



**30<sup>th</sup> Annual Report  
2015-16**

**Ester Industries Limited**

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	MR. ARVIND SINGHANIA MR. ASHOK NEWATIA MR. M. S. RAMACHANDRAN MR. DINESH CHANDRA KOTHARI DR. ANAND CHAND BURMAN MR. P. S. DASGUPTA MR. SANDEEP DINODIA MRS. ARCHANA SINGHANIA MR. PRADEEP KUMAR RUSTAGI	CHAIRMAN & CEO INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR NON - EXECUTIVE DIRECTOR EXECUTIVE DIRECTOR & CFO
<b>COMPANY SECRETARY</b>	MR. DIWAKER DINESH	
<b>STATUTORY AUDITORS</b>	M/S S. R. BATLIBOI & CO. LLP, GURGAON	
<b>BANKERS</b>	BANK OF INDIA BANK OF BARODA UNION BANK OF INDIA CANARA BANK STATE BANK OF BIKANER & JAIPUR TATA CAPITAL FINANCIAL SERVICES LIMITED	
<b>CORPORATE OFFICE</b>	PLOT NO. 11, BLOCK-A, INFOCITY-I, SECTOR 33 & 34, GURGAON-122001, HARYANA	
<b>REGISTERED OFFICE &amp; WORKS</b>	SOHAN NAGAR, P. O. CHARUBETA, KHATIMA – 262 308, DISTRICT UDHAM SINGH NAGAR, UTTARAKHAND	
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	MAS SERVICES LIMITED T-34, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI – 110 020	
<b>LISTING OF SECURITIES</b>	BOMBAY STOCK EXCHANGE LIMITED NATIONAL STOCK EXCHANGE OF INDIA LTD.	

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30th ANNUAL GENERAL MEETING (AGM) of ESTER INDUSTRIES LIMITED will be held on Saturday, 24th September, 2016 at 10.30 AM at the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2016 and the Profit and Loss account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Archana Singhania (DIN 01096776) who retires by rotation and being eligible, offers herself for re-appointment;
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for ratification of appointment of Statutory Auditors:-  
“**RESOLVED THAT** subject to the provisions of Section 139, 140 & 142 and other applicable provisions, if any, of the Companies Act, 2013, appointment of M/s. S.R. Batliboi & Co. LLP (Regn. No. 301003E/E300005), Chartered Accountants, as Statutory Auditors of the Company (as approved in 28th Annual General Meeting) be and is hereby ratified to hold office from the conclusion of this 30th AGM till the conclusion of the 31st AGM of the Company to be held in the year 2017 at a remuneration to be fixed by the Board of Directors.”

### Special Business:

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

### As Ordinary Resolution

#### 4. RATIFICATION OF REMUNERATION FIXED FOR COST AUDITOR OF THE COMPANY

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or reenactment thereof for the time being in force) a Remuneration of Rs. 3,00,000/- (Rupees Three Lacs Only) plus applicable taxes and out of pocket expenses payable to M/s. R. J. Goel & Co. (Regn. No. 00026), the Cost Auditor of the Company for the financial year 2016-17, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby approved and ratified.”

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

Sd/-

**Diwaker Dinesh**

**Company Secretary**

**(Membership No.: A22282)**

Place : New Delhi

Date : 10th August, 2016

### 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 SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment as mentioned under item no. 2 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 18th September, 2016 to 24th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
- 4) A route map showing directions to reach the venue of the Annual General Meeting is attached at the end of this Annual Report.
- 5) The Board of Directors has not recommended any Dividend for the financial year 2015-16.
- 6) In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
- 7) Corporate Members intending to send their Authorized 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.
- 8) Members are requested to notify immediately:
  - I. **In case shares are held in physical form:** any change in address, if any, to the Company at Plot No.11, Block-A, Infocity-I, Sector 33 & 34, Gurgaon – 122001, India or to the Registrar and Share Transfer Agent of the Company viz. MAS Services Limited, T-34, Okhla Industrial Area, Phase II, New Delhi- 110 020 quoting their folio number.
  - II. **In case shares are held in dematerialised form:** any change in address, if any, to their Depository Participants

- 9) 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.
- 10) 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.
- 11) All the documents referred to in the accompanying Notice are open for inspection in physical or electronic form at Registered Office of the Company and copies of these documents will also be available for inspection at the Head Office (Corporate Office) in physical or electronic form, during normal business hours on all the working days except Saturday up-to the date of the Annual General Meeting. Such documents will be available for inspection during the meeting also.
- 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 30th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 30th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Annual Report is being sent through the permitted mode.
- 14) Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We therefore, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares).
- 15) Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report for the financial year ended on 31.03.2016 will also be available on the Company's website [www.esterindustries.com](http://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: [investor@ester.in](mailto:investor@ester.in)
- 16) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MAS Services Limited (Registrar & Share Transfer Agent).
- 17) As per SEBI Circular dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.
- 18) Pursuant to provisions of Section 125 of the Companies Act, 2013 (erstwhile section 205C of the Companies Act, 1956) the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company has transferred such unpaid or unclaimed dividends from time to time on due dates, to IEPF.
- Further the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th September, 2015 (date of last Annual General Meeting) on the website of the Company viz. [www.esterindustries.com](http://www.esterindustries.com) and also on the website of the Ministry of Corporate Affairs viz. [www.iepf.gov.in](http://www.iepf.gov.in)
- 19) **VOTING THROUGH ELECTRONIC MEANS**
- |                          |  |
|--------------------------|--|
| Commencement of E-voting | 9.00 AM, Wednesday, 21st September, 2016 |
| End of E-voting          | 5.00 PM, Friday, 23rd September, 2016    |
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper/venue e-voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper/venue e-voting.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the Annual General Meeting.
- IV. The remote e-voting period commences on **9.00 AM 21st September, 2016 and ends on 5.00 PM, 23rd September, 2016**. The remote e-voting module shall be blocked by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on **17th September, 2016 (Cutoff date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting through ballot paper/venue e-voting at the AGM. Any person, who acquires shares of the Company and

become Member of the Company after dispatch of the Notice and holding shares as on the cut off date i.e; 17th September, 2016 ,may follow the same instructions as mentioned in the notice for e-Voting. If a person who was not a member of the Company as on the cut-off date shall treat this Notice for information purpose only.

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

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

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

**For Members holding shares in Demat Form and Physical Form**

PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field which is printed on the Attendance slip or as provided in email, if Annual Report sent through electronic mode.
Dividend Bank Details# OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. #If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

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

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Ester Industries Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app M-Voting available for android based mobiles. The M-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) **Note for Non – Individual Shareholders and Custodians**  
Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or contact Mr. Rakesh Dalvi, Deputy Manager of CDSL, 16<sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai-400001, Ph.: 18002005533, write an email to **helpdesk.evoting@cdslindia.com**.
- 20) Mr. Akash Jain, Company Secretary in Practice (Membership No. 22735 and COP No. 9432) has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.

- 21) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of poll paper/venue e-voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 22) The Scrutinizer shall immediately after the conclusion of voting at the AGM will count the votes casted at the meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and submit not later than 3 days of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, to the Chairman or a person/ a director authorized by him/the Board in writing who shall countersign the same and declare the results of the voting forthwith.
- 23) The Results declared along with the report of the Scrutinizer shall be placed on the Company's website [www.esterindustries.com](http://www.esterindustries.com) and on the website of CDSL viz [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of results by the Chairman or a person/ a director authorized by him/the Board. The Results shall also be simultaneously forwarded to the concerned stock exchanges. The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall also be displayed on the Notice Board of the company at its Registered Office and its Head Office.
- 24) The Resolution, if passed by a requisite majority, shall be deemed to have been passed on the date of the Annual General Meeting.
- 25) 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 Head Office address or e-mail their grievances/queries to the Company Secretary as detailed below:

**Registered Office:**

Sohan Nagar, PO Charubeta, Khatima,  
Distt. Udham Singh Nagar, Uttarakhand

**Head Office:**

Block-A, Plot No. 11, Sector 33 & 34,  
Infocity-I, Gurgaon – 122001  
Email Id: [investor@ester.in](mailto:investor@ester.in)

**DETAILS OF DIRECTORS SEEKING REAPPOINTMENT IN TERMS OF REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015**

**MRS. ARCHANA SINGHANIA**

Mrs. Archana Singhania, aged about 49 years, 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.

She was first appointed in the Company as Non-Executive Director w.e.f. 4th August, 2014 and sitting fees was paid to her for attending the Board meetings and Committee Meetings of the Company.

During the year she attended the Board Meeting held on 2nd November, 2015 and 10th February, 2016. She is a Member in Corporate Social Responsibility Committee of the Company.

Directorship of Mrs. Archana Singhania in other Companies as on 31st March, 2016 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 membership of committees of any other Company. She does not have any shareholding in Ester Industries Limited.

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

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

Sd/-

**Diwaker Dinesh**

**Company Secretary**

**(Membership No.: A22282)**

Place : New Delhi  
Date : 10th August, 2016

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

**Item No. 4**

In the Board Meeting held on 10th Aug, 2016, after considering the recommendation of the Audit Committee, the Directors have re-appointed M/s. R J Goel & Co. (Regn. No. 00026), Cost Accountants, as the Cost Auditor of the Company for the financial year 2016-17 at a remuneration of Rs. 3,00,000 (Rupees Three Lacs only). 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.

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

Sd/-

**Diwaker Dinesh**

**Company Secretary**

**(Membership No.: A22282)**

Place : New Delhi  
Date : 10th August, 2016

## MESSAGE FROM CHAIRMAN & CEO



### Dear shareholders,

It gives me great pleasure to present the annual report for the financial year 2015-16.

The year witnessed a subdued global economic activity contributed by lower growth in emerging markets and slower recovery in advanced economies. The world economy grew by 3.1<sup>1</sup> percent in 2015 which is 0.3<sup>1</sup> percent lower from the previous year. Rebalancing in the Chinese economy and lower oil prices impacted world economy growth.

Chinese economy continued to report slower growth representing weaker investment and manufacturing climate. Commodity prices remained under stress and financial markets saw increased volatility. Oil prices continued to remain at lower level impacting fiscal positions of oil exporting economies. Many of oil exporting

nations experienced currency depreciation and drop in currency reserves. On the other hand, oil importing nations saw a favorable trade deficit.

In spite of challenging global economic environment, Indian economy performed well during last year, GDP grew by 7.6<sup>2</sup> percent as compared to 7.3<sup>2</sup> percent for the previous year. This was the fastest growth for Indian economy in last five years. Fiscal deficit showed an improving trend. Headline inflation based on All India consumer price index recorded 4.9<sup>3</sup> percent in FY 2015-16 as compared to 5.9<sup>3</sup> percent during previous year. Lower global oil prices helped to keep inflation under control though the imports and exports both contracted by about 15<sup>3</sup> percent.

The performance of your company during last year was not up to the expectations. The sales declined by 14.3 percent due to drop in polyester chips business and lower raw material prices. Despite drop in sales your company was able to improve EBITDA margin by 1.2 percent.

BOPET film BU continued to witness oversupply situation with global capacity operating at the level around 70%. Lower margin and lower raw material costs caused a drop in overall selling price as compared to the previous year. Your company has been transforming itself into technology driven enterprise to mitigate the impact of commoditization & cyclicity. Last year your company did selective capital investments for enhancing its capability for offering value added products and as a result of these initiatives your company was able to significantly grow its portfolio of its value added products. Last year your company improved its capacity utilization and implemented various cost savings and efficiency improvement initiatives. With the help of these initiatives your company continued to build upon on its strategy of Innovation and Cost Leadership.

After an impressive growth journey for three consecutive years, the Engineering Plastics SBU witnessed a negative sales growth of 10.5% and 4.9% in value and volumetric terms respectively. A significant drop in polymer prices, consequent to declining crude prices, resulted in a greater drop in value terms. Our focused customer acquisition process and new product development initiatives resulted in sustained sales growth of EP compounds – catering to end-use segments such as automotive, electrical & electronics and appliances – despite the sluggish market conditions and increased competition. Sales into the Optical Fiber Cable industry dropped significantly – owing to slowdown in implementation of the BharatNet (earlier NOFN) project – resulting in overall drop in sales. The EP SBU was, however, successful in improving unit contribution levels through concerted supply chain initiatives and enhanced customer mix.

1. World Economic Outlook (WEO) Update January 2016

2. Central Statistics Office

3. RBI Bulletin

We have engaged the services of global consultants to enhance our application development as well as compounding/new product development capability which would help us in further strengthening our OEM relationship. With considerable efforts through the year towards finalising our growth strategy, we would now be focusing on implementation of the same to get back on the growth track in the domestic as well as exports markets.

The Specialty Polymer SBU continues to be the front runner in the company in terms of transformation from being a commodity player to a technology player. The entire focus of the specialty Polymer SBU is to create niche products through extensive R&D to cater to the special needs in terms of properties required by the consuming industries. I am happy to report that the efforts put in by the company over last four years has started yielding results. Last year your company was successful in getting various technical approvals for many of its grades including the pertinent products like Stain Resistant Master Batch and Hot Fill resin. While the volume development has been slower than desired we are happy with the overall acceptance of the products by customers and expect a faster rate of increase in volumes over the next few quarters. We will continue to invest in this business to take advantage of the apparent potential that it promises.

Your company continues to foster an entrepreneurial spirit and create a performance culture which encourages empowerment and ownership in every Esterian. Investing in people through scientific

and focused development programs has always been one of the key enablers to deliver Ester's strategic agenda. During the previous year, cross functional teams of identified high potential employees were created to drive various productivity enhancement and efficiency improvement projects. The benefits of these projects have already started to accrue and would continue to contribute towards increasing Ester's competitiveness in future.

While the profitability of your company has remained below expectations, we are confident of achieving better operational performance in the future. Your company kept its focus on its journey to transform itself from a commodity enterprise to a technology company.

I would like to take this opportunity to thank our dedicated Esterians whose hard work, passion and commitment is the key success factor for creating value for our investors.

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 for your continued support and confidence in your company. We solicit your continued support to transform Ester into a robust business.

With regards,  
**Arvind Singhania**  
Chairman & CEO

## DIRECTORS' REPORT

### To The Members

Your directors are pleased to present the Thirtieth Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2016.

### FINANCIAL RESULTS

(Rs. in lacs)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Sales and Other Income	84541.74	98608.68
Profit before Financial Expenses, Depreciation and Tax	7520.95	7407.77
Less: Interest & Other Financial Expenses	3601.43	3709.55
Profit / (Loss) before Depreciation, Extra Ordinary Items and Tax	3919.52	3698.22
Depreciation	3236.25	3210.58
Profit / (Loss) before Tax	683.27	487.64
Deferred Tax	227.21	103.73
Profit / (Loss) after Tax	456.06	383.91
Balance brought forward from previous year	12701.31	12317.40
Appropriation: Dividend & Tax on Dividend	--	--
Balance Carried to Balance Sheet	13157.37	12701.31
Basic Earnings Per Share (Rupees)	0.57	0.61
Diluted Earnings Per Share (Rupees)	0.57	0.57

### DIVIDEND AND RESERVES

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

### OPERATIONS REVIEW

During the year under review, your Company earned a Net Profit after Tax of Rs. 456.06 lacs as compared to Rs. 383.91 lacs earned during the FY 2014-15. Revenue from Operations during the year under review stood at Rs. 84541.74 lacs as compared to Rs. 98608.68 lacs during FY 2014-15, a reduction of 14.3%

Main reason for reduced revenue from operations was significant reduction in the quantities of sales of Polyester Chips from 19133 MT during 2014-15 to 2940 MT during 2015-16 with corresponding reduction in revenue from operations by Rs. 14526.36 lacs. Reduced sales of Polyester Chips did not have major adverse impact on the profits of the Company as Polyester Chips is an intermediate product that fetches marginal contribution.

Despite depressed market conditions, your Company was successful in improving sales of Polyester Films and Engineering Plastics Compounds – in quantitative terms – by 12.3% and 5.7% respectively. In value terms, sales of Polyester Films reduced by 4.4% while that of Engineering Plastics Compounds improved marginally by 1.5%. Drop in value terms despite increase in quantity of sales was due to fall in feedstock prices consequent to decline in crude oil price. Sales of Engineering Plastics for OFC application, both in quantitative & value terms, reduced by 35% and 26% respectively due to slowdown in implementation of the BharatNet (earlier NOFN) project.

Benefit arising from fall in the price of feedstock caused by fall in the price of Crude Oil could not be realized as sluggish market conditions, coupled with an oversupply situation, resulted in sustained pressure on the Company's product prices and inventory valuation losses.

Sales of Specialty Polymers improved significantly by 186.3%, albeit on a smaller base in quantitative terms while in value terms net sales improved by 231.9% from Rs. 1983.10 lacs during FY 2014-15 to Rs. 6581.65 lacs during FY 2015-16 due to better product mix

To some extent adverse effect of sluggish market conditions and an oversupply scenario was mitigated with significantly improved performance of Specialty Polymers. Company continues to focus towards increasing the proportion of Value Added & Specialty products across all SBUs in its portfolio aligned with its strategic objective.

Various initiatives taken over the last seven years – supported by capacity expansions – have resulted in Net Sales of the Company growing at a CAGR of 10.78% pa, from Rs. 37240.99 lacs in FY2008-09 to Rs. 76239.06 lacs in FY2015-16. This CAGR has been achieved despite significant reduction in the prices of products of the Company due to huge fall in the prices of feedstock that are petrochemical products consequent to fall in the prices of crude oil.

During the year under review, capacity utilization in Polyester Films was about 87%, with production higher at 49430 MT as compared to 43788 MT during the year 2014-15.

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.

**AWARDS & RECOGNITION**

Your directors are pleased to report that the Company was felicitated at the 6th National Awards for Technology Innovation in Petrochemicals under the category of Innovation in Polymeric Materials. We were selected as Joint Winner in the category of Innovation in Polymeric Materials for Modified Polyester for Hotfill Application by Injection Stretch Blow Molding (ISBM) Process. We were also selected as Joint Runner Up in the category of Innovation in Polymeric Materials for Polyester Masterbatch to Impart Stain Resistance in Nylon for Carpet Application.

**PROJECTS UNDER IMPEMENTATION & NEW PRODUCT DEVELOPMENT**

Aligned with the strategic objective of increasing the proportion of Value Added & Specialty products, the Company is in the process of modifying its Film Line # 1 by installing a Twin Screw Extruder to enable it to produce various Specialty Films with reduced conversion cost and wastage. This modification – likely to be completed by August 2016 - was originally scheduled to be completed by August 2015. The delay in implementation is on account of a review in design specifications.

Your company has invested towards enhancing its Solid State Polymerization (SSP) capacity by 1800 TPA during FY 2015-16. This would enable us to enhance sales of Specialty Polymers besides exploiting opportunities in Optical Fiber Cable segment upon implementation of Digital India program of Government of India.

Company has entered into agreements with some internationally reputed / renowned companies for collaborative work in the development of innovative products for its Specialty Polymers SBU at its plant in Khatima.

Your Company continues to make investments towards modernization, technical upgradation and debottlenecking initiatives in all the business segments.

**CORPORATE GOVERNANCE**

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the SEBI (LODR) Regulations, 2015. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Pursuant to SEBI (LODR) Regulations, 2015, the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**PUBLIC DEPOSIT**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding at the end of financial year 2015-16.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Sandeep Dinodia, Chartered Accountant was appointed as the Additional Director of the Company w.e.f. 25th May, 2015 in the capacity of Independent Director. He has also been appointed as the Chairman of Audit Committee. A resolution proposing his appointment as Independent Director to hold office for a period up to 31st March, 2020, was approved by the Shareholders in the last AGM held on 28th September, 2015.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Archana Singhania will retire by rotation at the forthcoming AGM of Company and being eligible, offers herself for re-election.

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

**DECLARATION OF INDEPENDENCE**

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and other applicable provisions, if any, of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI (LODR) Regulations, 2015.

**COMPOSITION AND MEETING OF THE BOARD AND AUDIT COMMITTEE**

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

**AUDITORS AND AUDIT REPORT****Statutory Audit**

M/s S. R. Batliboi & Company LLP, Chartered Accountants, was appointed as Statutory Auditors by the Shareholders in their Annual General Meeting (AGM) held on 22nd September, 2014, to hold office from 28th AGM till 31st AGM. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

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

**Cost Audit**

In accordance with the Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection the Board of Directors of your Company has on the recommendation of the Audit Committee, approved the appointment of M/s. R. J. Goel & Co., Cost Accountants as the Cost Auditor for the financial year 2015-16 at a remuneration of Rs. 3 Lacs plus applicable taxes and out of pocket expenses. The Cost Auditor has submitted the report for FY2015-16

to the Audit Committee and the Board. There are no qualifications, reservation or adverse remark made by the auditor in the report.

The Board has re-appointed M/s. R. J. Goel & Co., Cost Accountants, as the Cost Auditor for the Financial year 2016-17. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board seeks ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17. A resolution seeking your ratification of the remuneration of M/s. R. J. Goel & Co. is provided in the Notice of AGM.

#### **Secretarial Audit**

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board, during the year, appointed M/s Sanjay Grover & Associates, Company Secretaries, to conduct secretarial audit of the Company for the financial year ended 31st March, 2016. The Report of M/s Sanjay Grover & Associates is provided in the "**Annexure-A**" forming part of this Report.

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 with respect (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your company, on the basis of information placed before them by the Management and Auditors, confirm that:-

1. in the preparation of the annual accounts for the Financial Year ended 31st March 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departure, if any.
2. they have selected appropriate accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent, so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for the year under review;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the accounts of the Company for the financial year ended 31st March 2016 on a going concern basis.
5. proper internal financial controls laid down by them were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **INTERNAL CONTROLS**

Your company's internal control procedures are adequate to

ensure compliance with various policies, practices and statutes. Your Company maintains a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

Key controls have been tested during the year and necessary corrective and preventive actions taken to address identified improvement areas. Your Company has put in place adequate internal financial controls with reference to the financial statements.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

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

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

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

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

#### **CODE OF CONDUCT**

The Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors and senior management of the Company. They have affirmed compliance with the Code of Conduct. A declaration to this effect duly signed by Mr. Arvind Singhanian, Chairman & CEO is enclosed as a part of the Corporate Governance Report which forms part of this report. A copy of the Code of Conduct is available on the Company's website viz. [www.esterindustries.com](http://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, vigil mechanism, transparency, auditability and legal compliance.

#### CHANGES IN CAPITAL

During the financial year 2015-16, the Company has allotted 2,07,50,000 Equity Shares of Rs. 5/- at a premium of Rs. 5.10/-, pursuant to conversion of 2,07,50,000 Zero Coupon convertible Warrants at Rs. 10.10/- each issued to Vettel International Limited in the Board Meeting held on 25th May, 2015. The Equity Shares were got listed on BSE and NSE.

#### LISTING OF SECURITIES

Your Company's Equity Shares are currently listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to BSE and NSE for the financial year 2016-17.

#### EXTRACT OF ANNUAL RETURN

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

#### PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

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

#### CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and rule made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The details of the Composition of the Committee is set out in Corporate Governance Report which forms part of this report. The Committee has adopted a Corporate Social Responsibility Policy. Brief outline of the CSR Policy of the Company along with total amount spent on CSR and reason for unspent amounts are set out in "Annexure – C" of this report as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Policy is uploaded on Company's website and the same can be accessed at the following link –

[http://esterindustries.com/sites/default/files/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://esterindustries.com/sites/default/files/Corporate_Social_Responsibility_Policy.pdf)

#### PERFORMANCE EVALUATION

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

An annual evaluation was carried out of the performance of the Board, Board committees, all the directors and Chairperson pursuant to the provisions of the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015.

