi
Date : May 21, 2014

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ester Industries Limited

1) We have audited the accompanying consolidated financial statements of Ester Industries Limited ("the Company") and its subsidiary, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2) Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3) Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

4) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Company as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

5) Other Matter

We did not audit total assets of Rs. 1.69 lacs as at March 31, 2014, total revenues of Nil and net cash outflows amounting to Rs. Nil for the year then ended, included in the accompanying consolidated financial statements in respect of Ester International (USA) Limited (wholly owned subsidiary). The subsidiary is unaudited and not material to the financial statement of the Company. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the unaudited financial statements and other financial information provided by the management. Our opinion is not qualified in respect of this matter.

We did not audit total assets of Rs. 53.21 lacs as at March 31, 2014, total revenues of Rs. 32.96 lacs and net cash outflows amounting to Rs. 9.81 lacs for the year then ended, included in the accompanying financial statements in respect of erstwhile Sriyam Impex Private Limited which got amalgamated with the Company pursuant to the order of High Court of Uttarakhand vide its order dated March 25, 2014. The financial statements and other financial information of erstwhile Sriyam Impex Private Limited have been audited by other auditors and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of erstwhile Sriyam Impex Private Limited is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Raman Sobti

Partner

Place : New Delhi

Date : May 21, 2014

Membership Number: 89218

CONSOLIDATED BALANCE SHEET as at March 31, 2014

(Rs. in Lacs)

	Notes	As at March 31, 2014	As at March 31, 2013
Equity and liabilities			
Shareholders' fund			
Share capital	3	3,144.69	3,144.69
Share capital control account	36	(12.49)	-
Reserves & surplus	4	23,162.13	22,629.27
		26,294.33	25,773.96
Non - current liabilities			
Long term borrowings	5	12,415.30	15,960.42
Deferred tax liability (net)	6	2,469.41	1,895.45
Long term provisions	7	518.58	436.89
		15,403.29	18,292.76
Current liabilities			
Short term borrowings	8	20,793.51	14,930.37
Trade payables	9	2,042.11	1,927.69
Other current liabilities	10	4,667.14	4,095.24
Short term provisions	7	648.34	225.68
		28,151.10	21,178.98
Total		69,848.72	65,245.70
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	38,912.19	37,462.42
Intangible assets	11	86.83	89.10
Capital work in progress		1,808.21	510.79
Non-current investment	12	11.71	1.71
Long term loans & advances	13	914.48	734.69
Other non-current assets	14	64.77	9.61
		41,798.19	38,808.32
Current assets			
Inventories	15	12,411.04	12,270.11
Trade receivables	16	12,423.91	10,902.17
Cash & bank balances	17	825.26	1,426.28
Short term loans & advances	13	1,967.32	1,360.87
Other current assets	14	423.00	477.95
		28,050.53	26,437.38
Total		69,848.72	65,245.70
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 & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No. 101049W

per Raman Sobti

Partner

Membership no. 89218

Place : New Delhi

Date : May 21, 2014

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

Arvind Singhania

Chairman

Pradeep Rustagi

Executive Director & CFO

Diwaker Dinesh

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(Rs. in Lacs)

	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue from operations (gross)	18	101,464.05	95,863.14
Less: - Excise duty		8,616.83	7,260.86
Revenue from operations (net)		92,847.22	88,602.28
Other income	19	492.83	579.45
Total revenues (I)		93,340.05	89,181.73
Expenses			
Cost of material consumed	20	66,265.07	64,490.13
(Increase) / decrease in inventories of finished goods & work in progress	21	(385.64)	427.58
Employee benefits expense	22	3,872.64	3,220.20
Other expenses	23	15,656.15	16,320.47
Total expenses (II)		85,408.22	84,458.38
Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)		7,931.83	4,723.35
Depreciation and amortisation expense	11	3,044.99	2,873.12
Less: Transferred from revaluation reserve		14.60	14.60
Finance costs	24	3,486.77	2,646.83
Profit / (loss) before tax		1,414.67	(782.00)
Tax expense			
Current tax		298.99	-
Mat credit		(298.99)	-
Deferred tax		573.96	(253.90)
Total tax expenses		573.96	(253.90)
Profit / (loss) after tax but before impact of scheme of arrangement		840.71	(528.10)
Impact of scheme of amalgamation relating to earlier period (refer note 36)		(3.76)	-
Profit / (loss) after tax		836.95	(528.10)
Earnings per share			
Basic & diluted (in Rs.)	25	1.34	(0.84)
{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 & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No. 101049W

per Raman Sobti

Partner

Membership no. 89218

Place : New Delhi

Date : May 21, 2014

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

Arvind Singhania

Chairman

Pradeep Rustagi

Executive Director & CFO

Diwaker Dinesh

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2014

(Rs. in Lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash flow from operating activities		
Net profit / (loss) before tax	1,414.67	(782.00)
Adjustments for:		
Depreciation/Amortisation	3,030.39	2,858.52
Loss on Fixed Assets Sold/Discarded (net)	8.19	83.69
Interest Expense	3,024.69	1,998.00
Interest income	(119.90)	(120.60)
Dividend income	-	(0.03)
Premium on forward contracts amortised	325.33	267.21
Unrealized foreign exchange loss (net)	50.39	54.27
Bad debts, advances and irrecoverable balances written off (net)	25.13	89.83
Provision for Obsolete Inventories	11.76	4.03
Loss on sale of Investment	-	8.32
Provisions / liabilities no longer required written back	(21.14)	(19.86)
Operating Profit before Working Capital Changes	7,749.51	4,441.38
Movements in working capital :		
Decrease / (Increase) in trade receivables	(1,379.79)	(2,447.81)
Decrease / (Increase) loans and advances/other current assets	(764.45)	2,110.11
Decrease / (Increase) in Inventories	(152.69)	(1,843.11)
Increase/ (Decrease) in Trade & Other Payables/ Provisions	(256.19)	8.43
Cash Generated from Operations	5,196.39	2,269.00
Direct Taxes Paid	35.26	-
Net cash flow from operating activities	5,231.65	2,269.00
Impact of scheme of amalgamation relating to earlier period (refer note 36)	(25.11)	-
Net cash flow from operating activities (a)	5,206.55	2,269.00
Cash flow from investing activities		
Purchase of Fixed Assets	(5,718.93)	(3,672.62)
Sale of Fixed Assets	20.40	28.65
Deposits	(227.64)	(238.18)
Proceeds of deposits matured	48.51	940.38
Purchase of investment	(10.00)	-
Sale of investments	-	70.38
Interest Received	125.97	133.28
Dividend Received	-	0.03
Net cash flow from / (used) in investing activities (b)	(5,761.69)	(2,738.08)
Cash flow from financing activities		
Net proceeds from short term borrowings	5,794.26	3,834.91
Proceeds from long term borrowings	14,012.65	1,279.94
Repayment of long term borrowings	(16,977.55)	(2,630.57)
Interest Paid	(3,035.27)	(2,041.20)
Dividend Paid	(0.52)	(5.65)
Net cash flow from / (used) in financing activities (c)	(206.43)	437.43
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(761.57)	(31.65)
Cash and cash equivalents at the beginning of the year	985.64	1,022.85
Effect of exchange differences on cash & cash equivalents held in foreign currency	0.09	(5.56)
Cash and cash equivalents acquired under scheme of amalgamation	36.51	-
Cash and cash equivalents at the end of the year	260.66	985.64
Components of cash and cash equivalents		
Cash on Hand	9.83	6.08
Balances with Scheduled Banks :		
- On current Accounts	186.92	915.22
- On Term Deposits	629.37	450.25
- On Unpaid Dividend Accounts*	63.06	63.58
Balances with other bank:		
- On current Accounts	0.85	0.76
Cash & Bank Balances	890.03	1,435.89
Less: Fixed deposits not considered as cash and cash equivalents		
- Deposit Pledged with banks	28.00	37.00
- Deposit having maturity period more than 3 months	601.37	413.25
	260.66	985.64

* These balances are not available for use by the group as they represent corresponding unpaid dividend liabilities As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 21, 2014

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

Arvind Singhania
Chairman

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENT for the year ended March 31, 2014

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, 2014.