During the year the following evaluation process was adopted –

1. Independent Directors at their separate meeting without the presence of Non-Independent Director, had reviewed the performance of the Chairperson, Non-Independent Directors and the Board. While evaluating the performance of the Chairman, the views of executive directors and non-executive

directors were also taken into account.

2. Nomination and Remuneration Committee carried out the evaluation of every Director's performance. The Committee, while doing so, considered the outcome of meeting of Independent Directors;
3. The Board had evaluated its own performance, performance of its Committees and each Director. While conducting the evaluation, the Board considered and discussed the outcome of the separate meeting of Independent Directors and the meeting of Nomination & Remuneration Committee

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

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

[http://esterindustries.com/sites/default/files/Performance\\_Evaluation\\_Policy.pdf](http://esterindustries.com/sites/default/files/Performance_Evaluation_Policy.pdf)

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

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

The Policy is uploaded on Company's website and the same can be accessed at the following link –

[http://esterindustries.com/sites/default/files/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://esterindustries.com/sites/default/files/Nomination_and_Remuneration_Policy.pdf)

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

#### RISK MANAGEMENT SYSTEM

The Board of the Company has formed a risk management committee of directors to frame, implement and monitor the risk management plan for the Company. The details of the Composition of the Committee is set out in Corporate Governance Report which forms part of this report. The Committee monitors the risk managing plan and ensures that the appropriate systems are in place. The Committee reviews the progress of risk mitigation plan. The Company has framed a Risk Management Policy covering risk management process, governance and execution of the same. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

## RELATED PARTY TRANSACTIONS

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

All such contracts or arrangements, wherever required, have been approved by the Audit Committee and the Board. However no material contract or arrangement with related parties was entered into during the year under review. The company has not entered any transaction with the Related parties, which are not at arms length. Accordingly, no transactions are being reported in Form No. AOC-2 provided in "Annexure – E" pursuant to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

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

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

[http://esterindustries.com/sites/default/files/Related\\_Party\\_Transactions\\_Policy.pdf](http://esterindustries.com/sites/default/files/Related_Party_Transactions_Policy.pdf)

## SUBSIDIARY COMPANIES

In accordance with Section 129(3) of the Companies Act, 2013, consolidated financial statements of the Company and its subsidiary, form part of the Annual Report. Further, a statement containing salient features of financial statements of the subsidiary company in Form AOC-1 is attached as 'Annexure-F' of this Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statement of the subsidiary will be available on our website [www.esterindustries.com](http://www.esterindustries.com)

Further the financial statement of the Subsidiary Company shall be made available to the members of the Company on their request. These documents will also be available for inspection during business hours at the Corporate Office and registered office of the Company on all working days except Saturday till the date of AGM.

In accordance with Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015, the Company has framed Policy on Material Subsidiaries to set out the criteria to determine "Material Subsidiaries". The policy can be accessed on Company website at the following link –

[http://esterindustries.com/sites/default/files/Policy\\_on\\_material\\_subsidary.pdf](http://esterindustries.com/sites/default/files/Policy_on_material_subsidary.pdf)

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

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

## VIGIL MECHANISM

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

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

[http://esterindustries.com/sites/default/files/Whistle\\_blower\\_policy.pdf](http://esterindustries.com/sites/default/files/Whistle_blower_policy.pdf)

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

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There was no incident of sexual harassment reported in the Company during FY2015-16. For protection against sexual harassment, Company has formed an internal complaints committee to which employees can write in their complaints. The Company has a Prevention of Sexual Harassment Policy which has laid down a process for dealing with such issues.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

## ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Sd/-  
New Delhi  
10th August, 2016

Sd/-  
**Arvind Singhania**  
Chairman & CEO

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

To,

The Members,

**Ester Industries Limited**

(CIN: L24111UR1985PLC015063)

Sohan Nagar, P.O. Charubeta,

Khatima - 262308, Distt. Udham Singh Nagar,

Uttarakhand, India

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

**We report that**

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the

statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015/ the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) \*The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 applicable w.e.f. December 1, 2015.

\* No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the following-

- (i) Secretarial Standard on Meetings of the Board of Directors issued by The Institute of Company Secretaries of India (applicable w.e.f. July 01, 2015).
- (ii) Listing Agreement (applicable upto November 30, 2015) entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Standards, to the extent applicable, as mentioned above except that the Company has paid managerial remuneration to Mr. Arvind Kumar Singhania, Managing Director of the Company, which is over and above the amount mandated by the provisions of Section 197 read with Schedule V to the Act by Rs. 16.31 Lacs as at March 31, 2016. In this regard, the Company has applied to the Central Government seeking its approval for such excess managerial remuneration and same is pending.

- (vi) The Company is carrying on the business of manufacturing of Polyester Film and Engineering Plastics having plant at Uttarakhand. As informed by the Management, following are some of the laws specifically applicable to the Company:-
- Indian Boiler Act, 1923 and regulations made thereunder;
  - Legal Metrology Act, 2009 and rules made thereunder;
  - Petroleum Act, 1934 and rules & regulations made thereunder.

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

believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and standards.

**We further report that** during the audit period, the board of directors of the Company at its meeting held on May 25, 2015 allotted 2,07,50,000 equity shares of Rs. 5/- each fully paid at Rs. 10.10 each including premium of Rs. 5.10 each to Vettel International Limited, a non-promoter entity, pursuant to conversion of 2,07,50,000 Zero Coupon Warrants in compliance with the applicable provisions of Companies Act, 2013 and SEBI Regulations.

**For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No. P2001DE052900**

Sd/-

**Sanjay Grover  
Managing Partner  
CP No.: 3850**

August 1, 2016  
New Delhi

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company are as stated under :-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Polyester Films	22201	79.87
2	Engineering Plastics	22207	20.13
	Total		100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	M/s Wilemina Finance Corporation (Foreign Company) 6 <sup>th</sup> Floor, Tower A, 1, Cyber City, Ebene, Mauritius	NA	Holding Company	53.86%	2(46) read with 2(87)
2	Ester International (USA) Limited (Foreign Company) 80 Brunswick Wood Drive (East), Brunswick, New Jersey 08816, USA	NA	Subsidiary Company	100%	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	303191	-	303191	0.48	303191	-	303191	0.36	(0.12)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL (A) (1):-</b>	<b>303191</b>	<b>-</b>	<b>303191</b>	<b>0.48</b>	<b>303191</b>	<b>-</b>	<b>303191</b>	<b>0.36</b>	<b>(0.12)</b>
(2) <b>Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	44915012	-	44915012	71.70	44915012	-	44915012	53.86	(17.84)
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL (A) (2):-</b>	<b>44915012</b>	<b>-</b>	<b>44915012</b>	<b>71.70</b>	<b>44915012</b>	<b>-</b>	<b>44915012</b>	<b>53.86</b>	<b>(17.84)</b>
<b>TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+(A)(2)</b>	<b>45218203</b>	<b>-</b>	<b>45218203</b>	<b>72.18</b>	<b>45218203</b>	<b>-</b>	<b>45218203</b>	<b>54.22</b>	<b>(17.96)</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	27500	27500	0.05	-	27500	27500	0.03	(0.02)
b) Banks / FI	1000	11400	12400	0.02	72922	11400	84322	0.10	0.08
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	300	300	-	-	300	300	-	-
g) FIs	-	21300	21300	0.03	33510	21300	54810	0.07	0.04
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL (B)(1):-</b>	<b>1000</b>	<b>60500</b>	<b>61500</b>	<b>0.10</b>	<b>106432</b>	<b>60500</b>	<b>166932</b>	<b>0.20</b>	<b>0.10</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1689482	28900	1718382	2.74	4166589	27900	4194489	5.03	2.29
ii) Overseas	-	-	-	-	20750000	-	20750000	24.88	24.88
b) Individuals									
i) Individual shareholders holding nominal Share capital upto Rs. 1 lakh	9272910	1852210	11125120	17.76	7349903	1804640	9154543	10.98	(6.78)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3151070	-	3151070	5.03	2984999	-	2984999	3.58	(1.45)
c) Others (specify)									
Non Resident Individual	1082396	17800	1100196	1.76	230822	17800	248622	0.30	(1.46)
Clearing Member	259288	-	259288	0.41	672471	-	672471	0.81	0.40
Trust	10000	-	10000	0.02	-	-	-	-	(0.02)
NBFCs registered with RBI	-	-	-	-	3500	-	3500	-	-
<b>SUB-TOTAL (B)(2):-</b>	<b>15465146</b>	<b>1898910</b>	<b>17364056</b>	<b>27.72</b>	<b>36158284</b>	<b>1850340</b>	<b>38008624</b>	<b>45.58</b>	<b>17.86</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+ (B)(2)</b>	<b>15466146</b>	<b>1959410</b>	<b>17425556</b>	<b>27.82</b>	<b>36264716</b>	<b>1910840</b>	<b>38175556</b>	<b>45.78</b>	<b>17.96</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C)</b>	60684349	1959410	62643759	100	81482919	1910840	83393759	100	-

## (ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Wilemina Finance Corp.	44915012	71.70	-	44915012	53.86	-	(17.84)
2	Uma Devi Singhania	150	-	-	150	-	-	-
3	Jai Vardhan Singhania	124858	0.20	-	124858	0.15	-	(0.05)
4	Arvind Singhania	150	-	-	150	-	-	-
5	Ayush Vardhan Singhania	178033	0.28	-	178033	0.21	-	(0.07)
	Total	45218203	72.18	-	45218203	54.22	-	(17.96)

Note – There is no change in Promoters' Shareholding in no. of shares. Percentage change in shareholding is due to change in Total Paid up capital of the Company. During the financial year 2015-16, there was a allotment of 20750000 equity shares (by way of conversion of convertible warrants into equity shares) resulting into increase in Paid capital of the Company from 62643759 to 83393759 equity shares.

## (iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Arvind Singhania	150	-	01/04/2015	-	Nil movement during the year	150	-
		150	-	31/03/2016	-		150	-
2	Uma Devi Singhania	150	-	01/04/2015	-	Nil movement during the year	150	-
		150	-	31/03/2016	-		150	-
3	Wilemina Finance Corp.	44915012	71.70	01/04/2015	-	Nil movement during the year	44915012	71.70
		44915012	53.86	31/03/2016	-		44915012	53.86
4	Ayush Vardhan Singhania	178033	0.28	01/04/2015	-	Nil movement during the year	178033	0.28
		178033	0.21	31/03/2016	-		178033	0.21
5	Jai Vardhan Singhania	124858	0.20	01/04/2015	-	Nil movement during the year	124858	0.20
		124858	0.15	31/03/2016	-		124858	0.15

Note – There is no change in Promoters' Shareholding in no. of shares. Percentage change in shareholding is due to change in Total Paid up capital of the Company. During the financial year 2015-16, there was a allotment of 20750000 equity shares (by way of conversion of convertible warrants into equity shares) resulting into increase in Paid capital of the Company from 62643759 to 83393759 equity shares.

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

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vettel International Limited	-	-	01/04/2015			-	-
				26/05/2015	20750000	Conversion of Warrants into Equity Shares	20750000	24.88
		<b>20750000</b>	<b>24.88</b>	<b>31/03/2016</b>			<b>20750000</b>	<b>24.88</b>
2	Padmakshi Financial Services Private Limited	-	-	01/04/2015				
				04/12/2015	85000	Purchase	85000	0.10
				11/12/2015	(65000)	Sale	20000	0.02
				22/01/2016	(19279)	Sale	721	-
				31/03/2016	225279	Purchase	226000	0.27
		<b>226000</b>	<b>0.27</b>	<b>31/03/2016</b>			<b>226000</b>	<b>0.27</b>
3	Devyani Enterprises Private Limited	189000	0.30	01/04/2015			189000	0.30
				04/12/2015	(189000)	Sale	-	-
		-	-	<b>31/03/2016</b>			-	-
4	Keswani Haresh	395275	0.63	01/04/2015			395275	0.63
				10/04/2015	12200	Purchase	407475	0.49
				12/06/2015	(250363)	Sale	157112	0.19
				19/06/2015	(157112)	Sale	-	-
		-	-	<b>31/03/2016</b>				
5	Ricky Ishwardas Kirpalani	355653	0.57	01/04/2015			355653	0.57
				12/06/2015	(231941)	Sale	123712	0.15
				19/06/2015	(123712)	Sale	-	-
		-	-	<b>31/03/2016</b>				
6	IL&FS Trust Co Ltd	205596	0.33	01/04/2015			205596	0.33
				12/06/2015	(193834)	Sale	11762	0.01
				19/06/2015	(11762)	Sale	-	-
		-	-	<b>31/03/2016</b>				
7	Shaunak Jagdish Shah	199195	0.32	01/04/2015		Nil movement during the year	199195	0.32
		199195	0.24	31/03/2016			199195	0.24
8	Jagdish Amritlal Shah	189547	0.30	01/04/2015			189547	0.30
				20/11/2015	(82543)	Sale	107004	0.13
				04/12/2015	(88003)	Sale	19001	0.02
		19001	0.02	31/03/2016			19001	0.02
9	Jamson Securities Private Limited	144000	0.23	01/04/2015			144000	0.23
				09/10/2015	(12500)	Sale	131500	0.16
				16/10/2015	(115092)	Sale	16408	0.02
				20/11/2015	(16408)	Sale	-	-
		-	-	<b>31/03/2016</b>				
10	Nimis Savailal Sheth	1000	-	01/04/2015			1000	-
				04/09/2015	124000	Purchase	125000	0.15
				16/10/2015	90000	Purchase	215000	0.26
		215000	0.26	31/03/2016			215000	0.26
11	Narendra Singhanian	189441	0.30	01/04/2015			189441	0.30
				04/12/2015	(189441)	Sale	-	-
		-	-	<b>31/03/2016</b>				
12	Sushilaben Vijay Mehta	199900	0.32	01/04/2015			199900	0.32
				17/07/2015	(7000)	Sale	192900	0.23
				24/07/2015	(192900)	Sale	-	-

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
		-	-	<b>31/03/2016</b>				
<b>13</b>	Lucas and Mayo Holdings Private Limited	-	-	<b>01/04/2015</b>				
				10/07/2015	14811	Purchase	14811	0.02
				17/07/2015	47600	Purchase	62411	0.07
				24/07/2015	34498	Purchase	96909	0.12
				07/08/2015	14834	Purchase	111743	0.13
				14/08/2015	30054	Purchase	141797	0.17
				21/08/2015	37167	Purchase	178964	0.21
				28/08/2015	10000	Purchase	188964	0.23
				16/10/2015	12000	Purchase	200964	0.24
				23/10/2015	16865	Purchase	217829	0.26
				30/10/2015	25771	Purchase	243600	0.29
				20/11/2015	(20000)	Sale	223600	0.27
				04/12/2015	(126551)	Sale	97049	0.12
				11/12/2015	(94935)	Sale	2114	-
				11/03/2016	60056	Purchase	62170	0.07
				18/03/2016	118341	Purchase	180511	0.22
				25/03/2016	5022	Purchase	185533	0.22
		<b>185533</b>	<b>0.22</b>	<b>31/03/2016</b>			<b>185533</b>	<b>0.22</b>
<b>14</b>	K C Poovanna	<b>183309</b>	<b>0.29</b>	<b>01/04/2015</b>			<b>183309</b>	<b>0.29</b>
				03/07/2015	20	Purchase	183329	0.22
				27/11/2015	(83000)	Sale	100329	0.12
		<b>100329</b>	<b>0.12</b>	<b>31/03/2016</b>			<b>100329</b>	<b>0.12</b>
<b>15</b>	Rajagopalan Sugumar	<b>104851</b>	<b>0.32</b>	<b>01/04/2015</b>			<b>104851</b>	<b>0.32</b>
				15/05/2015	1105	Purchase	105956	0.17
				31/07/2015	20000	Purchase	125956	0.15
				14/08/2015	4038	Purchase	129994	0.16
				04/09/2015	(14907)	Sale	115087	0.14
				11/09/2015	14913	Purchase	130000	0.16
				18/09/2015	(26000)	Sale	104000	0.12
				25/09/2015	(2381)	Sale	101619	0.12
				28/09/2015	(101600)	Sale	19	-
				30/09/2015	22446	Purchase	22465	0.03
				09/10/2015	14313	Purchase	36778	0.04
				16/10/2015	23161	Purchase	59939	0.07
				23/10/2015	16999	Purchase	76938	0.09
				30/10/2015	4000	Purchase	80938	0.10
				06/11/2015	53436	Purchase	134374	0.16
				13/11/2015	12784	Purchase	147158	0.18
				20/11/2015	6334	Purchase	153492	0.18
				27/11/2015	16577	Purchase	170069	0.20
				04/12/2015	5000	Purchase	175069	0.21
				11/12/2015	20503	Purchase	195572	0.23
				18/12/2015	(43966)	Sale	151606	0.18
				31/12/2015	(39906)	Sale	111700	0.13
				01/01/2016	(16523)	Sale	95177	0.11
				08/01/2016	44993	Purchase	140170	0.17
				15/01/2016	(21972)	Sale	118198	0.14
				22/01/2016	(16681)	Sale	101517	0.12
				29/01/2016	849	Purchase	102366	0.12
				05/02/2016	11902	Purchase	114268	0.14
				12/02/2016	36688	Purchase	150956	0.18
				19/02/2016	55745	Purchase	206701	0.25
				26/02/2016	34982	Purchase	241683	0.29
				04/03/2016	59018	Purchase	300701	0.36
				18/03/2016	(6606)	Sale	294095	0.35
				25/03/2016	1301	Purchase	295396	0.35
				31/03/2016	(33534)	Sale	261862	0.31

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
		<b>261862</b>	<b>0.31</b>	<b>31/03/2016</b>			<b>261862</b>	<b>0.31</b>
16	Rekhi Holdings Pvt. Ltd.	-	-	01/04/2015				
				11/03/2016	310616	Purchase	310616	0.37
		<b>310616</b>	<b>0.37</b>	<b>31/03/2016</b>			<b>310616</b>	<b>0.37</b>
17	Suryavanshi Commotrade Private Limited	-	-	01/04/2015				
				11/12/2015	673121	Purchase	673121	0.81
				11/03/2016	415000	Purchase	1088121	1.30
				18/03/2016	620000	Purchase	1708121	2.05
		<b>1708121</b>	<b>2.05</b>	<b>31/03/2016</b>			<b>1708121</b>	<b>2.05</b>
18	Suresh Bhatia	-	-	01/04/2015				
				27/11/2015	150000	Purchase	150000	0.18
				11/12/2015	100000	Purchase	250000	0.30
				22/01/2016	(15000)	Sale	235000	0.28
		<b>235000</b>	<b>0.28</b>	<b>31/03/2016</b>			<b>235000</b>	<b>0.28</b>
19	Abhinandan Leasing & Finance Pvt. Ltd.	-	-	01/04/2015				
				11/12/2015	479919	Purchase	479919	0.58
				18/12/2015	(116735)	Sale	363184	0.44
				08/01/2016	116735	Purchase	479919	0.58
				15/01/2016	(262370)	Sale	217549	0.26
				22/01/2016	62370	Purchase	279919	0.34
				29/01/2016	(235260)	Sale	44659	0.05
				05/02/2016	3085	Purchase	47744	0.06
				18/03/2016	152256	Purchase	200000	0.24
		<b>200000</b>	<b>0.24</b>	<b>31/03/2016</b>			<b>200000</b>	<b>0.24</b>

**Note:** 1. We have considered Top 10 shareholders at the beginning of the year i.e. 1st April, 2015 and at the end of the year i.e. 31st March, 2016

2. For the purpose of calculating cumulative % of total shares of the Company, we have taken total no of share capital as 62643759 for the transactions entered till 24th May, 2015 and thereafter total no of share capital as 83393759 due to increase in capital pursuant to conversion of 20750000 convertible warrants into equity shares on 25th May, 2015

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
<b>DIRECTORS</b>								
1	Mr. Arvind Singhania*	150	-	01/04/2015	-	Nil movement during the year	150	-
		150	-	31/03/2016	-		150	-
2	Mr. M S Ramachandran	-	-	01/04/2015	-	Nil movement during the year	-	-
		-	-	31/03/2016	-		-	-
3	Mr. Sandeep Dinodia**	-	-	01/04/2015	-	Nil movement during the year	-	-
		-	-	31/03/2016	-		-	-
4	Mr. Ashok Newatia	-	-	01/04/2015	-	Nil movement during the year	-	-
		-	-	31/03/2016	-		-	-
5	Mr. P S Dasgupta	-	-	01/04/2015	-	Nil movement during the year	-	-
		-	-	31/03/2016	-		-	-
6	Dr. Anand Chand Burman	-	-	01/04/2015	-	Nil movement during the year	-	-
		-	-	31/03/2016	-		-	-

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	Mr. Dinesh Chandra Kothari	20000	0.03	01/04/2015	-	Nil movement during the year	20000	0.03
		20000	0.02	31/03/2016	-		20000	0.02
8	Mrs. Archana Singhania	-	-	01/04/2015	-	Nil movement during the year	-	-
		-	-	31/03/2016	-		-	-
9	Mr. Pradeep Kumar Rustagi*	400	-	01/04/2015	-	Nil movement during the year	-	-
		400	-	31/03/2016	-		-	-
<b>KMP</b>								
10	Mr. Diwaker Dinesh	10	-	01/04/2015	-	Nil movement during the year	-	-
		10	-	31/03/2016	-		-	-

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

\*\* Mr. Sandeep Dinodia was appointed as an Independent Director of the Company w.e.f. 25th May, 2015

#### V. INDEBTEDNESS

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

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	37562.70	Nil	Nil	37562.70
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	43.24	Nil	Nil	43.24
<b>Total (i+ii+iii)</b>	<b>37605.94</b>	<b>Nil</b>	<b>Nil</b>	<b>37605.94</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	480.42	Nil	Nil	480.42
• Reduction	(6426.51)	Nil	Nil	(6426.51)
<b>Net Change</b>	<b>(5946.09)</b>	<b>Nil</b>	<b>Nil</b>	<b>(5946.09)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	31624.10	Nil	Nil	31624.10
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	35.75	Nil	Nil	35.75
<b>Total (i+ii+iii)</b>	<b>31659.85</b>	<b>Nil</b>	<b>Nil</b>	<b>31659.85</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Rs. in Lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Mr. Arvind Singhania Chairman & CEO	Mr. Pradeep Kumar Rustagi Executive Director & CFO	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	138.67	77.68	216.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.32	0.72
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Mr. Arvind Singhania Chairman & CEO	Mr. Pradeep Kumar Rustagi Executive Director & CFO	Total Amount
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others (PF, SAF)	9.60	4.95	14.55
	<b>Total (A)</b>	<b>148.67</b>	<b>82.95</b>	<b>231.62</b>
	Ceiling as per the Act	Limit of 5% to a Whole time/Managing Director and total 10% to all the Whole-time/Managing Director read with the limits prescribed under Schedule V of the Companies Act, 2013		