- 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, 2014	Extent of holding (%) As on March 31, 2013
1.	Ester International (USA) Limited	USA	100%	100%

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

2. Statement of significant accounting policies

a) Basis of preparation

The financial statements of the group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The group 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 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. 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.

b) 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.

c) Tangible fixed Assets

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

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

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

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

d) 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 group 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.5,000 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.

e) Intangibles

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

f) 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.

g) Leases

Where the group is the lessee

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

h) 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.

i) 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.

j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group 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 group collects sales taxes and value added taxes (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the group. 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 when there is reasonable assurance that the group will comply with the conditions attached to them and the export benefits will be received. Export benefits under Duty Exemption Pass Book (DEPB) & Duty Draw back are considered as other operating income.

Interest

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

Dividends

Dividend income is recognized when the group'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 group is reasonably certain of their ultimate collection.

k) Foreign currency transactions

Initial Recognition

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

Conversion

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

Exchange Differences

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

Translation of non-integral foreign operation:

The group classifies all its foreign operations as non-integral operations. The assets and liabilities of a non-integral operation are translated into the reporting currency at the exchange rate prevailing at the reporting data and their statement of profit and loss are translated at exchange rate prevailing at the dates of transaction or weighted average rate, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of non-integral operations the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit & loss.

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.

l) Retirement and other employee benefits

- i. Retirement benefits in the form of Superannuation Fund (being funded to LIC), Provident Fund (where contributed to the Regional Provident Fund Commissioner) and employee state insurance are defined contribution schemes. The group has no obligation, other than the contribution payable to the respective authorities. The group recognizes contribution payable to respective authorities as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

- iii. Retirement benefit in the form of provident Fund (Where administered by trust created and managed by group) is a defined benefit obligation of the group 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 group based on the actuarial valuation on projected unit credit method carried out at the end of each financial year.
- iv. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- v. Actuarial gains/losses are immediately taken to Statement of profit and loss and are not deferred.

m) 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 group 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 group 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 group 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 group will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The group 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 group will pay normal Income Tax during the specified period.

n) Borrowing Costs

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

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

o) 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.

p) Segment Reporting Policies

Identification of segments:

Primary Segment

Business Segment

The group'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 group for captive consumption, are not accounted for in the books of account of the group. 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 group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

q) 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.

r) 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 group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. 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 group does not recognize a contingent liability but discloses its existence in the financial statements.

s) 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.

t) Measurement of EBITDA

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

3. Share capital

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Authorized shares (No.)		
150,000,000 (previous year: 150,000,000) equity shares of Rs. 5/- each	7,500.00	7,500.00
47,960,000 (previous year: Nil) equity shares of Rs. 10/- each (refer note 36)	4,796.00	-
600,000 (previous year: 600,000) cumulative convertible preference shares of Rs. 50/- each	300.00	300.00
8,000,000 (previous year: 8,000,000) redeemable cumulative preference shares of Rs. 50/- each	4,000.00	4,000.00
Issued, subscribed & fully paid up shares (No.)		
62,893,706 (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 group 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 group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2014, the amount of dividend recognized as distribution to equity shareholders was Rs. 0.50 per share (previous year : Rs. nil).

In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the group, 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, 2014	As at March 31, 2013
Wilemina Finance Corp., holding company 44,915,012 (previous year 35,120,192) equity shares of Rs. 5 each fully paid (refer note 36)	2,245.75	1,756.01
Sriyam Impex Private Limited (subsidiary of holding) Nil (previous year 10,222,650) equity shares of Rs. 5 each fully paid (refer note 36)	-	511.13

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, 2014	As at March 31, 2013
7,391,306 equity shares allotted as fully paid-up pursuant to conversion of warrants and fully convertible debentures during the year 2009-10.	369.57	369.57

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

	As at March 31, 2014 (%)	As at March 31, 2013 (%)
Wilemina Finance Corp., holding company 44,915,012 (previous year 35,120,192) equity shares of Rs. 5 each fully paid (refer note 36)	71.70	55.84
Sriyam Impex Private Limited (subsidiary of holding) Nil (previous year 10,222,650) equity shares of Rs. 5 each fully paid (refer note 36)	-	16.25

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

4. Reserves & surplus

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Capital reserve		
Balance as per last financial statement	5,778.57	5,778.57
Less: Impact of scheme of amalgamation (refer note 36)	2,257.83	-
Closing Balance	3,520.74	5,778.57
Capital redemption reserve	335.37	335.37
Securities premium account		
Balance as per last financial statement	2,718.77	2,718.77
Add: Impact of scheme of amalgamation (refer note 36)	2,343.99	-
Closing Balance	5,062.76	2,718.77
Revaluation reserve		
Balance as per last financial statement	534.03	548.63
Less: Transferred to statement of profit and loss as reduction from depreciation	14.60	14.60
Closing Balance	519.43	534.03
General reserve		
Balance as per last financial statement	1,503.67	1,503.67
	1,503.67	1,503.67
Foreign Exchange Translation reserve		
Balance as per last financial statement	(7.70)	(2.14)
Add: Addition during the year	-	-
Less: Reduction during the year	9.20	5.56
Closing Balance	(16.90)	(7.70)
Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statement	11,766.56	12,294.66
Add: profit / (loss) for the year	836.95	(528.10)
Less: appropriations		
Proposed dividend on equity shares	313.22	-
Tax on dividend	53.23	-
Net surplus in the statement of profit & loss	12,237.06	11,766.56
Total reserve & surplus	23,162.13	22,629.27

5. Long-term borrowings

(Rs. In lacs)

	Non-Current Portion		Current maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured				
Term loans from banks	10,886.84	1,658.51	3,023.82	2,467.34
Term loans from body corporate	-	-	-	43.51
Vehicle loans	86.16	98.45	98.76	78.34
Buyers' credit for capital goods	1,442.30	14,203.46	-	-
	12,415.30	15,960.42	3,122.58	2,589.19
Amount Disclosed under the head "other current liabilities" (Refer note 10)			(3,122.58)	(2,589.19)
Total Long-term borrowings	12,415.30	15,960.42	-	-