**B. REMUNERATION TO OTHER DIRECTORS:** (Rs. in Lacs)

Directors	Particulars of Remuneration			
	Fee for attending board / committee meetings	Commission	Others, please specify	Total
<b>1. INDEPENDENT DIRECTORS</b>				
Mr. Sandeep Dinodia	0.80	-	-	0.80
Mr. M S Ramachandran	1.00	-	-	1.00
Mr. Dinesh Chandra Kothari	0.80	-	-	0.80
Mr. P S Dasgupta	0.50	-	-	0.50
Dr. Anand Chand Burman	0.30	-	-	0.30
Mr. Ashok Newatia	0.80	-	-	0.80
<b>TOTAL B(1)</b>	<b>4.20</b>	<b>-</b>	<b>-</b>	<b>4.20</b>
<b>2. OTHER NON-EXECUTIVE DIRECTORS</b>				
Mrs. Archana Singhania	0.20	-	-	0.20
<b>TOTAL B(2)</b>	<b>0.20</b>	<b>-</b>	<b>-</b>	<b>0.20</b>
<b>TOTAL MANAGERIAL REMUNERATION B(1)+B(2)</b>	<b>4.40</b>	<b>-</b>	<b>-</b>	<b>4.40</b>
Overall Ceiling as per the Act	Non-Executive Directors are paid Sitting fee only. In terms of Companies Act, 2013, the ceiling for payment of sitting fee is Rs. 1 (one) Lac per meeting for each director.			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD** (Rs. in Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Diwaker Dinesh Company Secretary	Mr. Pradeep Kumar Rustagi Executive Director & CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	14.83 0.74 -	77.68 0.32 -	92.51 1.06 -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, (PF, SAF)	0.86	4.95	5.81
	<b>Total</b>	<b>16.43</b>	<b>82.95</b>	<b>99.38</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	Nil				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil				
Punishment					
Compounding					

Date : 10th Aug, 2016

Place : New Delhi

Sd/-

**Arvind Singhania**  
Chairman & CEO  
DIN: 00934017

**ANNEXURE-C**

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

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

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

The Board of Directors at the recommendation of CSR Committee has amended the policy to cover all the activities specified in Schedule VII of the Companies Act, 2013. The CSR Policy of company can be accessed under policies section of the Company website at –

[http://esterindustries.com/sites/default/files/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://esterindustries.com/sites/default/files/Corporate_Social_Responsibility_Policy.pdf)

2. **The composition of the CSR committee:** The Composition of Committee comprises of Mr. M S Ramachandran, Chairman of the Committee, Mr. Ashok Newatia, Mr. Arvind Singhania and Mrs. Archana Singhania.
3. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** Rs. 373.36 Lacs.
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Rs. 7.47 Lacs.
5. **Details of CSR spent during the financial year:**
  - (a) Total amount to be spent for the financial year 2015-16: Rs. 7.47 lacs .
  - (b) Amount Unspent: Rs. 4.57 Lacs

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: direct or through implementing agency
1.	Donated School Bags to Students	Promoting Education	Khatima, Distt. Udham Singh Nagar, Uttarakhand and nearby areas	1.12	Direct Exp- 1.12	1.12	Direct
	Helped Government Schools at Khatima by providing Furniture			0.92	Direct Exp- 0.92	0.92	Direct
2.	Provided Financial assistance to two patients and donated to help disabled people	Promoting Health care		0.41	Direct Exp- 0.41	0.41	Direct
	Provided Financial assistance for organizing Eye Camp			0.25	Direct Exp- 0.25	0.25	Direct
	Distributed Woolen Blankets			0.20	Direct Exp- 0.20	0.20	Direct

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :**

The Company needs to spend Rs. 7.47 lacs on CSR during FY2015-16, however, the Company has spent Rs. 2.90 lacs on CSR activities as per CSR Policy.

The Company observed that obligated amount of Rs. 7.47 lacs was not large enough to make any worthwhile impact on the society. The Company feels that unspent amount of Rs. 4.57 lacs together with CSR amount of 2016-17, will be large enough to make positive impact on the society and accordingly the Company has decided to spend unspent amount of Rs. 4.57 Lacs during the FY 2016-17 on CSR activities.

**7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

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

Sd/-  
**Arvind Singhania**  
Chairman & CEO

Sd/-  
**M. S. Ramachandran**  
Chairman of the Committee

Date : 10th August, 2016  
Place : New Delhi

## ANNEXURE – D

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

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

Name of Director	Ratio of Remuneration director to median remuneration	% increase in Remuneration
<b>Executive Director</b>		
Mr. Arvind Singhanian <sup>1</sup>	39:1	-
Mr. Pradeep Kumar Rustagi	21:1	No Increase
<b>Non-Executive Director<sup>2</sup></b>		
Mr. Sandeep Dinodia <sup>3</sup>	0.21:1	-
Mr. M S Ramachandran	0.26:1	No Increase
Mr. Dinesh Chandra Kothari	0.21:1	No Increase
Mr. P S Dasgupta	0.13:1	20%
Dr. Anand Chand Burman	0.08:1	No Increase
Mr. Ashok Newatia	0.21:1	No Increase
Mrs. Archana Singhanian	0.05:1	No Increase

The percentage increase in remuneration of the Company Secretary is 15% while there was no increase in Remuneration of Chief Financial Officer. The percentage increment of Company Secretary is based on the management appraisal without considering the variable component.

1. Mr. Arvind Singhanian was appointed on 25th May, 2014 and received remuneration for part of the year 2014-15. Therefore his remuneration is not comparable.
2. Only Sitting fee is paid to Non-Executive Directors. Ratio/Increase in remuneration have been derived based on total sitting fees paid during 2015-16 and 2014-15. However there is no increase in sitting fee for per meeting of the Board/Committee.
3. Mr. Sandeep Dinodia was appointed during the year. Therefore no detail of increase in remuneration can be given.

**II. The percentage increase in the median remuneration of employees in the financial year – around 29%**

**III. The number of permanent employees on the rolls of company – 538 as on 31st March, 2016**

**IV. Average percentile increase already made in the remuneration of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average percentage increase in the remuneration of employees other than Key managerial personal in the last financial year is around 11% (based on management appraisal without considering performance link incentive) while there was no increase in the managerial remuneration during the year. During the year, no increment was given to Managerial Personnel.

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

**VI. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.**

Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Date : 10th Aug, 2016

Place : New Delhi

Sd/-  
Arvind Singhanian  
Chairman & CEO



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

**A. CONSERVATION OF ENERGY**

**1. Steps taken or impact on conservation of energy :**

- Replaced old Utility Cooling Towers of wooden CT with new one of Pultruded FRP resulting into:
  1. Saving of about 178700 units per annum (Rs. 9.80 lacs)
  2. Saving in TR 132 of Rs. 31.36 lacs.
- Installed high efficient Vapor Absorption Machine of 440TR in place of 350TR resulting into saving of about Rs. 40.00 Lacs per annum.
- Replaced Fluorescent Tube Rod (36W) in plant area with 500 LED (18W) resulting into savings of 65700 units per annum (Rs. 3.61 lacs)
- Replaced CFL Lamps (85W) with 100 LED lamps (25W) resulting into savings of 52650 units per annum (Rs. 2.89 lacs)
- Installed new energy efficient N2 Plant to save 4540 Kg per annum of Ammonia and 12000 units per annum (Total savings of Rs. 3.20 lacs)
- Replaced Thermodynamic Type Steam Trap in FO Mother Tank with Ball Type Steam Trap to save Rs. 2.80 lacs per annum.
- Installed Low/High Level interlocks in between intermediate Silo & Conveying Blower in EREMA # 2 to save 21240 units per annum (Rs. 1.17 lacs)
- Interchanged motor connection from Delta to Star in AHUs of Film Line # 1 to save 20520 units per annum (Rs. 1.12 lacs)
- Replaced old steam trap to save Rs. 0.95 lacs per annum
- Replaced Multi Grade Filter (MGF) of 1.0 bar pressure in DM water plant with MGF of 2.2 bar pressure to save 13600 units per annum (Rs. 0.75 lacs)
- Replaced Wet Scrubber in Husk Fired Boiler with Cyclomax to save 12000 units per annum (Rs. 0.66 lacs)

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

As detailed below, since Company is already meeting significant portion of its requirement of energy through alternate sources, it has not taken any additional step during the FY 2015-16 for utilizing alternate sources of energy:

Power Requirement – Mostly met through Hydro-electric power supplied by UPCL.

Steam Requirement – Mostly met through a Bio-mass (Rice Husk) fuelled Steam Boiler

Heating Requirement – Mostly met through a Bio-mass (Rice Husk) fuelled Thermic Fluid Heater

**3. The capital investment on energy conservation equipments during 2015-16:**

During the year under review, Company has invested Rs. 182.60 lacs as capital investment on energy conservation equipment.

**B. TECHNOLOGY ABSORPTION**

**1. Efforts made towards technology absorption**

- a. Installed and commissioned 2 Solid State Polymerization units of 24 cubic meters each
- b. Installed and commissioned one Chiller of 100 TR capacity for providing 4 – 5 Degree Centigrade chilled water to Specialty Polymer plant

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

- a. Enhanced Solid State Polymerization capacity
- b. Facilitated development and production of new products in Specialty Polymer division

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

**4. Expenditure incurred on Research and Development – Rs. 58.64 lacs**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

	(Rs. in Lacs)	
	<b>2015-16</b>	<b>2014-15</b>
1. Earnings – FOB Value of Exports	22016.45	19057.23
2. Outgo – CIF Value of Imports	11350.73	16312.66

Sd/-  
**Arvind Singhania**  
Chairman & CEO

Date : 10th August, 2016

Place : New Delhi

## Management Discussion and Analysis

### Overview

The world economy contracted by 0.3<sup>1</sup> percent in 2015. The US economy showed signs of slower and steady recovery while China witnessed a faster slowdown. There was a drop in the contribution of emerging economies to the world growth. Oil exporting countries continued to face their fiscal challenges and many of them facing currency fluctuation challenges.

The Indian economy witnessed their highest growth in the last five years making it the fastest growing economy of 2015. Inflation remained under control owing largely to lower energy prices. The continued decline in exports and weak industrial credit demand remained areas of concern in the future.

While the economic scenario remained weak during last year, your company navigated these challenges well and continued to build on its strengths. All the business segments progressed on respective initiatives in the area of new product development, cost efficiencies, global footprint & sustainability. We stood committed to add value to our clients through continuous innovation, development and partnership philosophy.

### Operational Performance

#### Business Segment

#### Polyester Films Business

#### The Product

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

#### Industry Overview

#### Global market

BOPET film is used in a wide number of packaging and industrial applications. The world market demand continues to grow 6-8% and capacity is expected to reach 4.7 million tons by end of 2018<sup>1</sup>. A large part of this market are commodity films which grow at about 6% whereas specialty films grows at much faster rate. Last year saw selective addition of capacities in few parts of the world (Primarily in China and India) keeping the overall capacity utilization on a global scale below 70%<sup>2</sup>. This situation kept margins under check for the industry and it is expected that such levels of capacity utilisation will continue in the medium term.

The raw material cost for BOPET film is largely dependent on crude oil pricing which remained low during the year. This lower input cost has caused the final price of polyester film to reduce substantially.

Lower finished goods pricing will definitely help in increase in rate of consumption of polyester film and thereby bridging the demand supply mismatch to a certain extent.

International trade in PET film has trade defence measures adopted by many countries. Last year witnessed some changes in international trade practices as well as some trade defence regimes which brought about changes in the competitive scenario in those markets. Lifting of sanctions in Iran has opened a new market and your company has taken effective steps to take advantage of this opportunity.

#### Indian market

The total installed production capacity in India is ~ 560 KTPA of Thin BOPET films, which is expected to reach 700 KTPA by the end of 2018. Domestic demand continued to grow in single digit and rural demand continued to remain soft. With the prediction of good monsoons in the current year, we expect overall demand specifically from the rural areas to grow at a better pace as compared to previous years.

Per capita consumption of PET film continues to be low as compared to the other developing and developed economies. Aggressive application and product development work is being undertaken by the Industry at large to increase per capita consumption of PET film. Changing demographics in India in terms of continues increase in the middle class population should further help in the increase in demand for PET films in the coming years. The pressure on margins will continue in the short to medium term due to further increase in capacities in the coming months.

This additional capacity will not only put pressure on margins, but also making imports coming to India less attractive. This reduction in margin coupled with limited local demand growth shifted focus of Indian producers towards international markets in an endeavor to place surplus production capacities at a highly competitive prices.

#### Performance Overview (FY 2015-16)

The overall sales volumes of the Polyester Films SBU grew from 43,593 MT to 48,967 MT, an increase of approx.12%. These increased volumes did not translate into higher revenues or profitability, primarily due to softening of sales prices on account of lower raw material costs coupled with aggressive price competition.

Ester continued to focus on its strategic agenda to develop its value added portfolio and improve operating efficiencies. Your company is working extensively to mitigate the commoditization of PET films by using technology to convert a substantial portion of the total PET film volumes to value added and specialty films. The value added portfolio recorded a growth of 18% in FY 2015-16. It is our target to increase the overall value added and specialty film portfolio to about 35-40% of total PET film volumes in the next two to three years.

Ester continued to work on enhancing efficiencies in the areas of production, energy costs, logistics and procurement. While benefits from energy and logistics have already started accruing, those from production improvements & procurement will start to be visible from FY 2016-17 onwards.

1. PCI – World BOPET Film Market 2013-2018 A Statistical Review

2. PCI – World BOPET Film Market 2013-2018 A Statistical Review

**Outlook**

While BOPET demand will continue to grow, lower capacity utilisation will keep margins under pressure. Ester will continue to focus on its strategy towards building a robust portfolio of value added products and operational excellence through specific initiatives such as:

- New product development
- Building end-user relationships
- Developing new market segments and
- Improving asset utilisation

**Engineering Plastics Business**

**The Product**

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

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

**Industry Overview**

**Global**

The global engineering plastics market – estimated at ~USD 45 Bn in 2015 – is expected to grow at a CAGR of about 5.0% through to 2020, driven primarily by the increasing demand from the Asia Pacific region. With each category of engineering plastics offering unique properties, their application in end-use industries has been growing steadily. A snapshot of the global demand by end-use segment for the main polymers has been provided below;

**North America**

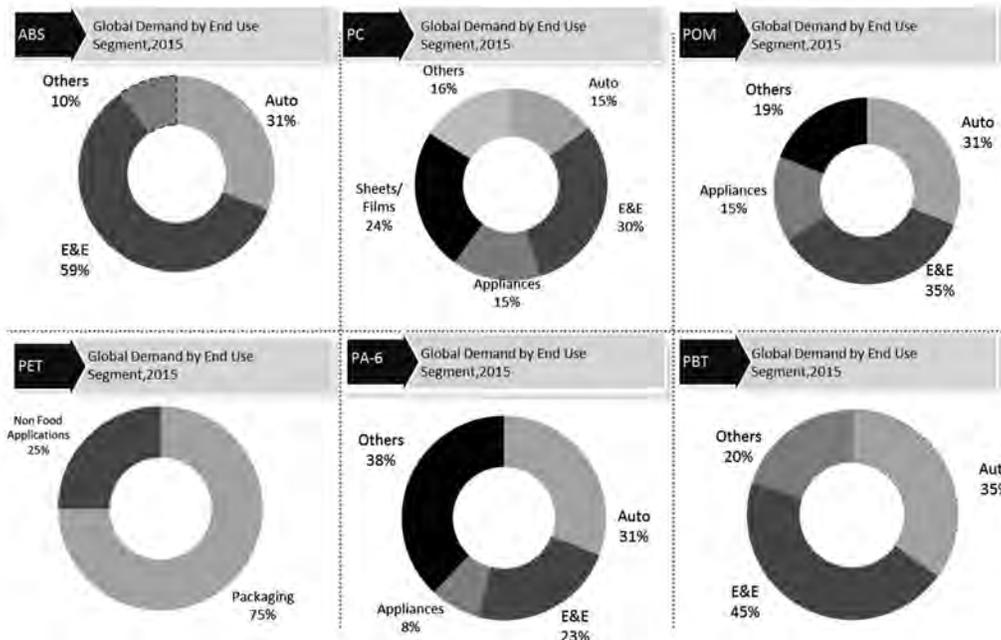
With continued recovery in the region, North America witnessed a robust growth during 2015. The region accounted for about 15% of Engineering Plastics demand by volume and registered a growth of ~4%, driven primarily by resurging automotive production in the USA and Mexico. Automotive production in USA and Mexico grew by 3.8% and 6% respectively. Within the automotive segment, the customer base for engineering plastics is highly consolidated with presence of some of the leading global OEM & component manufacturers. The region is increasingly focussing on technology development as well as cost-cutting/localisation for manufacturing/sourcing of components.

**Europe**

Europe accounted for 16% of the total Engineering Plastics demand by volume in 2015, whilst registering a growth of ~3%. Surging automotive production in Western Europe was instrumental in driving the demand for Engineering Plastics in the region. While Germany accounted for a major share of the EP demand in Europe, countries such as Spain and France were amongst the fastest growing. Spain’s automotive production grew at ~14.0%, followed by France at ~8.0%. Europe remained a technology leader with application development focussing on newer blends of engineering plastics in both automotive as well as electrical end-use segments.

**Asia**

The Asian Engineering Plastics market witnessed varying trends across the region in 2015. Traditionally high volume markets such as China and Japan registered low growth due to the sluggish automotive industry. India recorded a volumetric growth of 7-8%, with Southeast Asia registering a growth of less than 5%. Automotive production in China grew at 3.3% whilst the same declined by 5.1% in Japan. For India, both automotive and electrical industries have been crucial in driving growth. Automotive production in India (for passenger and commercial vehicles) witnessed a growth of 7.3%. In Southeast Asia, the automotive industry remained stagnant; however, the electrical industry witnessed a growth of 7-8%.



Exports of electronics, electrical and automotive components from Southeast Asia to Europe are increasing at a fast pace.

**Latin America**

2015 has been one of the most challenging years for Latin America. Marred with corruption allegations and political instability (resulting in policy paralysis) and significant currency devaluation (directly impacting international trade) the Brazilian economy declined by 3.8%. This trend is expected to continue in 2016 as well. Automotive production declined by 22.8% and 13.5% in Brazil and Argentina respectively, directly impacting demand for Engineering Plastics. Peru has been the only silver lining in LATAM, largely due to its commodity exports to Asian majors.

**MEA**

Middle East and Africa together account for ~1% of the global Engineering Plastics demand by volume. Along with countries in Africa such as South Africa, Nigeria, Kenya and Egypt, Middle Eastern countries such as Saudi Arabia and Iran are expected to play a pivotal role in driving demand for Engineering Plastics in this region. With lifting of restrictions, Iran appears to be a promising opportunity going forward. Although the Iran Auto industry witnessed a decline during 2015, with production volumes of nearly 1 Million units, it can potentially drive demand for auto components and consequently for Engineering plastics.

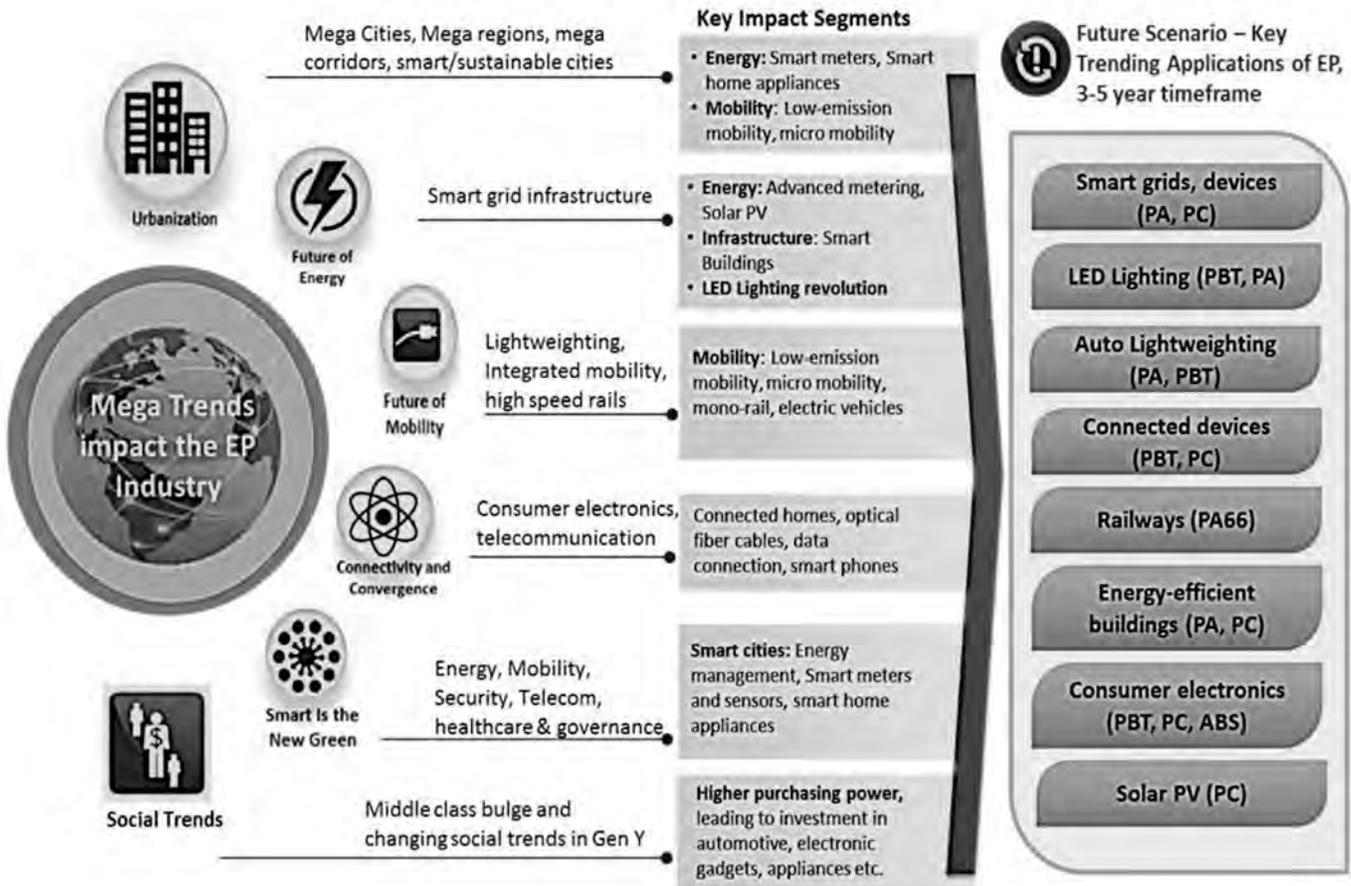
**Key drivers for Industry Growth**

A study of the key Mega Trends, that are expected to shape the world over the next decade, shows some of the key impact segments and their positive influence on the Engineering Plastics market at the global level, buoyed by innovation and technology advancements in Mobility and Energy (as reflected in below picture).

**Performance Overview**

After three consecutive years of impressive growth, Ester's Engineering Plastics business registered a negative sales growth of -10.5% (-4.9% in volumetric terms) in FY 2015-16. The higher drop in value terms was influenced by the significant drop in polymer prices consequent to declining crude price. While sales volumes of EP compounds (catering to end-use segments such as automotive, electrical & electronics and appliances) grew, overall sales were adversely affected by the substantial drop in sales to the Optical Fiber Cable industry. Reduction in OFC volumes was directly impacted by the slowdown in implementation of the BharatNet (earlier NOFN) Project. Despite the negative growth in FY 2015-16, the 4-year CAGR (FY 2011-12 to FY 2015-16) of Ester's EP business continued to be impressive at 22%.