I. Term loans

- a) **From Bank of Baroda** of Rs. 1,364.00 lacs (previous year Rs. 1,712.00 lacs) for corporate office project is secured by mortgage created by way of deposit of title deeds in respect of the immovable property (land and building) at Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the rate base rate plus 4.25% pa. As per sanction, the term loans are repayable in 71 monthly installments starting from April 1, 2012. The outstanding amount as on March 31, 2014 is repayable in 47 monthly installments starting from April 1, 2014.
- b) **From State Bank of Bikaner and Jaipur** of Rs. 111.82 lacs (previous year Rs. 160.82 lacs) is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.25% pa. The Term Loans are repayable in 20 quarterly installments starting from December 2011. The outstanding amount as on March 31, 2014 is repayable in 10 quarterly installments starting from April 1, 2014.
- c) **From Union Bank of India** of Rs. 793.64 lacs (previous year Rs. NIL) for Metalizer Project is secured by first exclusive charge by way of hypothecation of Metalizing Unit and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loans are repayable in 20 quarterly installments starting from September 2013. The outstanding amount as on March 31, 2014 is repayable in 17 quarterly installments starting from April 1, 2014.
- d) **From Union Bank of India** of Rs. 709.56 lacs (previous year Rs. NIL) for Bio mass fuelled Husk Fired thermic Fluid Heater is secured by first exclusive charge by way of hypothecation of Bio Mass fuelled Husk Fired Thermic Fluid Heater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loans are repayable in 20 quarterly installments starting from September 2014. The outstanding amount as on March 31, 2014 is repayable in 20 quarterly installments starting from September 30, 2014.
- e) **From Bank of India** of Rs. 246.44 lacs (previous year Rs. NIL) for Engineering Plastics Extruder, Twin Screw extruder and UPS is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw extruder and UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loans are repayable in 20 quarterly installments starting from June 2014. The outstanding amount as on March 31, 2014 is repayable in 20 quarterly installments starting from June 30, 2014.
- f) **From consortium member banks** of Rs. 10,685.19 lacs (previous year Rs. 2,253.03 lacs) are secured by first mortgage created by way of deposit of title deeds in respect of the immovable properties at Khatima, both present & future and first charge by way of hypothecation of Company's all movable assets (save and except inventories, book debts, vehicles acquired through vehicles loans and machinery acquired through term loan taken from banks / body corporate on exclusive charge basis), ranking pari passu inter-se and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loans bear floating interest rate ranging from Base Rate plus 2.75% pa. These term loans are repayable in 28 quarterly installments starting from April 1, 2012. The outstanding amount as on March 31, 2014 is repayable in 20 quarterly installments starting from April 1, 2014.

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

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. Vehicle loans bears interest rates ranging from 9.65 to 11.00% pa. These loans are repayable in monthly installments till July 2017.

III. Buyers' Credit for capital goods

- a) Buyers' Credit amounting to Rs. 1,205.18 lacs (previous year Rs. 1,028.76) are against LOUs / LOCs issued by State bank of Bikaner & Jaipur (SBBJ). LOUs / LOCs facility from SBBJ is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater, and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

- b) Buyers' Credit amounting to Rs. 237.12 lacs (previous year Rs. NIL) are against LOUs / LOCs issued by Bank of India/ (Canara Bank to be taken over by Bank of India). LOUs / LOCs facility from BOI is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder and UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).

Group has availed LOUs / LOCs facilities from the banks to avail the Buyers' Credit of Rs. 1442.30 lacs (previous year - Rs. 14,203.46 Lacs). These LOU / LOC facilities are sanctioned to the group as a sub limit of term loans upto a period of 3 years till December 2015.

LOCs / LOUs facilities are sanctioned to the group as a sub limit of term loan, bears interest rate ranging from 0.80% to 1.27%. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable in 20 quarterly installments.

6. Deferred tax liability

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,159.88	4,237.16
Gross deferred tax liability	4,159.88	4,237.16
Deferred tax assets		
Unabsorbed depreciation and carry forward losses	1,269.76	1,262.92
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	420.71	1,078.79
Gross deferred tax assets	1,690.47	2,341.71
Net deferred tax liability	2,469.41	1,895.45

7. Provisions

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Long term provisions		
Provision for gratuity (refer note 29)	518.58	436.89
Total long term provision	518.58	436.89
Short term provisions		
Provision for taxation (net of advance tax payments)	105.56	74.96
Provision for wealth tax	2.95	1.92
Provision for proposed dividend	313.21	-
Provision for tax on proposed dividend	53.23	-
Provision for gratuity (refer note 29)	29.90	32.71
Provision for leave benefits	143.49	116.09
Total short term provision	648.34	225.68
Total provisions	1,166.92	662.57

8. Short Term Borrowings

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Secured		
Working capital loan from banks	7,527.88	6,773.59
Bills discounting	4,436.85	3,015.91
Buyers' credit for raw material	2,682.14	760.81
Acceptances	6,146.64	4,380.06
Total short term borrowings	20,793.51	14,930.37

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

The working capital loans from banks bear floating interest rate at Base Rate plus ranging from 2.00% to 2.80% pa. The bill discounting from banks bear floating interest rate ranging from 10.70% to 11.75% pa.

Buyers' credit for raw material are against LOUs / LOCs issued by consortium of banks. The LOUs / LOCs facilities is sanctioned to the group as a sub limit of Non Fund (LCs) based facility. The facility is secured by first charge by way of hypothecation of stocks of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of Wilemina Finance Corp. (Holding company). Buyers' credit for raw material taken in USD and Euro bears interest rate ranging from 0.73% to 1.17%.

9. Trade Payable

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Trade payables		
Total outstanding dues of other than micro & small enterprises	2,038.29	1,898.93
Total outstanding dues of micro & small enterprises (refer note 33)	3.82	28.76
Total trade payables	2,042.11	1,927.69

10. Other liability

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Current maturities of term loans from banks	3,023.82	2,467.34
Current maturities of term loans from body corporate	-	43.51
Current maturities of vehicle loans	98.76	78.34
Capital creditors	310.20	164.19
Interest accrued but not due on borrowings	52.92	63.50
Deposits from dealer / customer & others	2.38	2.58
Advances from customers	237.42	259.31
Investor education & protection fund will be credited by this amount (as & when due) - Unpaid dividend	63.06	63.58
Others payables		
- dues to statutory authorities	145.59	279.85
- others	732.99	673.04
Total other liabilities	4,667.14	4,095.24

11. Fixed assets

(Rs. in lacs)

Description	Gross block			Accumulated depreciation / amortisation			Net block		
	April 1, 2013	Additions	Adjustment for amalgamation (refer note 36)	March 31, 2014	April 1, 2013	Current year	Adjustment for amalgamation (refer note 36)	March 31, 2014	March 31, 2013
Tangible assets:									
Land - freehold (ii)	1,504.36	-	-	1,504.36	-	-	-	1,504.36	1,504.36
Buildings (ii)	7,168.59	329.41	-	7,498.00	1,683.75	205.23	-	1,888.98	5,484.84
Plant & machinery (i) & (ii)	60,111.49	3,798.81	-	63,759.82	30,521.83	2,660.75	-	33,053.44	29,589.66
Furniture & fixtures	288.10	102.68	1.76	392.54	50.06	22.79	1.41	74.27	238.04
Office equipments	512.59	109.52	0.20	621.29	254.04	51.30	0.20	305.37	258.55
Vehicles	569.05	139.71	-	670.74	182.08	62.04	-	212.50	386.97
Intangible assets:									
Software	407.06	40.61	-	447.67	317.96	42.88	-	360.84	89.10
Total	70,561.24	4,520.74	1.96	74,894.42	33,009.72	3,044.99	1.61	35,895.40	37,551.52
Previous year	65,512.18	5,492.33	-	70,561.24	30,467.53	2,873.12	-	33,009.72	35,044.65

(i) (a) Amount of borrowing cost aggregating Rs. 28.40 lacs (Previous year Rs. 108.20 lacs) have been capitalised during the year.