Our focused customer acquisition process and improved product range helped in enhancing our active customer base by ~ 30%, with some key approvals being secured from Original Equipment Manufacturers (OEMs)/ Tier 1 customers in the automotive, electrical and appliances industries.



Key initiatives taken during the year towards creating a sustainable long-term business;

- Formulated the 5-year Growth Strategy for a robust EP business and developed the implementation plan, assisted by the global consultant engaged in the previous FY.
- Continued focus on new product development to meet customer needs. This helped in expanding our product portfolio by ~30%, including PC-PBT flame retardant grades, >50% GF PBT & PA grades and new diffuser grades for LED application.
- Focused efforts towards expanding our global footprint. Completed the opportunity mapping exercise towards development of our product-market strategy for Exports.
- Initiated Application Development projects in collaboration with a specialist external agency. Besides enhancing Ester's Brand image, successful implementation would also help in realising new business development opportunities.
- Enhanced distribution reach for South/West/East markets by appointing new distributors. Besides improving delivery capability and customer satisfaction levels, this would also help in tapping new opportunities.
- Sustained efforts towards productivity/efficiency improvement at the manufacturing facility.
- Continual evaluation of alternate vendors to improve supply chain efficiency and enhance robustness towards ensuring business continuity.

## Business Prospects

### Automotive Segment

The automotive segment, comprising of automobile and auto-components, is one of the key drivers of the Indian economy – accounting for ~7% of its GDP. The Indian auto industry – amongst the largest in the world – is the most important end-user segment for the engineering plastics market, accounting for about half of the EP consumption in India. India's two-wheeler industry – the second largest in the world – saw a surge in demand for scooters, whereas demand for motorcycles & mopeds declined during the year. Automobile exports grew by ~2%, driven mainly by passenger & commercial vehicles. The segment-wise sales growth in FY2015-16 is tabulated below;

Segment	Growth in FY2015-16
Passenger Vehicles	7.2%
Commercial Vehicles	11.5%
Two-Wheelers	3.0%
Three-Wheelers	1.0%
<b>Overall</b>	<b>4.0%</b>

India continues to be an attractive destination for manufacturers in view of the projected growth in demand. The two-wheeler and passenger vehicle segments, accounting for a share of 81% and 13%, are projected to grow at a CAGR of 11.0% and 12.4% respectively during FY 2015-2026.

With the passenger vehicles market expected to triple to 9.4 million units by 2026, as highlighted in the Auto Mission Plan (AMP) 2016-2026, the Government of India aims to make automobile manufacturing the main driver of its "Make in India" initiative – taking it to the top three in the world with respect to engineering, manufacturing & exports of vehicles & auto components.

Under the National Electric Mobility Mission 2020, the government has formulated a Scheme for Faster Adoption & Manufacturing of Electric and Hybrid vehicles in India.

Over the years, the automotive industry has realized the importance of engineering plastics with respect to light-weighting, design flexibility and cost-effective component solutions with hardly any other material capable of competing in terms of efficiency, flexibility and functionality. Plastics account for ~16% of the average vehicle weight, with an expected increase to 18% by 2020.

Apart from the vehicles segment, a number of initiatives by the government such as modernisation plans for "railways" – including upgrading the aesthetic appeal of interiors – are expected to propel the demand for engineering plastics.

### Electrical & Electronics Segment

The electrical industry comprises of the lighting and electrical equipment industries. The key segments in the electrical equipment industry, with respect to consumption of engineering plastic compounds, include the switchgear and the energy meters industries.

The LV switchgear industry is slated to grow at a CAGR of ~8% to reach INR 1750 Cr. by 2019, whereas the demand for residential switches is expected to grow at a CAGR of ~7% to reach a market size of INR 2200 Cr. The energy meters industry is expected to grow at a CAGR of ~8%.

In the lighting segment, LED demand is expected to grow at a CAGR of 39% to reach INR 10000 Cr. by 2019. LEDs are fast replacing incandescent and fluorescent lighting in the commercial & residential space. Industry participants are increasingly adapting to this trend by replacing CFL manufacturing units with LED units. LEDs offer substantial benefits such as very low energy consumption, considerably higher lifetimes, higher efficiency and reduced environmental impact. The government has adopted the Domestic Efficient Lighting Programme (DELDP), through which it aims to save 20 gigawatts by replacing incandescent bulbs with 770 million LED lamps by 2018. Demand for CFL lighting has accordingly started shrinking. In the automotive industry as well, LEDs are being increasingly used in headlights.

Electronics industry consists of applications like consumer electronics, industrial electronics, computers, communication & broadcasting equipment, strategic & electronic components. This industry is being strongly promoted by the government through various initiatives such as "Make in India" & "Digital India". The electronics market in India is expected to grow at a CAGR of ~24% till 2020, driving the demand for engineering plastics in the Indian market.

### Optical Fiber Cable Segment

The Indian telecom market is witnessing a major surge in data uptake. The optic fibre cable (OFC) industry is accordingly looking up, with investments being driven by the growing demand for broadband services and the proliferation of next-generation technologies and devices. Almost all operators have been increasing the share of OFC (as compared to copper cables) in their backhaul networks in order to support the growing demand for bandwidth.

As part of the 'Digital India' programme, the BharatNet project (earlier NOFN) aims at providing broadband connectivity, of 100Mbps bandwidth, to 250,000 gram panchayats through last-mile

connectivity. Implementation has, however, been far from smooth with several deadlines having already been missed and the project seeing a significant cost overrun. Laying has been completed in ~40000 GPs. A new set of recommendations, by the Telecom Regulatory Authority of India, aims at giving the project the desired thrust through public private partnership (PPP). However, the critical issue of right-of-way would need to be addressed urgently. Given the urgent need, the project is expected to gain momentum in FY 2016-17.

Besides the telecom sector, public utility companies such as Bombay Gas Limited, Indian Railways, NTPC, Power Grid Corporation of India Limited, and GAIL are also enhancing their optical fibre cable networks alongside their infrastructure (transmission lines, gas pipelines, etc.) for better and faster data connectivity. Such companies are using OFC for their own use as well as for leasing surplus capacity to mobile network operators.

### Future Outlook

Having seen a negative growth for the first time in four years, Ester intends to put in concerted efforts to overcome this setback and get back on the growth track in FY2016-17, whilst focusing on actions to enhance profitability. Some of the key actions that would help in ensuring profitable growth include;

- Implementing the action plan developed as part of the 5-year Growth Strategy (including organic as well as inorganic options), to support Ester's growth aspirations.
- Expanding Ester's global footprint through aggressive pursuit of Identified Exports opportunities and participation in international exhibitions to enhance brand visibility.
- Enhancing relationship with OEMs & Tier 1/2 customers in the automotive/electrical segments and securing approvals for long-term sustainability. Working on collaborative VAVE (Value Addition & Value Engineering) & localization projects with some of our OEM customers.
- Building R&D capability (in-house or through strategic alliances) aligned with technological developments and acquiring advanced technical expertise in the field of EP compounding to address changing customer needs.
- Continued focus on new product development and collaborative application development projects.
- Evaluating options (including additional manufacturing facility) to improve supply chain efficiency and enhance distribution reach & delivery capability in West/South markets for higher customer satisfaction levels.
- Continuous improvement in systems & processes to enhance business robustness.
- Development of Halogen & Phosphorous free compounds in line with our "green initiatives" programme.
- Evaluating options for introduction of additional polymer compounds for entering new market segments.
- Enhancing Ester's UL-certified product portfolio
- Developing an aggressive variable cost reduction plan for enhanced profitability

### Specialty Polymer Business

The Specialty Polymer SBU continues to be the torch bearer for the

transformation of the company from a commodity led enterprise to a technology driven company. As we have mentioned in previous annual reports, this particular business segment is driven entirely on the basis of development of cutting edge technology to service the unmet needs of user industries including rigid packaging, flexible packaging, carpets, textiles and industrial applications. This is a very niche business where margins are expected to be strong on account of technology and intellectual property rights. Volumes and revenue have increased multi-fold during the year under review compared to the previous year, albeit from a very low starting base. Based on the significant success achieved in terms of customer approval of various products, we are confident of commercial success in coming quarters. While we continue to aggressively develop the market by introduction to new customers, these being completely new products, the approval process is long and volume ramp-up takes time.

Commercialisation of the Stain Resistant Master Batch for carpets began last year with one company followed by business development efforts with other users in USA, Europe, Australia & China being initiated during Q4 of the year under review. It is heartening to note that the product is finding acceptance and interest from other customers as well. With a view to enhancing volumes, this product has also been introduced to manufacturers of Nylon fibre for apparel. While growth in volumes has not been as desired, there is little doubt that this particular product segment will start contributing substantially to the profitability of the company in the coming quarters.

The PET resin for hot fill applications has also been approved by one customer and commercial volumes have started moving, albeit at a slow pace. Business development efforts for introduction of this product to other large converters in Europe and America have also begun with substantial interest being shown. We expect sustained growth in volume from this product in the next few years.

### Outlook

The fundamental factor for continued success of the Specialty Polymer SBU lies in the ability to continuously innovate and introduce new products. We will continue to invest in strengthening our R&D and business development capabilities to ensure success. During the period under review we have been successful in introducing our portfolio of products to newer applications and customers, newer geographies like China and Turkey. The response that we are getting gives us immense confidence that the outlook for the Specialty Polymer SBU is extremely positive and this unit should become the backbone of the company in the coming years.

### BUSINESS & FINANCIAL PERFORMANCE

	Quantity Produced (MT) (During 2015-16)	Quantity Produced (MT) (During 2014-15)	Growth
Polyester Chips	53981	63773	(15.4%)
Specialty Polymers	4140	1470	181.6%
PET Film – Non Metallized	49430	43788	12.9%
PET Film – Metallized	9481	9419	0.7%
Engineering Plastics	11772	11764	--

	Quantity Sold (During 2015-16)	Quantity Sold (During 2014-15)	Growth
Polyester Chips	2940	19133	(84.6%)
Specialty Poly- mers	3540	1237	186.2%
PET Film – Non Metallized	39455	34170	15.5%
PET Film – Metal- lized	9512	9423	0.9%
<b>Sub Total – PET Film</b>	<b>48967</b>	<b>43593</b>	<b>12.3%</b>
Engineering Plastics	10948	11510	(4.9%)

	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2015-16)	Sales Value (Net of Excise Duty) (Rs. in Lacs) (During 2014-15)	Growth
Polyester Chips	2027.93	14896.79	(86.4%)
Specialty Polymers	6581.65	1983.10	231.8%
PET Film – Non Metallized	39609.45	40633.54	(2.5%)
PET Film – Metallized	12454.09	13851.46	(10.1%)
<b>Sub Total - PET Film</b>	<b>52063.54</b>	<b>54485.01</b>	<b>(4.4%)</b>
Engineering Plastics	15507.02	17327.11	(10.5%)
Others	58.91	123.89	(52.4%)
<b>TOTAL</b>	<b>76239.05</b>	<b>88815.90</b>	<b>(14.2%)</b>

	(Rs. in Lacs) (During 2015-16)	(Rs. in Lacs) (During 2014-15)	Growth
EBITDA	7520.95	7407.77	1.5%
PBT	683.27	487.64	40.1%
PAT	456.06	383.91	18.8%

Reduction in Net Sales (net of Excise Duty) by Rs. 12576.85 lacs is primarily attributed to reduction in sales of Polyester Chips. Reduced sales of Polyester Chips did not have major adverse impact on profits as Polyester Chips is an intermediate product that fetches marginal contribution. Reduction in sales value of PET Film and Engineering Plastics (primarily on account of selling rates) was compensated by increase in sales value of Specialty Polymers. Decrease in selling rates of PET Film and Engineering Plastics was mainly due to reduction in crude – linked feedstock / polymer prices

Improved performance of Specialty Polymers SBU was instrumental in improvement in performance of the Company despite adverse impact of unfavourable market conditions in Polyester Film business.

Company continues to focus on the strategic initiative of increasing the proportion of Value Added & Specialty products (along with rationalising its customer and market portfolio) to mitigate the adverse impact of unfavourable market conditions in Polyester Film business.

Due to repayment of term borrowings strictly as per repayment schedule, the financial leveraging indicated by Total Debt: Tangible Net Worth ratio stands at the level of 1.28 as on 31st March 2016. The book value per equity share stood at Rs. 34.57

### Risk Management

Realising that risk is an integral part of any enterprise, Management has classified the risks into following categories namely Strategic, Financial, Operational and Compliance. Management has laid down the procedure for risk assessment and their mitigation through an internal risk committee. Upon detailed review of the identified risks,

the Board has opined that there are no risks which may threaten very existence of the Company.

Your Company has constituted a Risk Management Committee under the Chairmanship of Shri P S Dasgupta, an Independent Director. Details of the Committee are set out in the Corporate Governance Report forming part of this Annual Report.

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.

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

### Intellectual Capital

The challenging global business environment has placed an enormous importance on the Human Capital of an enterprise. In today's times, when businesses are under stress, the greater focus is on sustaining profitability and optimizing operational efficiencies. These challenges place new demands on the workforce and those who lead it.

At Ester, while the strategic agenda continued to be around innovation, development and technology, notable efforts were made towards exploring opportunities for productivity enhancement, efficiency improvement vide various initiatives like scientific studies, customized training and initiating cross functional projects etc.

Talent management is an ongoing process at Ester as it allows us to identify and nurture the potential of our employees, and further develop them for future leadership roles within the organization. Ester recruited niche talent in line with its strategic agenda to transform into a technology player, largely in the areas of strategy, intellectual property, research and development etc. As part of people development programs, employees are encouraged to read and research extensively about the industry, applications, markets and customers, and apply the same to value add to their scope of work and optimize performance.

A Time and Motion study was launched in partnership with domain experts to bring in fresh insights to achieve the objective of a highly productive and multi skilled workforce and the recommendations will be implemented in early 2016-17. Restructuring and reorganisation of various discreet teams was explored and implemented to ensure correct fitment of skill sets in line with organisational objectives, in addition to providing opportunities for job rotation etc. High Potential candidates were fast tracked in their career by being provided additional opportunities and responsibilities.

### 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 creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. The ambit of governance involves 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.

The Company fosters a culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its board of directors, management and employees.

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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with best practices in Corporate Governance with an optimum

combination of Executive, Non-executive and Independent directors, having a pool of collective knowledge from various disciplines like Engineering, Finance, Legal, Business Management, Corporate Planning etc. on its board.

All the Independent Directors of the Company have confirmed that they meet the criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. Terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

### Composition of the Board

Category	Name of Directors
Non-Independent Directors	<b>Executive Directors</b> Mr. Arvind Singhania, Chairman & CEO (Promoter) Mr. Pradeep Kumar Rustagi, Executive Director & CFO
	<b>Non- Executive Director</b> Mrs. Archana Singhania (Promoter)
Independent Directors	Mr. M. S. Ramachandran Mr. Ashok Kumar Newatia Mr. Dinesh Chandra Kothari Mr. Anand Chand Burman Mr. P. S. Dasgupta Mr. Sandeep Dinodia

*Mrs. Archana Singhania is wife of Mr. Arvind Singhania. Apart from them no Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013 read with the Rules made thereunder.*

### Attendance record of the Directors in Board Meetings and Annual General Meeting and the number of Directorship and Committee Chairmanship/Membership held by them in other Companies

The Board of Directors and its committees meet at regular intervals. 4 (Four) Board Meetings were held during the year 2015-16 on 25th May, 2015, 27th July, 2015, 2nd November, 2015 and 10th February, 2016. Last Annual General Meeting (AGM) of the Company was held on 28th September, 2015.

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

Note –

- The other Directorships held by Directors as mentioned above do not include alternate directorship, directorships of Private Limited Company, Directorship in the Company incorporated outside India and Companies as per Section 8 of the Companies Act, 2013.*
- As required in the SEBI(LODR) Regulations, 2015, the disclosure includes memberships/ chairpersonship of Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted) only.*
- Mr. Sandeep Dinodia was appointed as an Additional Director (Independent Director) of the Company w.e.f. 25th May, 2015 and approved by the Shareholders in their AGM held on 28th September, 2015.*

### **Board Procedure and Functioning**

The Board meets at least once every quarter to review the Quarterly Results and to take decisions on matters pertaining to Company's working. In case of business exigencies, resolutions are passed by circulation or a Board meeting is conducted depending on the matter.

All Board Members are given advance notice of the Meetings in compliance with the Companies Act, 2013. The Meetings are governed by structured Agenda. The detailed Agenda along with the explanatory notes are also circulated in advance to participate effectively in the Board discussions. All agenda items are backed by comprehensive background information and relevant documents to enable the Board to take informed decisions. The Directors are also free to recommend inclusion of any matter in the agenda for discussion and also seek any other information or documents on any matter of Agenda. Information provided to the Directors include the following information as stated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –

- Annual operating plans of the business, revenue and capital budgets, acquisitions etc.
- Quarterly results of the company and its business segments
- Quarterly Operational Performance Report of the Company and its business segments
- Minutes of the Board Meeting and all Committee Meetings
- The information on recruitment and remuneration of Senior Management Personnel including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue involving possible public or product liability claims of substantial nature,
- Significant development on the human resources and industrial relations front.
- Details of any investment, merger, joint venture or collaboration agreement, if any.
- Sale of material nature, of investments, subsidiaries assets, which are not in normal course of business.
- 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
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

### **Familiarisation Programme**

As per the requirement of Regulation 25 of the SEBI (LODR) Regulations, 2015 which inter-alia stipulates that the Company shall familiarize the independent directors, the Company undertakes various initiative to familiarise the Independent Directors with the Company, and senior management giving an overview of the Company's operations, products, group structure, subsidiaries, Board constitution, guidelines, matters reserved for the Board, and the major risks and risk management strategy etc.

Independent Directors are regularly updated on performance of each product segment of the Company, business strategy and new initiatives being taken/ proposed to be taken by the Company. The management presents before the Board on quarterly basis a presentation for each business detailing about the product development, performance of the business, new opportunities and challenges in business, competition and industry updates etc.

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

[http://esterindustries.com/sites/default/files/Familiarisatin\\_programme.pdf](http://esterindustries.com/sites/default/files/Familiarisatin_programme.pdf)

### **Statutory Compliance**

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

### **Compliance of Code of Conduct**

The Company has adopted the Code of Conduct for all Board Members, Senior management Personnel of the Company. The code of conduct is available on the website of the Company viz. **www.esterindustries.com**.

The Company has received confirmation from all Board members and senior management personnel of the Company regarding their adherence to the code. The declaration to this effect from Mr. Arvind Singhanian, Chairman & CEO forms a part of this report.

### **Meeting of Independent Directors**

During the year, a separate Meeting of the Independent Directors was held on 2nd November, 2015 to review the performance of the Chairperson, Directors and the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the company management and the Board, necessary for the Board to effectively and reasonably perform their duties.

## **2. Audit Committee**

The Company has Audit Committee formed in pursuance of compliance with Regulation 18 of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act, 2013. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the

highest levels of transparency, integrity and quality of financial reporting.

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:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;

- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Examination of the financial statement and auditors' report thereon;
- The appointment, removal and terms of remuneration of the internal auditor
- Reviewing following matters –
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses;
  - e. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) for public issue, rights issue, preferential issue
  - f. annual statement of funds utilized of Public issue/ Right issue for purposes other than those stated in the offer document/prospectus/notice
- Any other matter as referred by the Board time to time in the terms of reference of the audit committee.

During the year 2015-2016, the Audit Committee has met on 25th May, 2015, 27th July, 2015, 2nd November, 2015 and 10th February, 2016. 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. Sandeep Dinodia* Chairman of the Committee	Independent Director	4	4
Mr. M S Ramachandran Member	Independent Director	4	4
Mr. Dinesh Chandra Kothari Member	Independent Director	4	3
Mr. Ashok Kumar Newatia Member	Independent Director	4	4

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

Mr. Sandeep Dinodia & Mr. Dinesh Chandra Kothari are qualified Chartered Accountant having rich experience in Accounting and Finance. Other members of the Committee also have the knowledge of accounting and finance with wide exposure in their relevant areas.

The Company Secretary acts as the Secretary of the Committee.

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

Mr. Sandeep Dinodia, Chairman of the Audit Committee attended the last Annual General Meeting held on 28th September, 2015.

### 3. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee, formed in pursuance of compliance with Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013. Minutes of each Nomination and Remuneration committee meeting are placed before the board and discussed in depth.

The Company Secretary acts as the Secretary of the Committee.

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

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
- to recommend to the Board their appointment and removal
- to carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees,
- to devise a policy on Board diversity;
- to perform any other function, duty as stipulated by the Companies Act or under any applicable laws, as amended from time to time.
- Any other matter, as may be required by the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other law for the time being in force or as directed by the Board of Directors.

During the year 2015-2016, two meetings of Nomination and Remuneration Committee were held on 25th May, 2015 and 27th July, 2015.

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

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

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

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

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

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

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

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

**A. Appointment of Director, KMP (Key Managerial Personnel) and Senior Management Personnel**

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

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

**B. Board Diversity**

All Board appointments are based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Nomination and

Remuneration Committee seeks to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates are considered against objective criteria, having due regard to the benefits of diversity on the Board.

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

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

**Details of Remuneration to Non-Executive Directors**

Non-Executive Directors are paid sitting fees of Rs. 10,000/- for attending each meeting of the Board of Directors and the Committee thereof (except Stakeholders' Relationship Committee and Borrowing Committee). The Shareholders have approved at the AGM of the Company on September 28, 2012, the payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The quantum of the commission may be recommended by the Committee on year to year basis based on the profitability of the Company and on such recommendation, the Board may decide to pay commission to the directors. During the year no commission was paid to any director.

The details of sitting fees paid during the year 2015-16 to the Directors are given below –

Name of the Director	Sitting Fees Paid (In Rs.)
Mr. Ashok Kumar Newatia	80,000
Mr. Sandeep Dinodia	80,000
Mr. M S Ramachandran	1,00,000
Mr. Dinesh Chandra Kothari	80,000
Mr. P S Dasgupta	50,000
Dr. Anand Chand Burman	30,000
Mrs. Archana Singhania	20,000

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, for the purpose of attending meetings of the Company.

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

**Details of remuneration to Executive Directors**

Managing Director/ Whole-time Director are eligible for remuneration as may be approved by Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The remuneration payable to any one managing director or whole-time director does not exceed 5% of the net profits of the

company and if there is more than one such director, remuneration doesn't exceed 10% of the net profits to all such directors taken together.

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

During financial year 2015-16, following remuneration to Executive Directors were paid/payable –

(Rs. in lacs)

Name of Director	Salary	Allowances & Perquisites	PF & SAF	Other (Leave encashment)	Total
Mr. Arvind Singhania	80.00	59.06	9.60	-	148.66
Mr. Pradeep Kumar Rustagi	32.88	38.09	4.95	7.03	82.95

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available for the managing director and executive director. Services of the managing director and executive director may be terminated by either party, giving the other party three months' notice or the Company paying three months' salary in lieu thereof. There is no separate provision for payment of severance fees. During the year, no Performance Linked Incentives were paid to Mr. Arvind Singhania and Mr. Pradeep Kumar Rustagi. The company has not issued any Stock options.

#### Details of Shareholding of Directors in Ester Industries Limited

Name of the Director	No. of Shares held
Mr. Arvind Singhania	150
Mr. M S Ramachandran	Nil
Mr. Dinesh Chandra Kothari	20,000
Mr. Ashok Kumar Newatia	Nil
Dr. Anand Chand Burman	Nil
Mr. P S Dasgupta	Nil
Mr. Sandeep Dinodia	Nil
Mrs. Archana Singhania	Nil
Mr. Pradeep Kumar Rustagi	400

#### Performance Evaluation criteria for Independent Directors:

The Board considered following criteria while evaluating the performance of the Independent Directors:

- Participation at the Board/Committee meetings and willingness to spend time during the meeting
- Integrity and maintaining of confidentiality
- Knowledge and expertise
- Independent judgment in relation to decision making

- Understanding about roles, responsibilities and disqualification as a director, and;
- other criteria like objective evaluation of Board's performance, unbiased opinion on various matters, compliance of Code of Conduct and Ethics, Code for Independent Directors, Insider Trading Code etc.

#### 4. Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee, formed in pursuance of compliance with Regulation 20 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013. Minutes of each Stakeholders' Relationship committee meeting are placed before the board and discussed in depth.

The responsibility of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

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

1. To review and redress complaints from various shareholders which includes, such as non-receipt of dividend, non-receipt of interest on debentures, non-receipt of annual report, transfer of shares or debentures, issue of duplicate share / debenture certificates, etc.
2. To oversee and review all matters connected with transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of securities issued by the Company.
3. To oversee the performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.
4. To review/take note of various investors presentations / communication with stakeholders
5. To affix or authorise affixation of the Common Seal of the Company on Share Certificate of the Company.
6. To perform any other function, duty as stipulated by the Companies Act or under any applicable laws, as amended from time to time.

During the year 19 meetings of the Committee were held on 7th April, 2015, 30th April, 2015, 10th May, 2015, 2nd July, 2015, 20th July, 2015, 30th July, 2015, 5th October, 2015, 10th October, 2015, 20th October, 2015, 30th November, 2015, 5th January, 2016, 11th January, 2016, 20th January, 2016, 30th January, 2016, 10th February, 2016, 22nd February, 2016, 29th February, 2016, 10th March, 2016 and 30th March, 2016.

The Composition of the Stakeholders' Relationship Committee and the particulars of meeting attended by the members of the Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. Ashok Kumar Newatia Chairman of the Committee	Independent Director	19	18
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)	19	11
Mr. Pradeep Kumar Rustagi Member	Executive Director & CFO	19	19

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

The Company has received 55 Complaints from the shareholders and all of them have been resolved by furnishing requisite information/ documents. All the complaints were resolved and there was no complaint pending as on 31st March, 2016.

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

#### 5. Borrowing Committee

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

During the year 4 meetings were held on 6th April, 2015, 18th May, 2015, 28th January, 2016 and 15th March, 2016.

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

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. Ashok Kumar Newatia Chairman of the Committee	Independent Director	4	3
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)	4	4
Mr. Pradeep Kumar Rustagi Member	Executive Director & CFO	4	4

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

#### 6. Corporate Social Responsibility Committee

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

The terms of reference of the Committee includes –

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

During the year, no meeting of Corporate Social Responsibility Committee was held.

The Composition of the Corporate Social Responsibility Committee is given below:

Name of Members	Category
Mr. M. S. Ramachandran, Chairman	Independent Director
Mr. Ashok Kumar Newatia Member	Independent Director
Mrs. Archana Singhania Member	Non-Executive Director
Mr. Arvind Singhania Member	Promoter Director (Chairman & CEO)

#### 7. Risk Management Committee

The Company has Risk Management Committee, constituted to review and monitor the Risk Management Plans.

The terms of reference of the Committee includes –

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

During the year, no Risk Management Committee meeting was held.

The Composition of the Risk Management Committee is given below:

Name of Members	Category
Mr. P. S. Dasgupta Chairman	Independent Director
Mr. Dinesh Chandra Kothari Member	Independent Director
Mr. M. S. Ramachandran Member	Independent Director

## 8. General Body Meetings

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

### Annual General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2014-15	28.09.2015	10.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Re-Appointment of Mr. Ayush Vardhan Singhania as Group Leader – Marketing & Business Development 2. Modification in terms and conditions of appointment of Mr. Jai Vardhan Singhania as Group Leader – Business Planning And Support
2013-14	22.09.2014	12.30 P.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	1. Appointment of Mr. Jai Vardhan Singhania as Group Leader-Business Planning & Support 2. Alteration in Articles of Association of the Company
2012-13	30.09.2013	11.30 A.M	Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	No Special Resolution was passed.

### Extra Ordinary General Meeting

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

### Court Convened Meeting

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

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

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

- Special Resolution pursuant to Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 for change in designation and payment of remuneration of Mr. Arvind Singhania as proposed in the Postal Ballot Notice dated 11th February, 2015 -

#### Results of Postal Ballot -

<b>Total No. of Shareholders</b>	23913
<b>Total No. of Equity Shares</b>	62643759

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

2. Special Resolution pursuant to Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 for payment of remuneration of Mr. Pradeep Kumar Rustagi as proposed in the Postal Ballot Notice dated 11th February, 2015

**Results of Postal Ballot -**

<b>Total No. of Shareholders</b>	23913
<b>Total No. of Equity Shares</b>	62643759

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

3. Special Resolution pursuant to Section 13 and all other applicable provisions of the Companies Act, 2013 for shifting of Registered Office from the State of Uttarakhand to State of Haryana as proposed in the Postal Ballot Notice dated 2nd November, 2015

**Results of Postal Ballot -**

<b>Total No. of Shareholders</b>	22382
<b>Total No. of Equity Shares</b>	83393759

<b>Particulars</b>	<b>No. of Valid Postal Ballot Forms/e-votes</b>	<b>No. of Shares</b>	<b>% of valid votes polled</b>
No. of valid postal ballot forms/ e-votes	106	45461019	100
No. of Votes - in favour	106	45461019	100
No. of Votes – against	-	-	-

4. Special Resolution pursuant to Section 94 and all other applicable provisions of the Companies Act, 2013 for maintenance of Register of Members etc. at a place other than the Registered Office as proposed in the Postal Ballot Notice dated 2nd November, 2015

**Results of Postal Ballot -**

<b>Total No. of Shareholders</b>	22382
<b>Total No. of Equity Shares</b>	83393759

<b>Particulars</b>	<b>No. of Valid Postal Ballot Forms/e-votes</b>	<b>No. of Shares</b>	<b>% of valid votes polled</b>
No. of valid postal ballot forms/ e-votes	105	45460619	100
No. of Votes - in favour	103	45460419	99.99
No. of Votes – against	2	200	0.01

**Procedure for Postal Ballot**

During the conduct of the Postal Ballot, the Company had in terms of Clause 35B of the erstwhile Listing Agreement and applicable provisions of SEBI (LODR) Regulations, 2015 provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules.

In the above-stated Postal Ballot voting, the Company had appointed Mr. Akash Jain, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by postal ballot were then announced by the Chairman/ Authorised official. The voting results were sent to the Stock Exchanges and displayed on the Company's website.

## 9. Disclosures

### Related Party Transactions

The Company has a duly adopted policy for related party transactions which prescribes for prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy can be accessed on Company website at the following link –

[http://esterindustries.com/sites/default/files/Related\\_Party\\_Transactions\\_Policy.pdf](http://esterindustries.com/sites/default/files/Related_Party_Transactions_Policy.pdf)

All transactions, if any, entered into by the Company with related parties during the financial year were on arm's length basis. During the financial year 2015-16, there was no materially significant related party that may have potential conflict with the interests of the Company at large.

### Compliance by the company

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

### Whistleblower policy (Policy on Vigil Mechanism)

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and ethics. No personnel has been denied access to the audit committee. The policy can be accessed on Company website at the following link –

[http://esterindustries.com/sites/default/files/Whistle\\_blower\\_policy.pdf](http://esterindustries.com/sites/default/files/Whistle_blower_policy.pdf)

### Policy on Material Subsidiaries

In accordance with Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015 the Company has framed Policy on Material Subsidiaries to set out the criteria to determine "Material Subsidiaries" and to provide the governance framework for them. The policy can be accessed on Company website at the following link –

[http://esterindustries.com/sites/default/files/Policy\\_on\\_material\\_subsidary.pdf](http://esterindustries.com/sites/default/files/Policy_on_material_subsidary.pdf)

### Certification in terms of Regulation 33 of the SEBI (LODR) Regulations, 2015

Certification by Chairman & CEO and Executive Director & CFO as stipulated in the Regulation 33 of the SEBI (LODR) Regulations, 2015 was placed before the Board along with the financial statement for the year ended 31st March 2016, and the Board reviewed the same. The said Certificate is annexed with the Corporate Governance Report.

### Compliance with Mandatory & Non-mandatory Requirements.

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all the requirement of Regulations 17 to 27, whichever is applicable. The Company has also fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 -

- It is always the Company's endeavour to present unmodified/unqualified Financial Statements. The auditors has given the unmodified opinion on the financial statement for the year ended on 31st March, 2016.
- The Internal Auditor has been reporting directly to the Audit Committee

## 10. Means of communication

- The Company intimates unaudited/ audited financial results to the stock exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Generally the results and published in Financial Express, Dainik Najariya, Dehradun.
- Website - Ester's website **www.esterindustries.com** contains a separate dedicated section 'Investors' which provides shareholders information like quarterly financial results, annual reports, shareholding patterns, news and announcements and other shareholder information. Further as all such information are also filed/ intimated to BSE and NSE, the shareholder can also obtain information from their website viz. **www.bseindia.com** and **www.nseindia.com** respectively.
- NSE Electronic Application Processing System (NEAPS)- NEAPS is a web based application designed by NSE for corporate. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report, Reconciliation of Share Capital Audit etc. are intimated/filed electronically on NEAPS.
- BSE Listing Centre - BSE has launched web based application for compliances and intimation under SEBI (LODR) Regulatios, 2015 for companies Listed in BSE. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report, Reconciliation of Share Capital Audit etc. are intimated/filed electronically on Listing Centre.
- Designated e-mail address for investor services- In terms of Regulation 46(2) of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is **investor@ester.in**. The shareholders may also send their queries at the email id of Registrar and Transfer Agent (RTA) viz. **info@masserv.com**.
- Press Release and Investor Presentation- The company issues press release every quarter briefing the details of

quarterly and year to date results and performance of the company with a message of Chairman. Investor presentation on financial results are posted on the website of the Company and sent to stock exchanges. Earning calls with analysts and investors for discussion on results are made on quarterly basis after dissemination of the quarterly and year to date results.

#### 11. General Shareholder Information:

- Forthcoming Annual General Meeting**

Date and Time	24th September, 2016, 10:30 AM
Venue	Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand

- Financial Calendar (Tentative and subject to change)**

Financial Results for the Quarter ending 30th June 2016	Aug – 2016
Financial Results for the Quarter ending 30th September 2016	November – 2016
Financial Results for the Quarter ending 31st December 2016	February – 2017
Financial Results for the Quarter and year ending 31st March 2017	May – 2017
Annual General Meeting	September 2017

- Books closure date:** 18th September, 2016 to 24th September, 2016

- Dividend**

No Dividend has been recommended for the financial year 2015-16. In terms of the Section 205C of the Companies Act, 1956, the amount that remained unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the year under review, the unclaimed dividend amount for the year 2007-08 (final) was transferred to the IEPF established by the Central Government under applicable provisions of the Companies Act. The shareholders, who have not encashed their dividend warrants relating to the dividend specified in table below are requested to immediately send their request for issue of duplicate warrants.

Year of Dividend	2008-09	2009-10	2010-11		2013-14
Nature of Dividend	Final	Final	Interim	Final	Final
Date of Declaration	01/07/2009	27/07/2010	01/11/2010	25/07/2011	22/09/2014
Last date to claim dividend	07/08/2016	02/09/2017	08/12/2017	31/08/2018	23/10/2021
Proposed date of transfer of dividend	06/09/2016	02/10/2017	07/01/2018	30/09/2018	22/11/2021

Once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof with the Company.

The Company has uploaded the information in respect of the Unclaimed Dividends on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under 'Investor Section' on the website of the Company viz. [www.esterindustries.com](http://www.esterindustries.com)

- Listing of Equity Shares on Stock Exchanges**

Ester Industries Limited (ISIN INE778B01029) is presently listed on Bombay Stock Exchange and National Stock Exchange. The details of the same are mentioned as under:

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

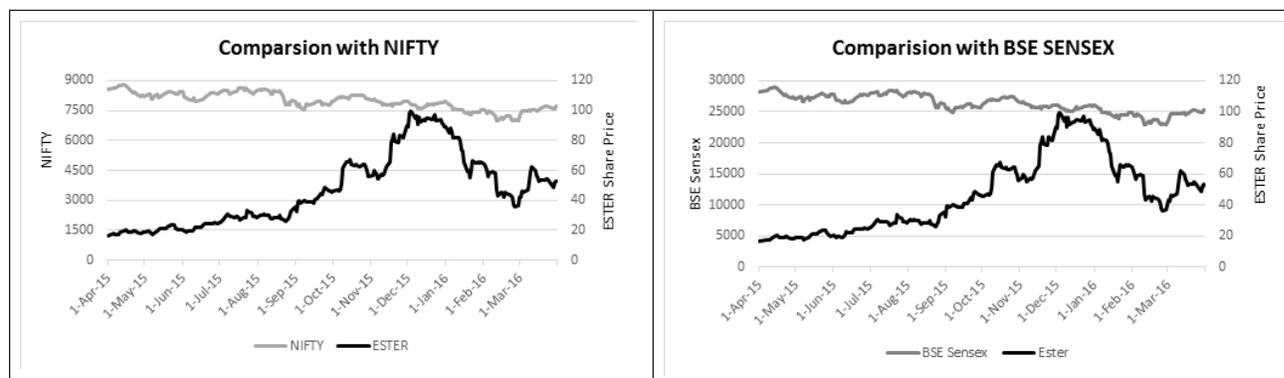
The Listing Fees for the financial year 2015-16 have been paid to stock exchanges within the prescribed time period.

- 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-15	21.50	16.00	1,68,971	21.35	16.00	2,25,099
May-15	24.90	16.55	2,90,479	24.40	17.00	5,63,480
Jun-15	25.55	18.80	15,17,947	25.50	18.20	18,57,356
Jul-15	34.80	25.00	24,20,168	34.85	25.00	37,88,456
Aug-15	39.20	25.40	19,94,007	36.70	25.20	37,74,690
Sep-15	56.15	31.75	39,43,838	50.80	31.35	69,96,960
Oct-15	72.75	45.00	39,79,374	72.50	45.00	87,80,965
Nov-15	89.85	51.65	39,04,243	89.95	50.70	96,45,826
Dec-15	108.15	86.50	51,78,972	108.15	86.50	1,35,63,873
Jan-16	92.50	48.20	19,27,904	92.45	50.25	41,20,593
Feb-16	67.45	33.95	17,22,691	67.10	33.75	31,93,589
Mar-16	65.00	37.00	28,97,497	64.90	37.20	67,96,696

- Performance in comparison to broad based indices**



- Commodity Price risk or foreign exchange risk and hedging activities:**

Despite Company being a Net Foreign Exchange earner, it is not absolved of Foreign Exchange Risk due to time difference of Inflows and Outflows.

Company's hedging instruments comprise of foreign exchange forward contracts which are not intended for trading or speculation purposes and are used only to hedge company's foreign exchange denominated assets & liabilities.

The decision of whether and when to execute foreign exchange hedging instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. Company keeps a close watch on the exchange rate movement.

- Registrar and Share Transfer Agents:**

**MAS Services Limited,**

T - 34, Okhla Industrial Area Phase - II, New Delhi - 110 020

Phone No. - 011-26387281/82/83 | Fax No. - 011-26387384

E-Mail : [info@masserv.com](mailto:info@masserv.com)

- 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.

- **Distribution of Shareholding as on 31st March 2016:**

Shareholding of Nominal Value of Rs. 5 each	No. of Shareholders	% to total holders	No. of shares	% to total shares
Upto 2500	19845	86.15	3335935	4.00
2501-5000	1670	7.25	1404282	1.68
5001-10000	747	3.24	1182044	1.42
10001-15000	219	0.95	566443	0.68
15001-20000	104	0.45	374169	0.45
20001-25000	120	0.52	572148	0.69
25001-50000	172	0.75	1279126	1.53
50001 & Above	159	0.69	74679612	89.55
<b>Total</b>	<b>23036</b>	<b>100</b>	<b>83393759</b>	<b>100</b>

- **Shareholding Pattern as on 31st March 2016:**

Category of Shareholder	No. of Shareholders	No. of Shares	% to total shares
<b>A. PROMOTER AND PROMOTER GROUP</b>			
<b>1. Indian</b>			
a. Individual/HUF	4	303191	0.36
b. Bodies Corporate	-	-	-
<b>Sub Total</b>	<b>4</b>	<b>303191</b>	<b>0.36</b>
<b>2. Foreign</b>			
a. Individuals (NRI/ Foreign Individuals)	-	-	-
b. Bodies Corporate	1	44915012	53.86
<b>Sub Total</b>	<b>1</b>	<b>44915012</b>	<b>53.86</b>
<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>5</b>	<b>45218203</b>	<b>54.22</b>
<b>B. PUBLIC SHAREHOLDING</b>			
<b>1. Institutions</b>			
a. Mutual Funds/UTI	5	27500	0.03
b. Financial Institutions/Banks	8	84322	0.10
c. Insurance Companies	1	300	-
d. Foreign Institutional Investors	4	54810	0.07
<b>Sub Total</b>	<b>18</b>	<b>166932</b>	<b>0.20</b>
<b>2. Non Institutions</b>			
a. Bodies Corporate	365	4194489	5.03
b. Resident Individuals	22365	12139542	14.56
c. Non-Resident Individual	133	248622	0.30
d. Clearing Member	148	672471	0.81
e. Foreign Body Corporate	1	20750000	24.88
f. NBFC registered with RBI	1	3500	-
<b>Sub Total</b>	<b>23013</b>	<b>38008624</b>	<b>45.58</b>
<b>Total Public Shareholding (B)</b>	<b>23031</b>	<b>38175556</b>	<b>45.78</b>
<b>GRAND TOTAL (A) + (B)</b>	<b>23036</b>	<b>83393759</b>	<b>100</b>

- **Dematerialisation of Shares:**

As on 31st March 2016, 97.71% of the Company's shares were held in dematerialised form.

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

As on 31st March, 2016, there are no outstanding Warrants or any Convertible warrants or any convertible Instruments and their likely instruments. The Company has not issued any GDR/ ADR. However, 20750000 Zero Coupon Convertibles Warrants were converted into 20750000 Equity Shares on 25th May, 2015 during the year.

- **Plant location**

The company has single Plant location at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand

- **Investor Correspondence**

**MAS Services Limited,**

(Unit : Ester Industries Limited)

T – 34, Okhla Industrial Area Phase - II,

New Delhi – 110 020

Phone No. – 011-26387281/82/83

Fax No. – 011-26387384

E-Mail: [info@masserv.com](mailto:info@masserv.com)

Or

**The Company Secretary**

**Ester Industries Limited**

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

Sector 33 & 34, Gurgaon, Haryana – 122 001

Phone: 0124-4572100

Fax : 0124-4572199

E-Mail: [investor@ester.in](mailto:investor@ester.in)

Website: [www.esterindustries.com](http://www.esterindustries.com)

- **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.

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## **DECLARATION**

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

**For Ester Industries Limited**

Sd/-

**Arvind Singhania**

Chairman & CEO

DIN: 00934017

Place : New Delhi

Date : 10th August, 2016

## COMPLIANCE CERTIFICATE BY CHAIRMAN & CEO AND EXECUTIVE DIRECTOR & CFO

In compliance of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, we certify as under:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity'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 listed entity during the financial year 2015-16 which are fraudulent, illegal or violative of the listed entity'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 listed entity pertaining to financial reporting and we 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
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) 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 listed entity's internal control system over financial reporting.

Sd/-

**Arvind Singhania**

Chairman & CEO

Sd/-

**Pradeep Kumar Rustagi**

Executive Director and CFO

Dated : 25th May, 2016

Place : New Delhi

## CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of M/s Ester Industries Limited

We have examined the compliance of conditions of Corporate Governance by **M/s Ester Industries Limited ('the Company')**, for the year ended 31st March 2016 as stipulated in Regulations 17 to 27, clause (b) to (i) of sub-regulation(2) of Regulation 46 and Paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and pursuant to the earlier Clause 49 of the Listing Agreement entered into by the company with the stock exchanges to the extent applicable.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable provisions of the Listing Regulations and earlier Clause 49 of the Listing Agreement to the extent applicable.