Building - Nil (previous year - Rs. 85.16 lacs)

Plant & Machinery - Rs. 28.40 lacs (previous year Rs. 20.73 lacs)

Office Equipment - Nil (previous year - Rs. 2.31 lacs)

(b) Foreign Exchange Fluctuation aggregating Rs. 1430.98 lacs on plant & machinery (Previous year Rs. 614.88 lacs) have been capitalised during the year.

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

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

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

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

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

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

12. Non-current Investments

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
A. Other than trade - quoted (valued at cost unless stated otherwise)		
Equity shares		
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Ltd.	0.04	0.04
- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Synthetics Ltd.	0.03	0.03
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Haryana Petrochemicals Ltd.	0.04	0.04
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Sanghi Polyester Ltd.	0.08	0.08
- 360 (previous year 360) equity shares of Rs.5 each fully paid up in Venlon Enterprises Ltd.	0.10	0.10
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Ltd.	0.11	0.11
	0.40	0.40
Less: provision for diminution in the value of Investments	0.22	0.22
	0.18	0.18
Units of mutual fund		
- 99,990 (previous year Nil) units of BOI- AXA Equity Debt rebalancer Fund - Regular plan-Growth of Rs. 10.00 each fully paid up (units purchased during the year 99,990 (previous Year - Nil)	10.00	-
	10.18	0.18
B. Other than trade - unquoted (valued at lower of cost or fair value)		
Preference shares		
- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up Ispat Industries Limited	4.78	4.78
	4.78	4.78
Less : provision for diminution in the value of Investment Ispat Industries Limited	3.25	3.25
	1.53	1.53
	11.71	1.71
Aggregate amount of quoted investments (market value Rs. 10.19 lacs, (previous year Rs. 0.034 lacs) (net of provision)	10.18	0.18
Aggregate amount of unquoted investments (net of provision)	1.53	1.53
Total investment net of provisions	11.71	1.71
Aggregate provision for diminution in value of investments	3.47	3.47

13. Loans & advances

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Non-current		
Unsecured, considered good		
Capital advances	423.77	242.20
Prepaid expenses	59.97	64.31
Deposits-others	430.74	428.18
Total (A)	914.48	734.69
Current		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	604.00	496.10
Prepaid expenses	359.81	350.52
Advance tax & tax deducted at source (net of provision of tax)	180.04	195.70
MAT credit entitlement	298.99	-
Balances with statutory / Government authorities	465.57	208.29
Loans to employees	49.08	62.30
Deposits-others	9.83	47.96
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	1,999.23	1,392.78
Less: provision for doubtful advances	31.91	31.91
Total (B)	1,967.32	1,360.87
Total (A+B)	2,881.80	2,095.56

14. Other assets

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Non-current		
Unsecured, considered good		
Other bank balances (refer note 17)	64.77	9.61
Total other non-current assets	64.77	9.61
Current		
Unsecured, considered good		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	-	0.51
Interest receivable on fixed deposits	23.40	29.47
Export benefit receivable	331.60	385.85
Unamortized premium on forward contracts	68.00	62.12
Total other current assets	423.00	477.95
Total other assets	487.77	487.56

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

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Raw materials {including stock in transit Rs. 1,135.17 lacs (previous year Rs. 978.93 lacs)}	5,104.34	5,376.04
Work in process	679.84	436.25
Finished goods {including stock in transit Rs. 1,529.25 lacs (previous year Rs. 1156.34 lacs)}	5,434.13	5,292.08
Stores and spares {including stock in transit Rs. 2.03 lacs (previous year Rs. 0.21 lacs)}	1,192.73	1,165.74
Total inventories	12,411.04	12,270.11

16. Trade receivables

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Un-secured, considered good	13.44	10.84
Doubtful	21.64	20.93
	35.08	31.77
Less: Provision for doubtful trade receivables	21.64	20.93
Total (A)	13.44	10.84
Other receivables		
Un-secured, considered good	12,410.47	10,891.33
Total (B)	12,410.47	10,891.33
Total (A+B)	12,423.91	10,902.17

17. Cash and bank balances

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
Cash on hand	9.83	6.08
Balances with banks in current accounts	187.77	915.98
Unpaid dividend accounts *	63.06	63.58
Total (A)	260.66	985.64
Other bank balance		
Short term deposits pledged	28.00	37.00
Deposits with maturity of more than 3 months but up to 12 months	528.24	351.99
Deposits with original maturity of more than 12 months	73.13	61.26
Total (B)	629.37	450.25
Total Cash & Bank Balance (A+B)	890.03	1,435.89
Less:- Amount disclosed under non-current assets (refer note 14)	(64.77)	(9.61)
Cash & Bank Balance	825.26	1,426.28

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

18. Revenue from operations

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of products	1,00,517.86	94,390.29
Other operating revenue	946.19	1,472.85
Revenue from operations (gross)	1,01,464.05	95,863.14
Less: Excise duty	8,616.83	7,260.86
Revenue from operations (net)	92,847.22	88,602.28

Excise duty on sales amounting to Rs. 8,616.83 lacs (previous year Rs. 7,260.86 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/(decrease) of stock Rs. 85.13 lacs (previous year Rs. (56.52 lacs)) has been considered as (income) / expenses in note 23 of the financial statements.

Other operating revenue comprises the following income:

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Other operating revenue		
Sales of scrap	26.78	27.20
DEPB earned	-	12.90
Drawback earned	919.41	1,432.75
	946.19	1,472.85

Details of goods sold

	2013-14		2012-13	
	Qty (MT)	Value	Qty (MT)	Value
Polyester / PBT chips	17,177	16,835.49	17,257	16,202.27
Speciality Polymers	2,037	3,901.21	2,241	3,983.68
Polyester films	42,805	63,474.70	49,639	62,320.12
Engineering Plastics	9,509	16,191.16	6,945	11,807.17
Others		115.30		77.05
Total		1,00,517.86		94,390.29

19. Other income

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest on:		
- Fixed deposits {tax deducted at source Rs. 4.46 lacs (previous year Rs. 5.77 lacs)}	43.45	58.23
- Trade receivable {tax deducted at source Rs. 0.40 lacs (previous year Rs. 2.12 lacs)}	41.95	33.59
- Others {tax deducted at source Rs. 3.50 lacs (previous year Rs. 2.88 lacs)}	34.50	28.78
Insurance claim	26.28	19.93
Dividend	-	0.03
Provisions / liabilities no longer required written back	21.14	19.86
Foreign exchange fluctuation gain	262.33	409.98
Miscellaneous income	63.18	9.05
Total other income	492.83	579.45

20. Cost of raw material consumed

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cost of raw material consumed	66,265.07	64,490.13
Total	66,265.07	64,490.13