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

**For Dhananjay Shukla & Associates**

Company Secretaries

Sd/-

**Dhananjay Shukla**

Proprietor

FCS-5886, CP No. - 8271

Place : Gurgaon

Date : 10th August, 2016

## INDEPENDENT AUDITOR'S REPORT

### To the members of Ester Industries Limited

#### Report on the financial statements

We have audited the accompanying standalone financial statements of Ester Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

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

#### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

#### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**S.R. Batliboi & Co. LLP**  
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Atul Seksaria**

Partner

Place of Signature : New Delhi

Date : May 25, 2016

Membership Number: 086370

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

### Re: Ester Industries Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company. It has been explained to us that the title deeds and possession letters of the freehold land and building has been given as security (mortgage and charge) against the term loans and working capital loans taken from banks and that original title deeds are kept with the lead Bank-Bank of India and Tata Capital Financial Services Ltd, as security for the lenders and therefore the same could not be made available to us for our verification and has also not been independently confirmed by the banks.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) 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, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied by the Company. There are no other loans, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of polyester films and engineering plastics and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Dispute on MODVAT credit taken on chips used in yarn and on exempted clearance of chips. Demand raised for duty on removal of PET Chips in custody	30.04	July 87 to June 93 and Jan 95	Commissioner Central Excise (Noida)
Central Excise Act, 1944	Dispute on MODVAT credit taken on inputs and Capital Goods used in chips which were cleared at NIL duty.	173.86	March 90 to Feb 92 and Oct 94 to Feb 95	Commissioner (Appeals), Central Excise Ghaziabad
Central Excise Act, 1944	Dispute on disallowance of MODVAT on TEG as documents were more than six months old.	4.80	March 92	Customs, Excise, Service Tax Appellate Tribunal (Delhi)
The Customs Act, 1962	Demand for Custom Duty forgone on value based advance license.	57.71	June 93 to April 95	Commissioner/Additional Commissioner Customs (DEEC) Mumbai

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand 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	1.16	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on Disallowances of club expenditure on the contention that expenses not incurred wholly and exclusively for the business needs.	0.47	A.Y. 1993-94 to 1994-95	Income Tax - Assessing officer & Commissioner of Income Tax (Appeals) Delhi
Income Tax Act, 1961	Dispute on Disallowances of 50% of entertainment expenses on the contention of non participation of the employee for incurring such expenditure.	5.10	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of expenses relating to previous year.	14.68	A.Y. 1993-94 to 1997-98	Income Tax - Assessing officer
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, commission paid to agent, club expenses, provision for doubtful debts and expenses incurred on earning exempt income by invoking section 14A of the Act	16.94	A.Y. 2004-05 to 2005-06	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Dispute on disallowances of excess depreciation claimed by company, bonus provision, expenses incurred on earning exempt income by invoking section 14A of the Act	18.15	A.Y. 2006-07 to A.Y. 2013-14	Commissioner of Income Tax (Appeals) Delhi & Income Tax Appellate Tribunal, Delhi

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution and banks. The Company does not have any dues outstanding to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money way of initial public offer / further public offer / debt instruments during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements

and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the Company has paid managerial remuneration which is over and above the amount mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013, by Rs. 16.31 lacs as at March 31, 2016. As represented to us the Company has applied

to the Central Government seeking approval for the managerial remuneration paid in excess and pending receipt of the same has not taken any steps to recover the excess amount so paid:

Name of the Managing Director to whom remuneration is provided or paid which is not in accordance with section 197	Amount involved (in excess of the limit prescribed)	Amount due for recovery as at Balance sheet date	Steps taken to recover the amount
Mr. Arvind Kumar Singhania	16.31 lacs	16.31 lacs	The Company has applied to the Central Government seeking approval for the managerial remuneration paid in excess. Refer no. 28 of the financial statements

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E /E300005

**per Atul Seksaria**

Partner

Place of Signature : New Delhi

Date : May 25, 2016

Membership Number: 086370

## Annexure 2 to the Independent Auditor's report of even date on the Standalone Financial Statements of Ester Industries Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ester Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Atul Seksaria**

Partner

Place of Signature : New Delhi

Date : May 25, 2016

Membership Number: 086370

**BALANCE SHEET** as at March 31, 2016

(Rs. in Lacs)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' fund</b>			
Share capital	3	4,169.69	3,132.19
Reserves & surplus	4	25,153.38	23,639.07
Money received against share warrants	41	-	524.23
		29,323.07	27,295.49
<b>Non - current liabilities</b>			
Long term borrowings	5	9,702.47	12,480.49
Deferred tax liability (net)	6	2,798.27	2,571.06
Long term provisions	7	622.41	550.50
		13,123.15	15,602.05
<b>Current liabilities</b>			
Short term borrowings	8	18,186.93	20,755.90
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		51.85	48.46
Total outstanding dues of creditors other than microenterprises and small enterprises		2,308.58	1,913.76
Other current liabilities	10	5,611.02	5,635.36
Short term provisions	7	309.33	246.93
		26,467.71	28,600.41
<b>Total</b>		<b>68,913.93</b>	<b>71,497.95</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	38,163.82	39,883.89
Intangible assets	11	335.53	48.74
Capital work in progress		2,347.74	1,208.62
Non-current investment	12	1.71	1.71
Long term loans & advances	13	741.84	975.45
Other non-current assets	14	13.46	66.84
		41,604.10	42,185.25
<b>Current assets</b>			
Current investment	12	39.72	-
Inventories	15	12,837.04	12,766.84
Trade receivables	16	11,220.48	11,792.30
Cash & bank balances	17	779.93	2,290.07
Short term loans & advances	13	1,966.44	2,110.83
Other current assets	14	466.22	352.66
		27,309.83	29,312.70
<b>Total</b>		<b>68,913.93</b>	<b>71,497.95</b>
Summary of significant accounting policies	2		

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Atul Seksaria**

Partner

Membership no. 086370

Place : New Delhi

Date : May 25, 2016

For and on behalf of the board of directors

of Ester Industries Limited

**Arvind Singhania**

Chairman & CEO

DIN : 00934017

**Pradeep Kumar Rustagi**

Executive Director & CFO

DIN : 00879345

**Diwaker Dinesh**

Company Secretary

M.No.:A22282

## STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2016

(Rs. in Lacs)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from operations (gross)	18	84,059.58	98,314.83
Less: - Excise duty		6,977.62	8,688.07
Revenue from operations (net)		77,081.96	89,626.76
Other income	19	482.16	293.85
<b>Total revenues (I)</b>		<b>77,564.12</b>	<b>89,920.61</b>
<b>Expenses</b>			
Cost of material consumed	20	49,921.97	62,581.13
(Increase) / decrease in inventories of finished goods & work in progress	21	(1,068.64)	373.70
Employee benefits expense	22	4,456.29	4,119.26
Other expenses	23	16,733.55	15,438.75
<b>Total expenses (II)</b>		<b>70,043.17</b>	<b>82,512.84</b>
<b>Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)</b>		<b>7,520.95</b>	<b>7,407.77</b>
Depreciation and amortisation expense	11	3,236.25	3,216.87
Less: Transferred from General reserve (Refer Note 2(b))		-	6.29
		3,236.25	3,210.58
Finance costs	24	3,601.43	3,709.55
<b>Profit before tax</b>		<b>683.27</b>	<b>487.64</b>
<b>Tax expense</b>			
Current tax		170.21	102.35
Mat credit		(170.21)	(102.35)
Deferred tax		227.21	103.73
<b>Total tax expenses</b>		<b>227.21</b>	<b>103.73</b>
<b>Profit after tax</b>		<b>456.06</b>	<b>383.91</b>
<b>Earnings per share</b>			
Basic (in Rs.)	25	0.57	0.61
Diluted (in Rs.)	25	0.57	0.57
{Nominal value per share Rs. 5 (previous year Rs. 5)}			
Summary of significant accounting policies	2		

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Atul Seksaria**

Partner

Membership no. 086370

Place : New Delhi

Date : May 25, 2016

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

**Arvind Singhania**

Chairman & CEO

DIN : 00934017

**Pradeep Kumar Rustagi**

Executive Director & CFO

DIN : 00879345

**Diwaker Dinesh**

Company Secretary

M.No.:A22282

**CASH FLOW STATEMENT** for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) before tax	683.27	487.64
Adjustments for:		
Depreciation/Amortisation	3,236.25	3,210.58
Loss on fixed assets sold/discarded (net)	21.75	6.93
Interest expense	3,173.41	3,276.02
Interest income	(185.91)	(180.94)
Premium on forward contracts amortised	(25.80)	42.06
Unrealized foreign exchange loss (net)	(28.34)	(40.90)
Bad debts, advances and irrecoverable balances written off (net)	157.93	33.38
Provision for obsolete inventories	131.82	-
Loss on sale of investment	0.28	34.45
Profit on sale of Investment	(11.39)	(1.34)
Provisions / liabilities no longer required written back	(139.90)	(15.63)
<b>Operating profit before working capital changes</b>	<b>7,013.37</b>	<b>6,852.25</b>
<b>Movements in working capital :</b>		
Decrease / (Increase) in trade receivables	428.12	618.96
Decrease / (Increase) loans and advances/other current assets	111.96	(52.09)
Decrease / (Increase) in inventories	(202.03)	(355.79)
Increase/ (Decrease) in trade & other payables/ provisions	911.50	(153.16)
Cash generated from operations	8,262.92	6,910.17
Direct taxes paid	(120.82)	(141.36)
<b>Net cash flow from operating activities</b>	<b>8,142.10</b>	<b>6,768.81</b>
Impact of scheme of amalgamation relating to earlier period (refer note 41)	-	-
<b>Net cash flow from operating activities (a)</b>	<b>8,142.10</b>	<b>6,768.81</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,370.46)	(3,661.20)
Sale of fixed assets	46.55	51.04
Deposits	(154.30)	(3,602.83)
Proceeds of deposits matured	304.83	3,495.14
Purchase of investment	(336.01)	(61.95)
Sale of investment	307.40	38.83
Interest received	182.61	177.44
<b>Net cash flow from / (used) in investing activities (b)</b>	<b>(2,019.38)</b>	<b>(3,563.53)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from short term borrowings	(2,550.71)	6.50
Proceeds from long term borrowings	2,236.66	7,322.93
Repayment of long term borrowings	(5,606.28)	(6,054.01)
Money received against share warrants	-	524.24
Issue of share capital	1,571.51	-
Interest Paid	(3,180.90)	(3,285.70)
Dividend Paid	(5.99)	(359.20)
<b>Net cash flow from / (used) in financing activities (c)</b>	<b>(7,535.71)</b>	<b>(1,845.24)</b>
<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>(1,412.99)</b>	<b>1,360.04</b>
Cash and cash equivalents at the beginning of the year	1,619.85	259.81
Cash and cash equivalents acquired under scheme of amalgamation	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>206.86</b>	<b>1,619.85</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	15.54	9.18
Balances with scheduled banks :		
- On current Accounts	127.01	1,540.37
- On term deposits	586.53	737.06
- On unpaid dividend accounts*	64.31	70.30
<b>Cash &amp; bank balances</b>	<b>793.39</b>	<b>2,356.91</b>
<b>Less: fixed deposits not considered as cash and cash equivalents</b>		
- Deposit pledged with banks	-	62.34
- Deposit having maturity period more than 3 months	586.53	674.72
	<b>206.86</b>	<b>1,619.85</b>

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

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

**per Atul Seksaria**  
Partner  
Membership no. 086370

**Arvind Singhania**  
Chairman & CEO  
DIN : 00934017

**Pradeep Kumar Rustagi**  
Executive Director & CFO  
DIN : 00879345

Place : New Delhi  
Date : May 25, 2016

**Diwaker Dinesh**  
Company Secretary  
M.No.:A22282

**NOTES TO FINANCIAL STATEMENT** for the year ended March 31, 2016**1. Nature of operations**

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

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

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

**b) Change in accounting policy****Component Accounting**

The company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the company has changed the manner of depreciation for its fixed asset. Now, the company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

The company has also changed its policy on recognition of cost of major inspection/ overhaul. Earlier company used to charge such cost of major inspection/ overhaul directly to statement of profit and loss, as incurred. On application of component accounting, the major inspection/ overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/ overhaul is depreciated separately over the period till next major inspection/ overhaul. Upon next major inspection/ overhaul, the costs of new major inspection/ overhaul are added to the asset's cost and any amount remaining from the previous inspection/ overhaul is derecognized.

Had the company continued to use the earlier policy of depreciating fixed asset, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been lower by Rs 45.59 lacs. Profit for the current period would have been higher by Rs 45.59 lacs (net of tax impact of Rs 30.51 lacs). Fixed asset would correspondingly have been higher by Rs 45.59 lacs.

**c) Use of estimates**

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

**d) Tangible fixed assets**

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

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

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

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

**e) Depreciation**

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

	Useful lives estimated by the management(years)
Factory buildings*	2 to 29.94
Administrative Buildings	12 to 61.35
Plant and machinery*	2 to 40
Furniture and fixtures*	15.79
A.C. & Refrigeration	10
Office equipment*	10
Computers*	6.16
Vehicles	8
Batteries under UPS project (Plant and Machinery)*	5

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

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

**f) Intangibles**

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

Patent costs is capitalized in the year of acquisition. Patent is amortizes on a straight-line basis over its useful life, which is considered to be of a period of 5.26 years.

**g) Impairment of assets**

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

**h) Leases**

*Where the Company is the lessee*

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

**i) Investment**

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

**j) Inventories**

*Inventories are valued as follows:*

*Raw materials, components and stores & spares*

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

*Work-in-progress and finished goods*

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

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

**k) Revenue recognition**

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

*Sale of Goods*

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

*Export Benefit*

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

*Interest*

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

*Dividends*

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

*Policy for Insurance Claims*

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

**l) Foreign currency transactions**

*Initial Recognition*

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

### *Conversion*

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

### *Exchange Differences*

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

#### Forward Exchange Contracts not intended for trading or speculation purposes

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

### **m) Retirement and other employee benefits**

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

### **n) Income Taxes**

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

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

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

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

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

**o) Borrowing Costs**

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

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

**p) Provisions**

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

**q) Segment Reporting Policies**

*Identification of segments:*

*Primary Segment*

*Business Segment*

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

*Secondary Segment*

*Geographical Segment*

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

The geographical segments considered for disclosure are as follows:

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

*Inter Segment Transfers:*

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

*Allocation of common costs:*

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

*Unallocated items:*

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

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

**r) Cash and Cash Equivalents**

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

**s) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**t) Earnings Per Share**

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

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

**u) Measurement of EBITDA**

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

**3. Share capital**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Authorized shares (No.)</b>		
150,000,000 (previous year: 150,000,000) equity shares of Rs. 5/- each	7,500.00	7,500.00
47,960,000 (previous year: 47,960,000) equity shares of Rs. 10/- each	4,796.00	4,796.00
600,000 (previous year: 600,000) cumulative convertible preference shares of Rs. 50/- each	300.00	300.00
8,000,000 (previous year: 8,000,000) redeemable cumulative preference shares of Rs. 50/- each	4,000.00	4,000.00
<b>Issued, subscribed &amp; fully paid up shares (No.)</b>		
83,393,759 (previous year: 62,643,759) equity shares of Rs. 5/- each fully paid	<b>4,169.69</b>	<b>3,132.19</b>

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period**

	As at March 31, 2016	As at March 31, 2015
<b>No. of Shares outstanding at the beginning</b>	<b>62,643,759</b>	<b>62,893,706</b>
9,972,703 equity shares allotted pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company.	-	9,972,703
10,222,650 equity shares cancelled pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company.	-	10,222,650
20,750,000 equity shares allotted on conversion of Warrants	20,750,000	-
<b>No. of Shares Outstanding at the end of the period</b>	<b>83,393,759</b>	<b>62,643,759</b>

**b) Terms / rights attached to equity shares**

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

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.

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

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
Wilemina Finance Corp., holding company		
44,915,012 (previous year 44,915,012) equity shares of Rs. 5 each fully paid	2,245.75	2,245.75

**d) 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, 2016	As at March 31, 2015
9,972,703 equity shares allotted pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company.	498.64	498.64

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

	As at March 31, 2016 %	As at March 31, 2015 %
Wilemina Finance Corp., holding company		
44,915,012 (previous year 44,915,012) equity shares of Rs. 5 each fully paid	53.86	71.70
Vettel International Limited, Public Shareholder	24.88	Nil
20,750,000 (previous year Nil) equity shares of Rs. 5 each fully paid		

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, 2016	As at March 31, 2015
<b>Capital reserve</b>	<b>3,520.74</b>	<b>3,520.74</b>
<b>Capital redemption reserve</b>	<b>335.37</b>	<b>335.37</b>
<b>Securities premium account</b>		
Balance as per last financial statements	5,062.76	5,062.76
Add: Premium increased on account of shares issued for warrants	1,058.25	-
<b>Closing balance</b>	<b>6,121.01</b>	<b>5,062.76</b>
<b>Revaluation reserve</b>		
Balance as per last financial statements	504.83	519.43
Less: Transferred to general reserve	14.61	14.60
<b>Closing balance</b>	<b>490.22</b>	<b>504.83</b>
<b>General reserve</b>		
Balance as per last financial statements	1,514.06	1,503.67

	As at March 31, 2016	As at March 31, 2015
Add: Transferred from revaluation reserve	14.61	14.60
Less: Depreciation adjustment (Refer Note 2(b))	-	4.21
	<b>1,528.67</b>	<b>1,514.06</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	12,701.31	12,317.40
Add: Profit for the year	456.06	383.91
<b>Net surplus in the statement of profit &amp; loss</b>	<b>13,157.37</b>	<b>12,701.31</b>
<b>Total reserve &amp; surplus</b>	<b>25,153.38</b>	<b>23,639.07</b>

## 5. Long-term borrowings

(Rs. In lacs)

	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>				
Term loans from banks	6,947.72	11,779.11	3,570.77	4,225.62
Term loans from financial institution	1,640.78	-	59.22	-
Vehicle loans	134.14	167.16	104.71	100.69
Buyers' credit for capital goods	979.83	534.22	-	-
	<b>9,702.47</b>	<b>12,480.49</b>	<b>3,734.70</b>	<b>4,326.31</b>
<b>Amount disclosed under the head "other current liabilities" (Refer note 10)</b>	-	-	(3,734.70)	(4,326.31)
<b>Total Long-term borrowings</b>	<b>9,702.47</b>	<b>12,480.49</b>	-	-

### I. Term loans

- a) **From Bank of India** of Rs. 378.00 lacs (previous year Rs. 450.00 lacs) for Engineering Plastics Extruder, Twin Screw Extruder for Film Plant # 1 and UPS is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder & UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company) and Personal Guarantee of Mr. Arvind Singhania. 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, 2016 is repayable in 12 quarterly installments starting from April 1, 2016
- b) **From Bank of India** of Rs. 1600.00 lacs (previous year Rs. 1900.00 Lacs) as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and Second Pari Passu charge on current assets and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the rate base rate plus 3.25% pa. The Corporate Loan is repayable in 20 quarterly installments starting from March 31, 2015. The outstanding amount as on March 31, 2016 is repayable in 16 quarterly installments starting from April 1, 2016.
- c) **From Bank of Baroda** of Rs. 750.00 lacs (previous year Rs.1000.00 lacs) as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and Second Pari Passu charge on current asstes and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the base rate plus 3.25% pa. The Corporate Loan is repayable in 20 quarterly installments starting from April 1, 2015. The outstanding amount as on March 31, 2016 is repayable in 15 quarterly installments starting from April 1, 2016.

- d) **From Union Bank of India** of Rs. 420.75 lacs (previous year Rs.607.75 lacs) for Metalizer Project is secured by first exclusive charge by way of hypothecation of Metalizing Unit and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2013. The outstanding amount as on March 31, 2016 is repayable in 9 quarterly installments starting from April 1, 2016.
- e) **From Union Bank of India** of Rs. 714.79 lacs (previous year Rs. 934.79 lacs) for Bio Mass (Husk) fuelled Thermic Fluid Heater is secured by first exclusive charge by way of hypothecation of Bio Mass (Husk) fuelled Thermic Fluid Heater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2014. The outstanding amount as on March 31, 2016 is repayable in 13 quarterly installments starting from April 1, 2016.
- f) **From State Bank of Bikaner and Jaipur** of Rs. 250.65 lacs (previous year Rs. 754.65 lacs) is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from December 2011. The outstanding amount as on March 31, 2016 is repayable in 2 quarterly installments starting from April 1, 2016.
- g) **From Karnataka Bank** of Rs. NIL (previous year Rs. 392.83 lacs) towards reimbursement of cost of certain machinery already purchased / certain other machineries to be purchased was secured by hypothecation of certain plant & machinery purchased / to be purchased at factory premises at Uttarakhand and equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed there upon in Gurgaon as Collateral security and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). Sanction amount and disbursed amount of the Term Loan were Rs. 480 Lacs and Rs. 432.85 Lacs respectively. The term loan was bearing floating interest at the base rate plus 2.25% pa. Entire outstanding loan has been paid and No Dues Certificate for the same has been issued by Karnataka Bank.
- h) **From Karnataka Bank** of Rs. Nil (previous year Rs. 1016.00 lacs) was taken over from Bank of Baroda. The term loan was secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company).The term loan was bearing floating interest at the base rate plus 2.25% pa. The term loan was repayable in 45 months or period remaining outstanding with Bank of Baroda i.e 41 months whichever is less. Accordingly terminal date of repayment of the term loan was 31st March 2018 with monthly installments starting from October 25, 2014. Entire outstanding loan has been paid and No Dues Certificate for the same has been issued by Karnataka Bank
- i) **From Karnataka Bank** of Rs. Nil (previous year Rs. 403.27 lacs) towards reimbursement of extra cost incurred towards construction of Corporate Office building was secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). Sanctioned & disbursed amount of the Term Loan was Rs. 440.00 lacs. The term loan was bearing floating interest at the base rate plus 2.25% pa. The term loan was repayable in 72 months with monthly installments starting from October 25, 2014. Entire outstanding loan has been paid and No Dues Certificate for the same has been issued by Karnataka Bank.
- j) **From Tata Capital Financial Servises Ltd** of Rs. 1700.00 lacs (previous year Rs. Nil) has been sanctioned for repayment of outstanding dues of Karnataka Bank and augmentation of Working Capital. The term loan is secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and first & Exclusive charge over the hypothecation of certain plant & machinery installed at factory premises at Uttarakhand and further secured by Personal Guarantee of Mr. Arvind Singhania. The term loan bears floating interest at the LTLR minus 6.50% pa. Out of Rs. 1700 lacs, Rs. 100 lacs is repayable in 53 months with terminal date of repayment being 24th August 2020 , monthly installments starting from April 24, 2016 and balance Rs. 1600 lacs is repayable in 60 months with terminal date of repayment being 24th March 2021 , monthly installments starting from October 24, 2016.
- k) **From consortium member banks namely Bank of India & Bank of Baroda** of Rs. 2562.19 lacs (previous year Rs. 3,419.33 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) and Personal Guarantee of Mr. Arvind Singhania. The term loans bear floating interest rate at the base rate plus 2.75% to 3.00% pa. These term loans are repayable in 28 quarterly installments starting from April 1, 2012. The outstanding amount as on March 31, 2016 is repayable in 12 quarterly installments starting from April 1, 2016.
- l) **From consortium member banks namely Union Bank of India, Canara Bank and State Bank of Bikaner & Jaipur** of Rs. 3842.12 lacs (previous year Rs. 5,026.12 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, 2016 is repayable in 12 quarterly installments starting from April 1, 2016.

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

**II. Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. Vehicle loans bears interest rates ranging from 8.25% to 13.50% pa. These loans are repayable in monthly installments till January 2020.

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

a) Buyers' Credit amounting to Rs. 979.83 lacs (previous year Rs. 534.22 lacs) are against LOUs / LOCs issued 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) and Personal Guarantee of Mr. Arvind Singhania.

Company has availed LOUs / LOCs facilities from the banks to avail the Buyers' Credit of Rs. 979.83 lacs (previous year - Rs. 534.22 Lacs). These LOU / LOC facilities are sanctioned to the company as a sub limit of term loans upto a period of 3 years till March 2018.

LOCs / LOUs facilities are sanctioned to the company as a sub limit of term loan, bears interest rate ranging from 0.45% to 1.53%. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable in 12 quarterly installments.

**6. Deferred tax liability**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,434.10	4,242.36
<b>Gross deferred tax liability</b>	<b>4,434.10</b>	<b>4,242.36</b>
<b>Deferred tax assets</b>		
Unabsorbed depreciation	1,273.43	1,433.38
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	362.40	237.92
<b>Gross deferred tax assets</b>	<b>1,635.83</b>	<b>1,671.30</b>
<b>Net deferred tax liability</b>	<b>2,798.27</b>	<b>2,571.06</b>

**7. Provisions**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Long term provisions</b>		
Provision for gratuity (refer note 29)	622.41	550.50
<b>Total long term provision</b>	<b>622.41</b>	<b>550.50</b>
<b>Short term provisions</b>		
Provision for taxation (net of advance tax payments)	62.32	60.30
Provision for wealth tax	-	2.87
Provision for gratuity (refer note 29)	58.12	20.59
Provision for leave benefits	188.89	163.17
<b>Total short term provision</b>	<b>309.33</b>	<b>246.93</b>
<b>Total provisions</b>	<b>931.74</b>	<b>797.43</b>

## 8. Short Term Borrowings

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>		
Working capital loan from banks	8,367.66	8,456.76
Bills discounting	3,888.02	4,557.60
Buyers' credit for raw material	2,385.41	2,904.31
Acceptances	3,545.84	4,837.23
<b>Total short term borrowings</b>	<b>18,186.93</b>	<b>20,755.90</b>

**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) and Personal Guarantee of Mr. Arvind Singhania. 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 2.50% to 3.00% pa. The bill discounting from banks bear floating interest rate ranging from 10.15% 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 0.93% to 1.53% pa.

## 9. Trade Payable

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Trade payables</b>		
Total outstanding dues of other than micro & small enterprises	2,308.58	1,913.76
Total outstanding dues of micro & small enterprises (refer note 33)	51.85	48.46
<b>Total trade payables</b>	<b>2,360.43</b>	<b>1,962.22</b>

## 10. Other liability

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
Current maturities of term loans from banks	3,570.77	4,225.62
Current maturities of term loans from body corporate	59.22	-
Current maturities of vehicle loans	104.71	100.69
Capital creditors	563.50	180.40
Interest accrued but not due on borrowings	35.75	43.24
Deposits from dealer / customer & others	18.63	8.63
Advances from customers	316.91	312.06
Investor education & protection fund will be credited by this amount (as & when due)	64.31	70.30
- Unpaid dividend		
Others payables		
- dues to statutory authorities	147.15	61.59
- others	730.07	632.83
<b>Total other liabilities</b>	<b>5,611.02</b>	<b>5,635.36</b>

**11. Fixed assets**

(Rs. in lacs)

Description	Gross block			Accumulated depreciation / amortisation			Net block		
	April 1, 2015	Additions	Deductions	March 31, 2016	April 1, 2015	Current year	Deductions	March 31, 2016	March 31, 2015
<b>Tangible assets:</b>									
Land - freehold (ii)	1,504.36	188.93	-	<b>1,693.29</b>	-	-	-	-	1,504.36
Buildings (ii)	7,901.26	189.69	-	<b>8,090.95</b>	2,107.24	256.83	-	<b>2,364.07</b>	5,794.02
Plant & machinery (i) & (ii)	67,199.42	885.73	305.24	<b>67,779.91</b>	35,729.19	2,711.56	257.05	<b>38,183.70</b>	31,470.23
Furniture & fixtures	410.33	71.90	-	<b>482.24</b>	105.75	28.25	-	<b>134.00</b>	304.58
Office equipments	669.79	103.91	2.62	<b>771.08</b>	379.98	81.09	2.16	<b>458.91</b>	289.81
Vehicles	829.28	93.25	31.87	<b>890.66</b>	308.39	107.44	12.20	<b>403.63</b>	520.89
<b>Intangible assets:</b>									
Software	455.58	5.45	-	<b>461.03</b>	406.84	24.48	-	<b>431.32</b>	48.74
Patent	-	332.41	-	<b>332.41</b>	-	26.59	-	<b>26.59</b>	-
<b>Total</b>	<b>78,970.02</b>	<b>1,871.27</b>	<b>339.73</b>	<b>80,501.57</b>	<b>39,037.39</b>	<b>3,236.25</b>	<b>271.41</b>	<b>42,002.22</b>	<b>39,932.63</b>
<b>Previous year</b>	<b>74,894.42</b>	<b>4,208.45</b>	<b>132.85</b>	<b>78,970.02</b>	<b>35,895.40</b>	<b>3,216.87</b>	<b>74.88</b>	<b>39,037.39</b>	<b>38,999.02</b>

(i) (a) Amount of borrowing cost aggregating Rs. 148.26 lacs (Previous year Rs. 271.80 lacs) have been capitalised during the year.

Plant & Machinery - Rs. 148.26 lacs (previous year Rs. 271.80 lacs)

(b) Foreign Exchange Fluctuation aggregating Rs. 64.68 lacs on plant & machinery (Previous year 38.80 lacs(de-capitalized)) 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. Investments

(Rs. In lacs)

Non-current Investments	As at March 31, 2016	As at March 31, 2015
<b>A. Other than trade - quoted (valued at cost unless stated otherwise)</b>		
<b>Equity shares</b>		
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Limited	0.04	0.04
- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Enterprises Limited	0.03	0.03
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Haryana Petrochemicals Limited	0.04	0.04
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Sanghi Polyester Limited	0.08	0.08
- 360 (previous year 360) equity shares of Rs.5 each fully paid up in Venlon Enterprises Limited	0.10	0.10
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Limited	0.11	0.11
	<b>0.40</b>	<b>0.40</b>
<b>Less: Provision for diminution in the value of investments</b>	0.22	0.22
	0.18	0.18
<b>B. Other than trade - unquoted (valued at cost unless stated otherwise)</b>		
Preference shares		
- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up JSW Ispat Steel Limited	4.78	4.78
	4.78	4.78
<b>Less : Provision for diminution in the value of investment JSW Ispat Steel Limited</b>	3.25	3.25
	<b>1.53</b>	<b>1.53</b>
<b>C. In subsidiary companies (valued at cost unless stated otherwise)</b>		
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 )	9.69	9.69
<b>Less : Provision for diminution in the value of investment</b>	9.69	9.69
	-	-
	<b>1.71</b>	<b>1.71</b>
Aggregate amount of quoted investments (net of provision)	0.18	0.18
Aggregate amount of unquoted investments (net of provision)	1.53	1.53
<b>Total non-current investment net of provisions</b>	<b>1.71</b>	<b>1.71</b>

Current investments (valued at lower of cost and fair value, unless stated otherwise)	As at March 31, 2016	As at March 31, 2015
45,775.389 (previous year NIL) units of SBI- Corporate Bond Fund - Regular plan - Growth of Rs. 10.00 each fully paid up	10.00	-
99,990.00 (previous year NIL)units of BOI AXA- capital protection oriented Fund of Rs. 10.00 each fully paid up	10.00	-
1150.91 (previous year NIL) units of BOI AXA- Liquid Fund - Direct Plan - Growth of Rs. 1737.76 each fully paid up	20.00	-
<b>Less: provision for diminution in the value of Investments</b>	0.28	-
<b>Total Current investment net of provisions</b>	<b>39.72</b>	<b>-</b>
Aggregate amount of quoted investments (market value Rs. 40.71 lacs, (previous year Rs. NIL) (net of provision)		

**13. Loans & advances**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	89.47	346.31
Prepaid expenses	31.15	43.63
Deposits-others	553.33	517.62
Loans and advances to related parties (Refer note 34)	67.89	67.89
<b>Total (A)</b>	<b>741.84</b>	<b>975.45</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Advances recoverable in cash or in kind or for value to be received	555.47	860.63
Prepaid expenses	349.10	348.92
Advance tax & tax deducted at source (net of provision of tax)	126.43	173.80
MAT credit entitlement	571.54	401.33
Balances with statutory / Government authorities	297.15	268.48
Loans to employees	66.75	57.67
<b>Unsecured, considered doubtful</b>		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	<b>1,998.35</b>	<b>2,142.74</b>
Less: provision for doubtful advances	31.91	31.91
<b>Total (B)</b>	<b>1,966.44</b>	<b>2,110.83</b>
<b>Total (A+B)</b>	<b>2,708.28</b>	<b>3,086.28</b>

**14. Other assets**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Other bank balances (refer note 17)	13.46	66.84
<b>Total other non-current assets</b>	<b>13.46</b>	<b>66.84</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	29.34	12.30
Interest receivable on fixed deposits	30.20	26.90
Export benefit receivable	400.72	293.99
Unamortized premium on forward contracts	10.30	19.47
	<b>470.56</b>	<b>352.66</b>
Less: provision for doubtful Export benefit receivable	4.34	-
<b>Total other current assets</b>	<b>466.22</b>	<b>352.66</b>
<b>Total other assets</b>	<b>479.68</b>	<b>419.50</b>

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

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
Raw materials {including stock in transit Rs. 1,092.63 lacs (previous year Rs. 1,500.34 lacs)}	4,957.31	5,813.10
Work in process	1,017.65	611.00
Finished goods {including stock in transit Rs. 1,283.05 lacs (previous year Rs. 1,140.65 lacs)}	5,791.26	5,129.27
Stores and spares {including stock in transit Rs. 12.43 lacs (previous year Rs. 21.43 lacs)}	1,070.82	1,213.47
<b>Total inventories</b>	<b>12,837.04</b>	<b>12,766.84</b>

## 16. Trade receivables

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Un-secured, considered good	57.43	200.55
Doubtful	187.92	45.54
	245.35	246.09
Less: Provision for doubtful trade receivables	187.92	45.54
<b>Total (A)</b>	<b>57.43</b>	<b>200.55</b>
<b>Other receivables</b>		
Un-secured, considered good	11,163.05	11,591.75
<b>Total (B)</b>	<b>11,163.05</b>	<b>11,591.75</b>
<b>Total (A+B)</b>	<b>11,220.48</b>	<b>11,792.30</b>

## 17. Cash and bank balances

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Cash and cash equivalents</b>		
Cash on hand	15.54	9.18
Balances with banks in current accounts	127.01	1,540.37
Unpaid dividend accounts *	64.31	70.30
<b>Total (A)</b>	<b>206.86</b>	<b>1,619.85</b>
<b>Other bank balance</b>		
Short term deposits pledged	-	62.34
Deposits with maturity of more than 3 months but up to 12 months	342.21	301.66
Deposits with original maturity of more than 12 months	244.32	373.06
<b>Total (B)</b>	<b>586.53</b>	<b>737.06</b>
<b>Total Cash &amp; Bank Balance (A+B)</b>	<b>793.39</b>	<b>2,356.91</b>
Less:- Amount disclosed under non-current assets (refer note 14)	(13.46)	(66.84)
<b>Cash &amp; Bank Balance</b>	<b>779.93</b>	<b>2,290.07</b>

\* 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, 2016	For the year ended March 31, 2015
Sale of products	83,216.68	97,503.96
Other operating revenue	842.90	810.87
<b>Revenue from operations (gross)</b>	<b>84,059.58</b>	<b>98,314.83</b>
Less: Excise duty	6,977.62	8,688.07
<b>Revenue from operations (net)</b>	<b>77,081.96</b>	<b>89,626.76</b>

Excise duty on sales amounting to Rs. 6,977.62 lacs (previous year Rs. 8,688.07 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/(decrease) of stock Rs.89.77 lacs (previous year Rs. 7.48 lacs) has been considered as (income) / expenses in note 23 of the financial statements.

**Other operating revenue comprises the following income:**

(Rs. In lacs)

Other operating revenue	For the year ended March 31, 2016	For the year ended March 31, 2015
Sales of scrap	54.87	43.24
Export incentive from FMS/MEIS	283.39	203.95
Drawback earned	504.64	563.68
	<b>842.90</b>	<b>810.87</b>

**Details of goods sold**

	2015-16		2014-15	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	2,940	2,249.56	19,133	16,776.00
Speciality polymers	3,540	6,753.90	1,237	2,061.74
Polyester films	48,967	56,700.96	43,594	59,120.45
Engineering plastics	10,948	17,445.34	11,510	19,406.16
Others		66.92		139.61
<b>Total</b>		<b>83,216.68</b>		<b>97,503.96</b>

**19. Other income**

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on:		
- Fixed deposits {tax deducted at source Rs. 5.75 lacs (previous year Rs. 6.23 lacs)}	58.27	63.49
- Trade receivable {tax deducted at source Rs. 4.40 lacs (previous year Rs. 3.96 lacs)}	72.43	75.73
- Others {tax deducted at source Rs. 4.42 lacs (previous year Rs. 4.17 lacs)}	55.21	41.72
Insurance claim	19.79	36.94
Profit on sale of investments	11.39	1.34
Dividend	0.01	-
Provisions / liabilities no longer required written back	139.90	15.63
Premium on forward contract amortised	25.80	-
Miscellaneous income	99.36	59.00
<b>Total other income</b>	<b>482.16</b>	<b>293.85</b>

**20. Cost of raw material consumed**

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost of raw material consumed	49,921.97	62,581.13
<b>Total</b>	<b>49,921.97</b>	<b>62,581.13</b>

**Details of raw material consumed**

	2015-16		2014-15	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
PTA	49,267.35	23,343.11	55,861.29	32,641.14
MEG	19,732.86	10,616.27	21,911.70	13,548.59
PBT chips	5,688.98	5,582.39	6,387.86	7,517.35
NYLON	2,903.42	3,662.53	2,586.26	3,648.01
BUTANE DIOL	456.67	582.21	133.51	211.47
NDC	2.44	9.41	1.75	6.44
Others		6,126.05		5,008.13
<b>Total</b>		<b>49,921.97</b>		<b>62,581.13</b>

## Inventory of Raw material

(Rs. In lacs)

	2015-16	2014-15
	Value (Rs. in lacs)	Value (Rs. in lacs)
PTA	476.90	696.59
MEG	423.32	341.58
PBT chips	1,226.69	1,652.30
NYLON	503.35	661.33
BUTANE DIOL	11.18	11.78
Others	2,315.87	2,449.52
	<b>4,957.31</b>	<b>5,813.09</b>

## 21. (Increase) / Decrease in Inventories

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015	(Increase) / Decrease
Closing stock			
- Finished goods	5,791.26	5,129.27	661.99
- Work in process	1,017.65	611.00	406.65
	<b>6,808.91</b>	<b>5,740.27</b>	<b>1,068.64</b>
Opening stock			
- Finished goods	5,129.27	5,434.13	(304.86)
- Work in process	611.00	679.84	(68.84)
	<b>5,740.27</b>	<b>6,113.97</b>	<b>(373.70)</b>
<b>Total (Increase) / Decrease</b>	<b>(1,068.64)</b>	<b>373.70</b>	

## Inventory of finished goods

	2015-16		2014-15	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	1,250.90	748.50	904.50	683.32
Speciality Polymers	853.04	988.63	499.76	682.53
Polyester films	1,622.50	1,588.76	1,446.29	1,696.31
Engineering plastics	1,164.67	1,579.98	901.87	1,320.43
Recycled polyester chips	977.14	885.39	799.97	746.68
		<b>5,791.26</b>		<b>5,129.27</b>

## Inventory of work in progress

	2015-16	2014-15
	Value (Rs. in lacs)	Value (Rs. in lacs)
Polyester chips	168.91	94.39
Speciality Polymers	84.89	54.75
Polyester films	572.74	361.85
Engineering plastics	191.11	100.01
	<b>1,017.65</b>	<b>611.00</b>

## 22. Employee benefit expenses

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages & bonus	3,530.72	3,220.08
Contribution to provident and other funds	290.80	271.61
Gratuity (refer note 29)	125.94	106.89
Staff welfare expenses	508.83	520.68
	<b>4,456.29</b>	<b>4,119.26</b>

**23. Other Expenditure**

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Manufacturing expenses</b>		
Consumption of stores and spare parts	1,272.70	1,120.35
Consumption of packing material	1,724.24	1,654.69
Power & fuel	6,292.76	6,025.86
Material handling charges	452.54	400.80
Increase / (decrease) in excise duty on closing stock	89.77	7.48
<b>Total manufacturing expenses (A)</b>	<b>9,832.01</b>	<b>9,209.18</b>
<b>Selling expenses</b>		
Freight	2,656.35	2,856.83
Commission and brokerage (other than sole selling agents)	285.73	264.18
Discount, claims and rebates	268.56	143.57
Others	0.07	-
<b>Total selling expenses (B)</b>	<b>3,210.71</b>	<b>3,264.58</b>
<b>Administration and other expenses</b>		
Rent	70.28	69.97
Rates and taxes	29.76	14.15
Insurance	259.28	253.06
Repairs & maintenance		
- Building	36.18	21.57
- Plant & machinery	220.73	193.18
- Others	185.39	189.50
CSR Expenditure	2.91	-
Travelling & conveyance	992.51	899.25
Communication costs	106.74	107.41
Legal & professional charges	619.87	415.03
Printing & stationery	27.10	30.24
Donations (other than political parties)	7.71	7.87
Directors sitting fees	4.40	4.90
Auditors' remuneration		
- Statutory audit fee	19.09	16.00
- Limited review fee	15.13	12.00
- Out of pocket expenses	0.68	1.16
Loss on fixed assets sold / discarded	21.75	6.93
Loss on sale of investments	0.28	34.45
Bad debts, advances & irrecoverable balances written off	153.59	33.38
Foreign exchange fluctuation loss (net)	131.82	18.47
Provision for doubtful Export benefit receivable	4.34	-
Provision for obsolete inventory	8.92	-
Premium on forward contract amortised	-	42.06
Miscellaneous expenses	772.37	594.41
<b>Total administrative &amp; other expenses (C)</b>	<b>3,690.83</b>	<b>2,964.99</b>
<b>Total other expenses (A+B+C)</b>	<b>16,733.55</b>	<b>15,438.75</b>

**24. Finance cost**

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest		
- on term loans	1,691.19	1,677.78
- on working capital	1,445.21	1,559.88
- on buyers' credit facilities	36.96	38.36
- on Statutory dues	0.05	3.44
Bank charges	428.02	430.09
	<b>3,601.43</b>	<b>3,709.55</b>

## 25. Earning per share (EPS)

	Year ended March 31, 2016	Year ended March 31, 2015
Net profit for calculation of basic /diluted EPS	456.06	383.91
Weighted average number of equity shares	80,332,284	62,643,759
Weighted average number of equity shares for calculating basic EPS	80,332,284	62,643,759
<b>Effect of dilution:</b>		
Share Warrants convertible in to equity shares	-	5,045,377
Weighted average number of equity shares for calculating diluted EPS	80,332,284	67,689,136
Basic EPS (in Rs.)	0.57	0.61
Diluted EPS (in Rs.)	0.57	0.57

## 26. Capital commitments

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	299.36	603.65

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

## 27. Contingent liabilities

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>(A) Excise Duty and Customs Duty pending hearing of appeals/writ petitions:</b>		
(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
<b>Total (A)</b>	<b>526.93</b>	<b>526.93</b>
<b>(B) Show cause notices related to Service Tax &amp; Excise rebate on export</b>	<b>13.54</b>	<b>13.54</b>
<b>(C) Income Tax:</b>		
(i) Disallowance of advertisement expenditure pursuant to rule 6B of IT rules, 1962 in the revised return of income which is based on the auditor's report in respect of A.Y. 1993-94 to 1997-98 by ITAT.	1.16	1.16

	As at March 31, 2016	As at March 31, 2015
(ii) Disallowance of club expenditure on the contention that they are not wholly and exclusively for the business needs of the company in respect of A.Y. 1993-94 to 1994-95 & A.Y. 2005-06 by ITAT.	0.47	0.47
(iii) Disallowance of 50% of entertainment expenses on the contention that there has been no participation of the employee for incurring such expenditure in respect of A.Y. 1993-94 to 1997-98 by ITAT.	5.10	5.10
(iv) Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68
(v) Demand of MAT (including interest) A.Y. 2004-05*	5.78	5.78
* Disallowances of expenses incurred on earning exempt income like dividend by invoking section 14A of the act by AO in respect of A.Y. 2004-05.		
* Disallowances of provision for doubtful debts and advances for computing book profits under section 115JB of the Act as they are in the nature of reserves as per assessing officer.		
* Disallowances of claim of profit under section 80HHC for computing book profits under section 115JB of the act on the contention that company should have adjusted unabsorbed business loss and depreciation with the profits of the business first before arriving at the deduction under section 80HHC of the Act. Since, the two exceed the current years profits, there can be no deduction under section 80HHC of the Act.		
(vi) Demand of MAT (including interest) A.Y. 2005-06@	11.16	11.16
@ Disallowance of carry forward of loss on sale of investment on which dividend income is earned which is exempt from tax by invoking section 94(7) of the Act.		
@ Disallowance of other expenses under MAT including foreign technician fees, unexplained investment.		
(vii) Liability in respect of disallowances of excess depreciation claimed by company, bonus provision, disallowance of expenses incurred on earning exempt income like dividend and interest by invoking section 14A of the Act in respect of A.Y. 2006-07 to A.Y. 2009-10.	11.66	11.66
(viii) Disallowances out of travelling exp and U/S 14A in respect of AY 2011-12	6.27	6.27
(ix) Disallowance u/s 14A , Rule 8D in respect of AY 2012-13 & 2013-14	0.22	0.15
<b>Total (C)</b>	<b>56.50</b>	<b>56.43</b>
<b>Total (D) = (A)+(B)+(C)</b>	<b>596.97</b>	<b>596.90</b>
<b>(E) Other claims not acknowledged as debts *</b>	<b>88.87</b>	<b>88.87</b>
<b>(F) Additional Bonus for FY 2014-15 due to Payment of Bonus (Amendment) Act, 2015**</b>	<b>22.87</b>	<b>-</b>
<b>(G) Bonds amounting to Rs 510 lacs executed in favour of Central Excise &amp; Customs Authorities, out of which, amount to be re-credited on receiving the proof of export is yet to be submitted.</b>	<b>271.85</b>	<b>229.13</b>
<b>(H) Amount of duty saved on import under advance license - corresponding export obligation pending is Rs.559.72 lacs (previous year Rs. 1,493.72 lacs)</b>	<b>29.28</b>	<b>34.95</b>

\* others claim not acknowledge as debts includes Rs 33.24 Lacs against which company has filed counter claim for Rs 661.26 lacs which is pending under arbitration in Delhi .

\*\* In view of the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, the Company has made a provision for incremental bonus for current financial year i.e. for 2015-16. Though the amendment was effective retrospectively from 1st April, 2014, the company on the legal advice has decided not to consider it on account of the interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

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

The company is involved in various litigation, the outcome which are considered probable and in respect of which the company has made aggregate provision of Rs. 185.22 lacs (Previous Year Rs. 185.22 lacs) as at March 31, 2016.

## 28. Directors' Remuneration

The shareholders of the Company had approved the remuneration of Mr. Arvind Singhania, Managing Director of the Company, vide Special Resolution passed through Postal Ballot on 20th May, 2015. However due to changed market condition, the profits of the Company during FY 2015-16 were inadequate for payment of remuneration to Mr. Arvind Singhania and the remuneration paid to Mr Arvind Singhania is in excess of the limit prescribed under Section 197, 198 read with Schedule V of the Companies Act, 2013. Such inadequacy of the profit was not determinable at the time of appointment. Therefore, the Company has made an application to the Central Government seeking its approval for the payment of remuneration in case of inadequacy of profit. The application is still under consideration with the Central Government. In case the Central Government does not provide the approval for the payment of remuneration/waiver of excess remuneration, Mr. Arvind Singhania will refund the excess remuneration to the Company.