Details of raw material consumed

	2013-14		2012-13	
	Qty (MT)	Value	Qty (MT)	Value
PTA	52,711.06	36,261.18	59,108.73	38,003.85
MEG	21,016.52	13,802.67	23,179.27	13,829.02
PBT chips	5,517.43	7,245.50	3,765.80	4,790.89
NYLON	2,440.45	3,304.03	1,630.69	2,151.38
BUTANE DIOL	469.92	644.68	431.95	657.06
NDC	4.90	17.62	169.60	545.30
Others		4,989.39		4,512.63
Total		66,265.07		64,490.13

Inventory of Raw material

(Rs. In lacs)

	2013-14 Value	2012-13 Value
PTA	608.62	2,250.14
MEG	301.57	275.79
PBT chips	1,389.08	569.78
NYLON	619.26	437.88
BUTANE DIOL	6.41	212.43
Others	2,179.40	1,630.02
	5,104.34	5,376.04

21. (Increase) / Decrease in Inventories

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013	(Increase) / Decrease
Closing stock			
- Finished goods	5,434.13	5,292.08	142.05
- Work in process	679.84	436.25	243.59
	6,113.97	5,728.33	385.64
Opening stock			
- Finished goods	5,292.08	5,028.23	263.85
- Work in process	436.25	1,127.68	(691.43)
	5,728.33	6,155.91	(427.58)
Total (Increase) / Decrease	(385.64)	427.58	

Inventory of finished goods

	2013-14		2012-13	
	Qty (MT)	Value	Qty (MT)	Value
Polyester chips	714.83	637.26	1,117.97	970.95
Speciality Polymers	376.91	518.27	371.15	622.62
Polyester films	1,566.63	1,998.41	1,809.29	2,260.66
Engineering plastics	949.64	1,482.01	200.40	302.72
Recycled polyester chips	819.82	798.18	1,263.02	1,135.13
		5,434.13		5,292.08

Inventory of work in progress

	2013-14	2012-13
	Value	Value
Polyester chips	175.30	206.40
Speciality Polymers	21.36	-
Polyester films	385.03	154.70
Engineering plastics	98.15	75.15
	679.84	436.25

22. Employee benefit expenses

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries, wages & bonus	3,025.19	2,494.94
Contribution to provident and other funds	256.30	237.57
Gratuity (refer note 29)	106.13	93.72
Staff welfare expenses	485.02	393.97
	3,872.64	3,220.20

23. Other Expenditure

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Manufacturing expenses		
Consumption of stores and spare parts	1,327.60	1,136.62
Consumption of packing material	1,562.47	1,686.15
Power & fuel	5,860.26	6,486.87
Material handling charges	357.96	255.75
Increase / (decrease) in excise duty on closing stock	85.13	(56.52)
Total manufacturing expenses (A)	9,193.42	9,508.87
Selling expenses		
Freight (includes prior period expenses of Rs. 2.03 lacs)	2,688.70	3,230.78
Commission and brokerage (other than sole selling agents)	336.97	409.37
Discount, claims and rebates	89.39	171.78
Others	-	0.68
Total selling expenses (B)	3,115.06	3,812.61

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Administration and other expenses		
Rent	47.51	123.01
Rates and taxes	28.73	25.85
Insurance	251.17	209.70
Repairs & maintenance		
- Building	35.76	26.27
- Plant & machinery	196.42	186.92
- Others	166.47	138.03
Travelling & conveyance	936.62	748.21
Communication costs	97.22	106.40
Legal & professional charges (includes prior period expenses of Rs. 4.91 lacs)	398.37	431.31
Printing & stationery	28.21	22.17
Donations (other than political parties)	14.06	8.80
Directors sitting fees	4.50	4.40
Auditors' remuneration		
- Statutory audit fee	16.79	17.08
- Limited review fee	12.00	12.00
- Certification services	0.51	-
- Out of pocket expenses	0.87	0.98
Loss on fixed assets sold / discarded	8.19	83.69
Loss on sale of investments	-	8.32
Bad debts, advances & irrecoverable balances written off	25.13	89.83
Provision for obsolete inventory	11.76	4.03
Premium on forward contract amortised	325.33	267.21
Miscellaneous expenses	742.05	484.78
Total administrative & other expenses (C)	3,347.67	2,998.99
Total other expenses (A+B+C)	15,656.15	16,320.47

24. Finance cost

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest		
- on term loans	1,468.26	537.03
- on working capital	1,468.29	1,125.33
- on buyer's credit facilities	88.14	335.64
Bank charges	462.08	648.83
	3,486.77	2,646.83

25. Earning per share (EPS)

	Year ended March 31, 2014	Year ended March 31, 2013
Net profit/(loss) for calculation of basic /diluted EPS	836.95	(528.10)
Weighted average number of equity shares	6,28,93,706	6,28,93,706
Impact of scheme of amalgamation relating to earlier period (refer note 40)		
Shares cancelled on account of amalgamation	(1,02,22,650)	-
Shares to be issued as purchase consideration on account of amalgamation	99,72,703	-
Weighted average number of equity shares in calculating basic & diluted EPS	6,26,43,759	6,28,93,706
Basic / diluted EPS (in Rs.)	1.34	(0.84)

26. Capital commitments

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,727.24	391.61

Capital Commitments are on account of installation of rice husk based thermic fluid heater, twin screw extruder for film and UPS.

27. Contingent liabilities

(Rs. In lacs)

	As at March 31, 2014	As at March 31, 2013
(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
(xi) Demand raised for differential amount of Custom Duty on import of PBT chips.	188.36	188.36
Total (a)	715.29	715.29
(b) Show cause notices related to Service Tax & Excise rebate on export	13.54	13.54
(c) Income Tax:		
(i) Disallowance of advertisement expenditure pursuant to rule 6B of IT rules, 1962 in the revised return of income which is based on the auditor's report in respect of A.Y. 1990-91, 1993-94 to 1997-98 by ITAT.	1.68	1.68
(ii) Disallowance of club expenditure on the contention that they are not wholly and exclusively for the business needs of the group in respect of A.Y. 1990-91, 1993-94 to 1994-95 & A.Y. 2005-06 by ITAT.	1.80	1.80
(iii) Disallowance of 50% of entertainment expenses on the contention that there has been no participation of the employee for incurring such expenditure in respect of A.Y. 1993-94 to 1997-98 by ITAT.	5.10	5.10

	As at March 31, 2014	As at March 31, 2013
(iv) Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68
(v) Demand of MAT (including interest) A.Y. 2004-05*	5.78	5.78
* Disallowances of expenses incurred on earning exempt income like dividend 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.		
(vi) Demand of MAT (including interest) A.Y. 2005-06@	11.16	11.16
@ Disallowance of carry forward of loss on sale of investment on which dividend income is earned which is exempt from tax by invoking section 94(7) of the Act.		
@ Disallowance of other expenses under MAT including foreign technician fees, unexplained investment.		
(vii) Liability in respect of disallowances of excess depreciation claimed by company, bonus provision, disallowance of expenses incurred on earning exempt income like dividend and interest by invoking section 14A of the Act in respect of A.Y. 2006-07 to A.Y. 2009-10.	11.66	11.66
(viii) Disallowances out of travelling exp and U/S 14A in respect of AY 2011-12	6.27	-
Total (c)	58.13	51.86
(d) Labour Cases:		
Workers suspended, pending in High Court, Delhi	-	1.67
Total (D) = (a)+(b)+(c)+(d)	786.96	782.36
(e) Other claims not acknowledged as debts	83.14	49.20
(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.	324.55	366.84
(g) Amount of duty saved on import under advance license - corresponding export obligation pending is Rs. 953.15 lacs (previous year Rs. 972.66 lacs)	7.77	8.33

Based on favorable decisions in similar cases, legal opinion taken by the group, discussions with the solicitors etc., the group 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.

28. 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 financial year 2011-12, due to changed market condition caused by over-supply, the Company had suffered losses which were not determinable at the time of appointment. The remuneration paid/accrued to both the whole time directors was 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, had made an application to the Central Government seeking its approval for the payment of remuneration in case of losses. The said application has been approved by the Central Government on July 17, 2012.

The remuneration paid to Mr. Ashok Kumar Agarwal and Mr. Pradeep Kumar Rustagi during the current financial year has been accrued / paid in accordance with the approval given by 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.

29. Gratuity and other post employment benefits plan

Gratuity

The group 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, 2014	March 31, 2013
Current service cost	46.83	38.40
Interest cost on benefit obligation	37.57	32.82
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	21.72	22.50
Past service cost	-	-
Net benefit expense	106.12	93.72

Balance sheet

Details of provision for Gratuity

(Rs. In Lacs)

	March 31, 2014	March 31, 2013
Defined benefit obligation	548.47	469.60
Plan liability	548.47	469.60

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

(Rs. In Lacs)

	March 31, 2014	March 31, 2013
Opening defined benefit obligation	469.60	410.24
Interest cost	37.57	32.82
Current service cost	46.83	38.40
Benefits paid	(27.24)	(34.36)
Actuarial losses on obligation	21.72	22.50
Closing defined benefit obligation	548.48	469.60

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 group's plans are shown below:

	March 31, 2014	March 31, 2013
	%	%
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, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	548.48	469.60	410.24	396.44	333.16
Deficit	548.48	469.60	410.24	396.44	333.16
Experience adjustments on plan liabilities Loss/(Gain)	21.40	20.86	(30.33)	29.30	(10.11)

Contribution to Defined Contribution Plans:

(Rs. In lacs)

	March 31, 2014	March 31, 2013
Superannuation fund	72.84	77.18
Provident fund contribution to Government authority	93.30	84.68

Provident Fund

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

In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary have provided a valuation of provident fund liability and based on assumptions provided below there is no shortfall as at March 31, 2014 and March 31, 2013.

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

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

(Rs. In lacs)

Projected Benefit Obligation	March 31, 2014	March 31, 2013
Projected Benefit Obligation at Beginning of year	583.21	465.54
Current Service Cost	88.45	74.17
Interest Cost	51.03	39.57
Contributions by plan participants / employees	105.17	87.59
Actuarial (Gain) / Loss due to Interest guarantee	2.07	7.57
Benefits Paid	(149.84)	(97.63)
Past Service Cost	-	-
Settlements / Transfer In	34.33	6.36
Projected Benefit Obligation at End of year	714.43	583.17

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

(Rs. In lacs)

Reconciliation of Plan Assets	March 31, 2014	March 31, 2013
Plan Asset at beginning of year	626.63	500.16
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Expected Return on Plan Asset	54.83	42.51
Employer Contribution	88.45	74.17
Plan Participants / Employee Contribution	105.17	87.59
Benefit Payments	(149.84)	(97.63)
Asset Gain /(Loss)	1.82	4.39
Settlements / Transfer In	34.33	6.36
Ending Asset at Fair Value	761.40	617.55

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

Economic Assumptions	March 31, 2014	March 31, 2013
i) Interest rate	8.75%	8.50%

Demographic Assumptions	March 31, 2014	March 31, 2013
i) Mortality	IALM (2006-08)	IALM (1994-96)
ii) Disability	None	None
iii) Normal Retirement Age	58	58

30. Leases:

The group 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 group have paid Rs. 47.51 lacs (previous year Rs. 123.01 lacs) towards operating lease rentals.

31. Forward contract outstanding as at Balance sheet date:

Particulars	Currency	As at	As at	Purpose
		March 31, 2014	March 31, 2013	
Purchase (Cross Currency) - Buyers' Credit Capital Goods	EURO:USD	-	39,35,803	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 - Buyers' Credit Capital Goods	EURO	5,87,200	20,14,600	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
	USD	6,30,978	59,77,335	
Purchase - Buyers' Credit Raw Material	USD	37,34,743	7,60,400	Forward contract to hedge foreign currency receivables in respect of export of goods.
	EURO	2,78,288	-	
Sales	USD	5,00,000	10,00,000	

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, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Import Creditors (including acceptances)	Euro	8,800.00	23,068.82	82.62	69.54	7.27	16.04
	GBP	6,500.00	-	99.90	-	6.49	-
	USD	35,17,031.51	26,65,942.44	60.14	54.39	2,115.14	1,450.01
Export trade receivables	USD	23,03,988.75	29,79,283.99	60.09	54.39	1,384.47	1,620.43
	Euro	67,422.66	1,39,809.26	82.53	69.54	55.64	97.22
	GBP	3,981.22	-	99.83	-	3.97	-
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	-	82,23,977.40	-	54.39	-	4,473.02
	Euro	7,00,000.00	70,98,533.40	82.58	69.54	578.06	4,936.32
- For Raw material	USD	3,45,599.58	6,38,400.00	60.10	54.39	207.71	347.23

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

(Rs. In lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
i) The principal amount & the interest due thereon remaining unpaid to any supplier as at the end of year		
Principal Amount	3.82	28.76
Interest Due thereon	-	-
ii) Payments made to supplier beyond the appointed day during the year		
Principal	880.01	661.55
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 group.

34. a) Names of related parties

Nature of Relationship	Name of Related Party
Names of related parties where control exists	
- Ultimate Holding Company	- Goldring Investments Corp.
- Holding Company	- Wilemina Finance Corporation
Key Management Personnel	- Mr. A K Singhania (Non-Executive 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 group.	- Mr. Jai Vardhan Singhania
Enterprises owned or significantly influenced by Key management personnel or their relatives	- Fenton Investments Private Limited
	- PDJ Properties & Investment Services Private Limited
	- Polyplex Corporation Limited

b) Related party transaction

(Rs. in lacs)

Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Transactions during the year						
Managerial Remuneration						
Ashok.K.Agrawal	-	-	86.23	-	-	86.23
	-	-	(69.35)	-	-	(69.35)
Pradeep Rustagi	-	-	81.81	-	-	81.81
	-	-	(68.30)	-	-	(68.30)
Rent Paid						
Fenton Investment Pvt. Ltd.	-	-	-	-	20.22	20.22
	-	-	-	-	(20.22)	(20.22)
Salary Paid						
Ayush Vardhan Singhania	-	-	-	31.50	-	31.50
	-	-	-	(21.08)	-	(21.08)
Material Sold						
Polyplex Corporation Limited	-	-	-	-	3.08	3.08
	-	-	-	-	(10.00)	(10.00)
Material Purchased						
Polyplex Corporation Limited	-	-	-	-	3.60	3.60
	-	-	-	-	(20.58)	(20.58)
Education, Training & Development*						
Ayush Vardhan Singhania	-	-	-	43.99	-	43.99
	-	-	-	-	-	-
Balances Outstanding as at year end						
Security deposit						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
Payable for purchase of goods						
Polyplex Corporation Limited	-	-	-	-	-	-
	-	-	-	-	(1.43)	(1.43)
Receivable for sale of goods						
Polyplex Corporation Limited	-	-	-	-	-	-
	-	-	-	-	-	-
Guarantees given against Loans Taken (jointly and severally) by the group						
- Wilemina Finance Corporation	36,146.46	-	-	-	-	36,146.46
	(31,959.19)	-	-	-	-	(31,959.19)
- A.K.Singhania	-	-	-	-	-	-
	-	-	(43.51)	-	-	(43.51)

- Previous year figures are given in brackets.

* Expenses incurred for education, Training & development is as per company's policy applicable to all employees above a certain level.

35. Segment Reporting

The group operates in two segments manufacturing and sale of polyester film and engineering plastics. The group 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, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
REVENUE						
External sales	78,458.41	78,074.21	14,388.82	10,528.07	92,847.22	88,602.28
Inter segment sale	-	-	-	-	-	-
Total revenue	78,458.41	78,074.21	14,388.82	10,528.07	92,847.22	88,602.28
SEGMENT RESULT	8,754.05	4,551.59	793.56	566.95	9,547.60	5,118.54
Unallocated corporate expenses					4,876.66	3,545.46
Operating Profit					4,670.94	1,573.08
Finance costs					3,486.77	2,646.83
Other income					230.50	291.75
Profit Before Tax / (Loss)					1,414.67	(782.00)
Income taxes					573.96	(253.90)
Net Profit / (Loss)					840.71	(528.10)
OTHER INFORMATION						
Segment assets	45,983.77	47,141.86	10,411.79	5,884.43	56,395.56	53,026.29
Unallocated corporate assets					13,453.16	12,219.41
Total assets					69,848.72	65,245.70
Segment liabilities	6,450.71	5,255.38	2,360.28	1,248.38	8,810.99	6,503.76
Unallocated corporate liabilities					34,743.41	32,967.98
Total liabilities					43,554.39	39,471.74
Capital expenditure	2,737.94	972.75	1,289.68	10.63	4,027.61	983.38
Unallocated Capital expenditure					1,972.11	2,689.24
Total Capital expenditure					5,999.72	3,672.62
Depreciation/Amortisation	2,687.54	2,494.07	101.17	63.70	2,788.71	2,557.77
Unallocated Depreciation/Amortisation					241.68	300.76
Total Depreciation/Amortisation					3,030.39	2,858.53
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation					74.33	211.96
Total Non-cash expenses other than depreciation and amortisation					74.33	211.96

B. INFORMATION ABOUT SECONDARY SEGMENTS

- a) Revenue as per Geographical Markets

(Rs. In lacs)

	March 31, 2014	March 31, 2013
India *	69,518.17	59,622.02
Outside India	23,329.05	28,980.26
Total	92,847.22	88,602.28

* Includes Deemed export with in India

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

(Rs. In lacs)

	March 31, 2014	March 31, 2013
India	7,443.75	6,650.23
Outside India	4,980.16	4,251.94
Total	12,423.91	10,902.17

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

- c) Capital expenditure by geographical location of assets

(Rs. In lacs)

	March 31, 2014	March 31, 2013
India	5,999.72	3,672.62
Outside India	-	-
Total	5,999.72	3,672.62

36. Scheme of amalgamation

- i) The shareholders of the group had approved a scheme of amalgamation between the group (transferee Company) and fellow subsidiary Sriyam Impex Private Limited (transferor Company) with an appointed date of April 1, 2012. Sriyam Impex private limited was engaged in trading of BOPP film, chemicals and other items. This scheme of amalgamation has been approved by the High Court of Uttarakhand on March 25, 2014 and was subsequently submitted with Registrar of Companies (RoC), Uttarakhand on May 7, 2014. Accordingly, from April 1, 2012, the operation of the transferor Company stood transferred to and vested in the group on a going concern basis.
- ii) The Transferee Company shall, without further application, issue and allot to the Equity Shareholder(s) of the Transferor Company, 100 (One Hundred only) Equity Shares of the nominal value of Rs. 5/- each, credited as fully paid up, for every 197 (One hundred and ninety seven only) Equity Shares of the nominal value of Rs. 10 each fully paid up held by them in the Transferor Company. For the purpose of allotment referred to in this clause, fractional entitlements shall be rounded-off to the next higher whole number.
- iii) Pursuant to the scheme, equity shares of transferee Company held by the transferor Company's shareholders shall stand cancelled and new equity shares will be issued to equity shareholders of transferor Company in the exchange ratio as specified above. The effect of cancellation and issuance of equity shares has been disclosed under head "Share Capital Control Account".
- iv) The excess of book value of the investment held by the transferor Company in the transferee Company over the face value of equity shares has been adjusted in the Capital Reserve of the transferee Company.
- v) Debit balance of statement of profit and loss and the goodwill transferred from transferor Company has been adjusted from security premium account.
- vi) The reduction in the share capital and security premium account of the transferee Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.
- vii) Pursuant to the scheme, the authorized share capital of the transferee Company on the effective date shall automatically stand increased by merging the authorized share capital of transferor Company with transferee Company without any further act or deed on the part of the Transferee Company, including payment of stamp duty and Registrar of Companies fees, for the Authorized Share Capital of Transferor Company. Further, if required, the Transferee Company shall take necessary steps to further increase and alter its Authorized Share Capital suitably to enable it to issue and allot the Equity Shares required to be issued and allotted by it in terms of this Scheme.
- viii) Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up.
- ix) The transfer of assets and liabilities has been effected from the "Appointed date" of April 1, 2012, as defined in the scheme and approved by the High Court of Uttarakhand.

- x) Credit balance of security premium account and capital reserve account of the transferor company have been transferred to the transferee company

Since the group have received all the requisite approval in the current year, operation of the Transferor company from 1st April 2012 to 31st March 2013, as detailed below have been accounted or in the current year's statement of profit & Loss as a separate line item.

Rs. In Lacs

Particulars	Amount
	April 1, 2012 to March 31, 2013
Income	
Revenue from operations	80.61
Total revenues	80.61
Expenses	
Purchase of traded goods	56.96
(Increase) / decrease in inventories of traded goods	16.86
Employee benefit expenses	0.60
Financial cost	0.29
Other expenses	9.55
Depreciation expense #	0.12
Total expenses	84.37
Profit before tax	(3.76)
Tax expenses	-
Profit after tax	(3.76)

This excludes the amount of Rs. 162.92 lacs pertaining to the amortization of goodwill debited in the statement of Profit and Loss account of the transferor Company for the year ended March 31, 2013. However, as per the approved scheme of amalgamation, goodwill as on April 1, 2012 in the books of transferor Company should be adjusted from the securities premium account of the transferee Company. Accordingly, the amortization of goodwill amounting to Rs. 162.92 lacs has not been considered while giving effect of the operations of the transferee Company for the year April 1, 2012 to March 31, 2013 and it has been adjusted from the securities premium account as part of goodwill brought in the books of transferee Company.

Further, net cash flows for the period April 1, 2012 to March 31, 2013 pertaining to the transferor Company on account of operating, investing and financing activities aggregating Rs. 25.11 lacs, Rs. nil and Rs. nil respectively have been included in the current year's statement of cash flows as a separate line item under the respective heads.

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

After obtaining approval from Shareholders, Stock Exchanges and FIPB, the group allotted Warrants in its Board Meeting held on April 11, 2014.

38. 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 & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

per Raman Sobti
Partner
Membership no. 89218

Place : New Delhi
Date : May 21, 2014

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

Arvind Singhania
Chairman

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary

SUBSIDIARY FINANCIAL INFORMATION UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

Name of Subsidiary – Ester International (USA) Limited

S. No.	Particulars	Amount (Rs. in Lacs)
1	Capital	9.69
2	Reserves	(106.30)
3	Total Assets	1.69
4	Total Liabilities	1.69
5	Details of Investment (Except in case of investment in the subsidiaries)	-
6	Turnover and other income	-
7	Profit Before Taxation	(0.04)
8	Provision for Taxation	-
9	Profit After Taxation	(0.04)
10	Proposed Dividend	-

Note –

1. TT Buying Rate as on 31st March, 2014 - 1 USD = Rs. 60.05
2. TT Selling Rate as on 31st March, 2014 - 1 USD = Rs. 60.10
3. Average of TT Buying and TT Selling Rate as on 31st March, 2014 = Rs. 60.08
4. All figures have been converted taking average of TT Buying and TT Selling Rate as on 31st March, 2014 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

Arvind Singhania
Chairman

Place : New Delhi
Date : May 21, 2014

Pradeep Rustagi
Executive Director & CFO

Diwaker Dinesh
Company Secretary



CIN: L24111UR1985PLC015063

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

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

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

Dear Shareholders,

Green Initiative : Go Paperless

You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 20, 101, 136 and other applicable provisions of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Notice of Shareholders meeting, Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder to contribute to the cause of Green Initiative.

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.

Regards
For **Ester Industries Limited**

Diwaker Dinesh
Company Secretary

E-COMMUNICATION REGISTRATION FORM

<p>IF SHARE(S) IS/ARE HELD IN PHYSICAL 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</p>	<p>IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE Please send the form to your concerned Depository Participant where you maintain your Demat Account.</p>
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E-mail ID to be registered

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

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

Date

Important Notes:

- The form is also available on the website of the Company viz www.esterindustries.com
- 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.



CIN: L24111UR1985PLC015063

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

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

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

Dear Shareholder

Securities Exchange Board of India (SEBI) has made it mandatory that the dividend of the shareholders will be credited into their account through NECS in case completed Bank details as required for electronic payment is available with the Company/Depository. In case such details are not available, the company is required to print Bank details on dividend warrants.

By availing National Electronic Clearing Service (NECS), you can receive your dividend electronically by way of direct credit to your bank account. This avoids a lot of hassles like loss/fraudulent use of dividend warrants during postal transit. There are no charges to avail this facility. This also expedites payment through credit to your account compared to dividend warrants in physical form.

We therefore request you to please complete the below form and send it to Registrar/Concerned Depository Participant –

Regards

For **Ester Industries Limited**

Diwaker Dinesh

Company Secretary

NECS MANDATE FORM FOR DIVIDEND PAYMENT

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

Dear Sir

I hereby give my mandate to credit my Dividend on the shares held by me directly to my account through National Electronic Clearing Service (NECS). The details are given below

- 1 Folio No./DP ID & Client ID _____
- 2 Shareholder's Name : Mr. / Mrs. / Ms. / M/s. _____
- 3 Shareholder's Address : _____
Pin Code : _____

4 Particulars of bank :

Bank Name													
Branch Name & Address													
Branch Code													
(9 digits code number appearing on the MICR band of the cheque supplied by the Bank. Please attach a photocopy of a cheque).													
Account Type (Tick the appropriate Box)	Saving			Current				Cash Credit					
Account no. (as appearing in the cheque book)													
IFSC Code													

5. Date from which the mandate should be effective : _____

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I shall not hold Ester Industries Limited or MCS Limited responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS.

Signature of Shareholder

Date

Place



ATTENDANCE SLIP

CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, Fax No. (05943) 250158, Website – www.esterindustries.com, Email – shares.deptt@ester.in

28th ANNUAL GENERAL MEETING

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

D. P. Id No.		Folio No.	
Client Id No.		No. of Shares	

I/We hereby record my/our presence at the 28th Annual General Meeting of the Company to be held on Monday, the 22nd Day of September 2014 at 12.30 PM 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)



PROXY FORM

CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, Fax No. (05943) 250158, Website – www.esterindustries.com, Email – shares.deptt@ester.in

28th ANNUAL GENERAL MEETING

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24111UR1985PLC015063

Name of the Company : Ester Industries Limited

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

Name of the member(s) :
Registered Address :
Email ID :
Folio No./Client ID :
DP ID :

I/We, being the Member(s) holding.....shares of the above named company, hereby appoint

- Name..... Address.....
Email ID Signature or failing him/ her
- Name..... Address.....
Email ID Signature or failing him/ her
- Name..... Address.....
Email ID Signature or failing him/ her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Monday, 22nd September, 2014 at 12.30 PM at Registered Office at Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand and any adjournment thereof in respect of such resolutions as are indicated below :

ITEM NO	RESOLUTIONS	Optional ²	
		FOR	AGAINST
1	Consideration and adoption of Annual Accounts, Auditors and Directors Report		
2	Declaration of Final Dividend on Equity Shares		
3	Re-appointment of Mr. Arvind Singhania, who retires by rotation		
4	Appointment of S. R. Batliboi & Co. LLP as Statutory Auditors and fixation of their remuneration		
5	Ratification of Remuneration Fixed for Cost Auditor of the Company		
6	Appointment of Mr. V B Haribhakti as an Independent Director of the Company		
7	Appointment of Mr. Dinesh Chandra Kothari as an Independent Director of the Company		
8	Appointment of Mr. M S Ramachandran as an Independent Director of the Company		
9	Appointment of Mr. Ashok Newatia as an Independent Director of the Company		
10	Appointment of Mr. Anand Chand Burman as an Independent Director of the Company		
11	Appointment of Mr. P S Dasgupta as an Independent Director of the Company		
12	Appointment of Mrs. Archana Singhania as Director		
13	Reappointment of Mr. Pradeep Kumar Rustagi as Whole-Time Director of the Company		
14	Appointment of Mr. Arvind Singhania as Whole-Time Director of the Company		
15	Appointment of Mr. Jai Vardhan Singhania as Group Leader – Business Planning and Support		
16	Alteration in Articles of Association of the Company		

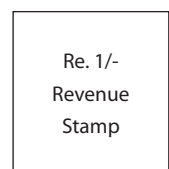
Signed thisday of..... 2014

Signature of Shareholder.....

Signature of Proxy holder(s)

Note -

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.





Plot No. 11, Block-A, Infocity-I, Sector 33 & 34, Gurgaon-122001, Haryana
www.esterindustries.com