The remuneration of Mr. Pradeep Kumar Rustagi was approved by the Shareholders vide Special Resolution passed through Postal ballot on 20th May, 2015. The remuneration paid to Mr Rustagi during FY 2015-16 is within the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

## 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, 2016	March 31, 2015
Current service cost	61.19	52.24
Interest cost on benefit obligation	44.26	46.62
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	20.49	8.02
Past service cost	-	-
<b>Net benefit expense</b>	<b>125.94</b>	<b>106.89</b>

### Balance sheet

Details of provision for Gratuity

(Rs. In Lacs)

	March 31, 2016	March 31, 2015
Defined benefit obligation	680.53	571.09
<b>Plan liability</b>	<b>680.53</b>	<b>571.09</b>

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

(Rs. In Lacs)

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	571.09	548.48
Interest cost	44.26	46.62
Current service cost	61.19	52.24
Benefits paid	16.50	84.27
Actuarial losses on obligation	20.49	8.02
<b>Closing defined benefit obligation</b>	<b>713.53</b>	<b>739.64</b>

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, 2016	March 31, 2015
	%	%
Discount rate	8.00	7.75
Increase in compensation cost	5.50	5.25
<b>Employee turnover – Age Group</b>		
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, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	680.53	571.09	548.48	469.60	410.24
Deficit	680.53	571.09	548.48	469.60	410.24
Experience adjustments on plan liabilities Loss/(Gain)	-	0.01	21.40	20.86	(30.33)

**Contribution to Defined Contribution Plans:**

(Rs. In lacs)

	March 31, 2016	March 31, 2015
Superannuation fund	67.87	70.06
Provident fund contribution to Government authority	74.17	90.07

**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, 2016 and March 31, 2015.

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, 2016	March 31, 2015
Projected benefit obligation at beginning of year	920.57	714.43
Current service cost	107.15	97.89
Interest cost	73.65	55.37
Contributions by plan participants / employees	134.44	115.80
Actuarial (gain) / loss due to interest guarantee	16.35	12.50
Benefits paid	(65.60)	(81.75)
Past service cost	-	-
Settlements / Transfer In	55.55	6.34
Projected benefit obligation at end of year	1,242.12	920.57

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

(Rs. In lacs)

<b>Reconciliation of Plan Assets</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Plan asset at beginning of year	966.90	761.40
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Expected return on plan asset	85.09	66.62
Employer contribution	107.15	97.89
Plan participants / employee contribution	134.44	115.80
Benefit payments	(65.60)	(81.75)
Asset gain / (loss)	10.13	0.60
Settlements / Transfer In	55.55	6.34
Ending asset at fair value	1,293.66	966.90

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

<b>Economic Assumptions</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
i) Interest rate	8.80%	8.75%
ii) Expected shortfall in Interest earning on the fund	0.05%	0.00%

<b>Demographic Assumptions</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
i) Mortality	IALM (2006-08)	IALM (2006-08)
ii) Disability	None	None
iii) Normal Retirement Age	58	58

### 30. Leases:

The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed under the lease agreement and there are no subleases. The company have paid Rs. 70.28 lacs (previous year Rs. 69.97 lacs) towards operating lease rentals.

### 31. Forward contract outstanding as at Balance sheet date:

Particulars	Currency	As at March 31, 2016	As at March 31, 2015	Purpose
Purchase - Buyers' Credit Raw Material	USD	1,501,765	63,000	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
Sales	USD	1,933,453	1,769,427	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, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Import Creditors (including acceptances)	SGD	730.00	-	48.94	-	0.36	-
	GBP	6,050.00	-	95.14	-	5.76	-
	USD	2,603,299.00	4,322,526.05	66.37	62.53	1,727.81	2,702.88
Export trade receivables	Euro	71,003.06	241,401.63	75.05	67.14	53.29	162.08
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	260,977.50	260,977.50	66.33	62.49	173.11	163.08
	Euro	1,074,200.00	552,200.00	75.10	67.19	806.72	371.02
- For Raw material	USD	1,224,730.79	2,887,003.62	66.33	62.49	812.36	1,804.09
	JPY	11,325,000.00	-	59.06	-	66.89	-
	Euro	679,240.03	1,578,879.43	75.10	67.19	510.11	1,060.85

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

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
i) The principal amount & the interest due thereon remaining unpaid to any supplier as at the end of year		
Principal Amount	51.85	48.46
Interest Due thereon	-	-
ii) Payments made to supplier beyond the appointed day during the year		
Principal	601.16	700.84
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
<b>Names of related parties where control exists</b>	
- Ultimate Holding Company	- Goldring Investments Corp.
- Holding Company	- Wilemina Finance Corporation
- Subsidiary Company	- Ester International USA Limited (EIUL)
<b>Key Management Personnel.</b>	- Mr. Arvind Singhania (Chairman & CEO)
	- Mr. Pradeep Kumar Rustagi (Executive Director & CFO)
<b>Relatives of Key Management Personnel.</b>	- Mr. Ayush Vardhan Singhania (Son of Mr. Arvind Singhania)
	- Mr. Jai Vardhan Singhania (Son of Mr. Arvind Singhania)
<b>Individuals, which directly or indirectly through subsidiaries, control or exercise significant influence over the company.</b>	- Mr. Arvind Singhania (Chairman & CEO)
<b>Enterprises owned or significantly influenced by Key management personnel or their relatives</b>	- Fenton Investments Private Limited
	- PDJ Properties & Investment Services Private Limited

## b) Related party transaction

(Rs. in lacs)

Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>Transactions during the year</b>						
<b>Managerial Remuneration</b>						
Arvind Singhania	-	-	148.66	-	-	148.66
	-	-	(110.73)	-	-	(110.73)
Pradeep Kumar Rustagi	-	-	82.95	-	-	82.95
	-	-	(94.31)	-	-	(94.31)
<b>Rent Paid</b>						
Fenton Investments Pvt. Ltd.	-	-	-	-	20.54	20.54
	-	-	-	-	(20.22)	(20.22)
<b>Salary Paid</b>						
Ayush Vardhan Singhania	-	-	-	39.14	-	39.14
	-	-	-	(30.68)	-	(30.68)
Jai Vardhan Singhania	-	-	-	39.20	-	39.20
	-	-	-	(15.00)	-	(15.00)
<b>Education, Training &amp; Development*</b>						
Ayush Vardhan Singhania	-	-	-	-	-	-
	-	-	-	(73.02)	-	(73.02)
<b>Balances Outstanding as at year end</b>						
Ester International USA Limited	-	60.00	-	-	-	60.00
	-	(60.00)	-	-	-	(60.00)
<b>Balance Recoverable</b>						
Ester International USA Limited	-	67.89	-	-	-	67.89
	-	(67.89)	-	-	-	(67.89)
<b>Security deposit</b>						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
<b>Guarantees given against Loans Taken (jointly and severally) by the Company</b>						
- Wilemina Finance Corporation	29,685.25	-	-	-	-	29,685.25
	(37,294.86)	-	-	-	-	(37,294.86)
- Arvind Singhania	-	-	26,156.95	-	-	26,156.95
	-	-	(2,900.00)	-	-	(2,900.00)

- Previous year figures are given in bracket.

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

## 35. Capitalization of expenditure:

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

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages & bonus	28.33	21.92
Finance costs	148.26	271.8
	<b>176.59</b>	<b>293.72</b>

### 36. Segment Reporting

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

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

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

#### A. Segment Disclosure

(Rs. In lacs)

Particulars	Polyester Film		Engineering Plastics			Total
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>REVENUE</b>						
External sales	61,566.99	72,296.14	15,514.96	17,330.62	77,081.96	89,626.76
Inter segment sale	-	-	-	-	-	-
<b>Total revenue</b>	<b>61,566.99</b>	<b>72,296.14</b>	<b>15,514.96</b>	<b>17,330.62</b>	<b>77,081.96</b>	<b>89,626.76</b>
<b>SEGMENT RESULT</b>	<b>7,386.97</b>	<b>6,637.24</b>	<b>1,155.96</b>	<b>1,248.54</b>	<b>8,542.93</b>	<b>7,885.77</b>
Unallocated corporate expenses					4,740.40	3,982.44
<b>Operating Profit</b>					<b>3,802.53</b>	<b>3,903.33</b>
Finance costs					3,601.43	3,709.55
Other income					482.16	293.85
<b>Profit Before Tax / (Loss)</b>					<b>683.27</b>	<b>487.63</b>
Income taxes					227.21	103.73
<b>Net Profit / (Loss)</b>					<b>456.06</b>	<b>383.91</b>
<b>OTHER INFORMATION</b>						
Segment assets	43,805.44	43,340.49	10,355.52	11,205.79	54,160.96	54,546.29
Unallocated corporate assets					14,752.97	16,932.13
<b>Total assets</b>					<b>68,913.93</b>	<b>71,478.42</b>
Segment liabilities	4,719.75	4,234.84	1,978.82	3,007.57	6,698.57	7,242.41
Unallocated corporate liabilities					32,892.29	36,940.52
<b>Total liabilities</b>					<b>39,590.87</b>	<b>44,182.93</b>
Capital expenditure	1,493.84	914.48	102.46	137.52	1,596.30	1,052.00
Unallocated Capital expenditure					774.16	2,479.40
<b>Total Capital expenditure</b>					<b>2,370.45</b>	<b>3,531.40</b>
Depreciation/Amortisation	2,643.26	2,735.23	173.52	132.10	2,816.78	2,867.32
Unallocated Depreciation/Amortisation					419.47	343.26
<b>Total Depreciation/Amortisation</b>					<b>3,236.25</b>	<b>3,210.58</b>
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation					132.15	16.89
<b>Total Non-cash expenses other than depreciation and amortisation</b>					<b>132.15</b>	<b>16.89</b>

## B. INFORMATION ABOUT SECONDARY SEGMENTS

a) Revenue as per Geographical Markets (Rs. in lacs)

	March 31, 2016	March 31, 2015
India *	54,587.19	69,854.52
Outside India	22,494.77	19,772.24
<b>Total</b>	<b>77,081.96</b>	<b>89,626.76</b>

\* Includes Deemed export within India

b) Carrying amount of Segment Assets (Trade receivable) by geographical location of assets (Rs. in lacs)

	March 31, 2016	March 31, 2015
India	6,940.77	8,142.73
Outside India	4,279.71	3,649.57
<b>Total</b>	<b>11,220.48</b>	<b>11,792.30</b>

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

c) Capital expenditure by geographical location of assets

	March 31, 2016	March 31, 2015
India	2,370.45	3,531.40
Outside India	-	-
<b>Total</b>	<b>2,370.45</b>	<b>3,531.40</b>

37. Value of imports calculated on CIF basis (Rs. in lacs)

	March 31, 2016	March 31, 2015
Raw Materials	9,927.01	15,196.15
Stores & Spare Parts	534.96	545.02
Capital Goods	888.76	571.49
<b>TOTAL</b>	<b>11,350.73</b>	<b>16,312.66</b>

38. Earning in foreign currency: (Rs. in lacs)

	March 31, 2016	March 31, 2015
FOB value of export of goods , R&D Charges & misc. income received	22,016.45	19,057.23
<b>Total</b>	<b>22,016.45</b>	<b>19,057.23</b>

(FOB Value of Exports does not include Deemed Exports of Rs. 92.74 lacs (previous year Rs.513.45 lacs).)

39. Imported and indigenous raw material and spare parts consumed (Rs. In lacs)

	March 31, 2016		March 31, 2015	
	Percentage	Value	Percentage	Value
<b>Raw Material</b>				
Imported	25.31	12,633.18	27.35	17,112.93
Indigenous	74.69	37,288.79	72.65	45,468.20
<b>Total</b>	<b>100.00</b>	<b>49,921.97</b>	<b>100.00</b>	<b>62,581.13</b>
<b>Stores &amp; spares</b>				
Imported	45.31	576.65	53.47	599.04
Indigenous	54.69	696.05	46.53	521.31
<b>Total</b>	<b>100.00</b>	<b>1,272.70</b>	<b>100.00</b>	<b>1,120.35</b>

40. Expenditure in foreign currency: (Rs. in lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Bank charges	35.18	38.92
Legal & professional	28.25	20.90
Expense on foreign technicians	32.89	23.04
Commission and brokerage	163.29	174.28
Traveling expenses	121.69	99.83
Discount, claims and rebates	60.36	57.94
Miscellaneous expenses	22.66	31.93
<b>Total</b>	<b>464.32</b>	<b>446.84</b>

41. In the Board Meeting held on 25th May, 2015, the Company has allotted 2,07,50,000 Equity Shares of Rs. 5/- each (face value) fully paid at a price of Rs. 10.10 each including premium of Rs. 5.10/- each (the Equity Shares) to Vettel International Limited, a Non-Promoter entity, pursuant to conversion of 2,07,50,000 Zero Coupon Warrants of Rs. 10.10 each (the Warrants) in compliance with the Companies Act, 1956 and SEBI Regulations. The company had already obtained approvals from Shareholders, Stock Exchanges and FIPB. During the month of May, 2015, the Company had received an amount of Rs. 1587.02 Lacs towards 75% of the total amount of the Warrants required for the conversion of the Warrants into Equity Shares. The Company had already received 25% of the total amount of the Warrants during FY 2014-15.

The Company has obtained listing approvals of the Equity Shares from both the Stock Exchanges viz Bombay Stock Exchange and National Stock Exchange in the month of June, 2015.

42. Pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee has adopted a Corporate Social Responsibility Policy. As per Section 135(5) of the Act, the Company needs to ensure that at least 2% of the average net profit of preceding 3 (three) financial years is spent on CSR activities as mentioned in CSR Policy. The prescribed amount to be spent on CSR during FY 2015-16 was Rs. 7.47 Lacs being 2% of the average net profit of preceding three financial years (2012-13, 2013-14 and 2014-15).

As against obligation to spend Rs. 7.47 lacs on CSR during FY 2015-16, the Company has spent only Rs. 2.90 lacs and carried forward unspent amount of Rs. 4.57 Lacs for spending on CSR activities during FY 2016-17. The Company observed that obligated amount of Rs. 7.47 lacs was not large enough to make any worthwhile impact on the society. The Company feels that brought forward amount of Rs. 4.57 lacs together with obligation of Rs. 17.29 lacs, would be large enough to make positive impact on the society and accordingly has decided to spend Rs. 21.86 lacs during the FY 2016-17 on CSR activities.

**Details of CSR expenditure**

(Rs. In lacs)

	March 31, 2016			March 31, 2015
A- Gross amount required to be spent by the company during the year	7.47			Nil
	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>	
B- Amount spent during the year ending on 31st March 2016				
(i) Promoting education by providing educational materials, school bags, furniture to a primary School	2.03	Nil	2.03	Nil
(ii) Promoting health care and preventive health care through treatment of poor patients, help to disabled persons, financial assistance for organizing eye camp and donation of woolen blankets	0.87	Nil	0.87	Nil

43. Previous year figure have been regrouped / reclassified whenever considered necessary, so as to confirm with the current year's classification.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

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

**per Atul Seksaria**

Partner

Membership no. 086370

**Arvind Singhania**

Chairman &amp; CEO

DIN : 00934017

**Pradeep Kumar Rustagi**

Executive Director &amp; CFO

DIN : 00879345

Place : New Delhi

Date : May 25, 2016

**Diwaker Dinesh**

Company Secretary

M.No.:A22282

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Ester Industries Limited

#### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ester Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

#### Management's responsibility for the consolidated financial statements

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

#### Auditor's responsibility

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

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Report on other legal and regulatory requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiary company incorporated in India, since the subsidiary company is not incorporated in India, no separate report on internal financial controls over financial reporting of the group is being issued;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group– Refer Note 27 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary Company.

**Other matter**

The accompanying consolidated financial statements include total assets of Rs. 1.86 lacs as at March 31, 2016 and total revenues and net cash outflows of Rs. Nil and Rs. Nil for the year ended on that date, in respect of Ester International (USA) Limited (wholly owned subsidiary), which have not been audited, which unaudited financial statements and other unaudited financial information have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Atul Seksaria**

Partner

Place of Signature : New Delhi

Date : May 25, 2016

Membership Number: 086370

## CONSOLIDATED BALANCE SHEET as at March 31, 2016

(Rs. in Lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' fund</b>			
Share capital	3	4,169.69	3,132.19
Reserves & surplus	4	25,048.43	23,539.07
Money received against share warrants	42	-	524.23
		29,218.12	27,195.49
<b>Non - current liabilities</b>			
Long term borrowings	5	9,702.47	12,480.49
Deferred tax liability (net)	6	2,798.27	2,571.06
Long term provisions	7	622.41	550.50
		13,123.15	15,602.05
<b>Current liabilities</b>			
Short term borrowings	8	18,186.93	20,755.90
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		51.85	48.46
Total outstanding dues of creditors other than microenterprises and small enterprises		2,250.73	1,855.79
Other current liabilities	10	5,707.81	5,726.55
Short term provisions	7	309.33	246.93
		26,506.65	28,633.63
<b>Total</b>		<b>68,847.92</b>	<b>71,431.17</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	38,163.82	39,883.89
Intangible assets	11	335.53	48.74
Capital work in progress		2,347.74	1,208.62
Non-current investment	12	1.71	1.71
Long term loans & advances	13	673.95	907.56
Other non-current assets	14	13.46	66.84
		41,536.21	42,117.36
<b>Current assets</b>			
Current investment	12	39.72	-
Inventories	15	12,837.04	12,766.83
Trade receivables	16	11,220.48	11,792.31
Cash & bank balances	17	780.87	2,290.94
Short term loans & advances	13	1,967.38	2,111.07
Other current assets	14	466.22	352.66
		27,311.71	29,313.81
<b>Total</b>		<b>68,847.92</b>	<b>71,431.17</b>
Summary of significant accounting policies	2		

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Atul Seksaria**

Partner

Membership no. 086370

Place : New Delhi

Date : May 25, 2016

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

**Arvind Singhania**

Chairman & CEO

DIN : 00934017

**Pradeep Kumar Rustagi**

Executive Director & CFO

DIN : 00879345

**Diwaker Dinesh**

Company Secretary

M.No.:A22282

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS** for the year ended March 31, 2016

(Rs. in Lacs)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from operations (gross)	18	84,059.58	98,314.83
Less: - Excise duty		6,977.62	8,688.07
Revenue from operations (net)		77,081.96	89,626.76
Other income	19	482.16	293.85
<b>Total revenues (I)</b>		<b>77,564.12</b>	<b>89,920.61</b>
<b>Expenses</b>			
Cost of material consumed	20	49,921.97	62,581.13
(Increase) / decrease in inventories of finished goods & work in progress	21	(1,068.64)	373.70
Employee benefits expense	22	4,456.29	4,119.26
Other expenses	23	16,733.57	15,438.76
<b>Total expenses (II)</b>		<b>70,043.19</b>	<b>82,512.85</b>
<b>Earnings before interest, tax, depreciation and amortization {EBITDA} (I)-(II)</b>		<b>7,520.93</b>	<b>7,407.76</b>
Depreciation and amortisation expense	11	3,236.25	3,216.87
Less: Transferred from General reserve (Refer Note 2(b))		-	6.29
Less: Transferred from revaluation reserve		3,236.25	3,210.58
Finance costs	24	3,601.43	3,709.55
<b>Profit before tax</b>		<b>683.25</b>	<b>487.63</b>
<b>Tax expense</b>			
Current tax		170.21	102.35
Mat credit		(170.21)	(102.35)
Deferred tax		227.21	103.73
<b>Total tax expenses</b>		<b>227.21</b>	<b>103.73</b>
<b>Profit after tax</b>		<b>456.04</b>	<b>383.90</b>
<b>Earnings per share</b>			
Basic (in Rs.)	25	0.57	0.61
Diluted (in Rs.)	25	0.57	0.57
{Nominal value per share Rs. 5 (previous year Rs. 5)}			
Summary of significant accounting policies	2		

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Atul Seksaria**

Partner

Membership no. 086370

Place : New Delhi

Date : May 25, 2016

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

**Arvind Singhania**

Chairman & CEO

DIN : 00934017

**Pradeep Kumar Rustagi**

Executive Director & CFO

DIN : 00879345

**Diwaker Dinesh**

Company Secretary

M.No.:A22282

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) before tax	683.25	487.63
Adjustments for:		
Depreciation/Amortisation	3,236.25	3,210.58
Loss on fixed assets sold/discarded (net)	21.75	6.93
Interest expense	3,173.41	3,276.02
Interest income	(185.91)	(180.94)
Premium on forward contracts amortised	(25.80)	42.06
Unrealized foreign exchange loss (net)	(28.32)	(43.66)
Bad debts, advances and irrecoverable balances written off (net)	157.93	33.38
Provision for obsolete inventories	8.92	-
Loss on sale of investment	0.28	34.45
Profit on sale of Investment	(11.39)	(1.34)
Provisions / liabilities no longer required written back	(139.90)	(15.63)
<b>Operating profit before working capital changes</b>	<b>6,890.47</b>	<b>6,849.48</b>
<b>Movements in working capital :</b>		
Decrease / (Increase) in trade receivables	428.11	618.96
Decrease / (Increase) loans and advances/other current assets	111.26	(44.24)
Decrease / (Increase) in inventories	(79.12)	(355.79)
Increase/ (Decrease) in trade & other payables/ provisions	917.22	(158.23)
Cash generated from operations	8,267.94	6,910.18
Direct taxes paid	(120.82)	(141.36)
<b>Net cash flow from operating activities</b>	<b>8,147.12</b>	<b>6,768.82</b>
<b>Net cash flow from operating activities (a)</b>	<b>8,147.12</b>	<b>6,768.82</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,370.46)	(3,661.20)
Sale of fixed assets	46.55	51.04
Deposits	(154.30)	(3,602.83)
Proceeds of deposits matured	304.83	3,495.14
Purchase of investment	(336.01)	(61.95)
Sale of investment	307.40	38.83
Interest received	182.61	177.44
<b>Net cash flow from / (used) in investing activities (b)</b>	<b>(2,019.38)</b>	<b>(3,563.53)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from short term borrowings	(2,550.69)	6.50
Proceeds from long term borrowings	2,236.65	7,322.93
Repayment of long term borrowings	(5,606.28)	(6,054.01)
Money received against share warrants	-	524.23
Issue of share capital	1,566.55	-
Interest Paid	(3,180.90)	(3,285.70)
Dividend Paid	(5.99)	(359.20)
<b>Net cash flow from / (used) in financing activities (c)</b>	<b>(7,540.65)</b>	<b>(1,845.25)</b>
<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<b>(1,412.92)</b>	<b>1,360.04</b>
Cash and cash equivalents at the beginning of the year	1,620.72	260.66
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	0.02
<b>Cash and cash equivalents at the end of the year</b>	<b>207.80</b>	<b>1,620.72</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	15.54	9.18
Balances with scheduled banks :		
- On current Accounts	127.01	1,540.37
- On term deposits	586.53	737.06
- On unpaid dividend accounts*	64.31	70.30
Balances with other bank:		
- On current accounts	0.94	0.87
<b>Cash &amp; bank balances</b>	<b>794.33</b>	<b>2,357.78</b>
<b>Less: fixed deposits not considered as cash and cash equivalents</b>		
- Deposit pledged with banks	-	62.34
- Deposit having maturity period more than 3 months	586.53	674.72
	<b>207.80</b>	<b>1,620.72</b>

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Atul Seksaria**

Partner

Membership no. 086370

Place : New Delhi

Date : May 25, 2016

For and on behalf of the board of directors

of Ester Industries Limited

**Arvind Singhania**

Chairman & CEO

DIN : 00934017

**Pradeep Kumar Rustagi**

Executive Director & CFO

DIN : 00879345

**Diwaker Dinesh**

Company Secretary

M.No.:A22282

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT** for the year ended March 31, 2016**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, 2016.

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

Sl. No.	Name of the subsidiary company	Country of incorporation	Extent of holding (%)	Extent of holding (%)
			As on March 31, 2016	As on March 31, 2015
1.	Ester International (USA) Limited	USA	100%	100%

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

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

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

**b) Change in accounting policy****Component Accounting**

The company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the company has changed the manner of depreciation for its fixed asset. Now, the company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

The company has also changed its policy on recognition of cost of major inspection/ overhaul. Earlier company used to charge such cost of major inspection/ overhaul directly to statement of profit and loss, as incurred. On application of component accounting, the major inspection/ overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/ overhaul is depreciated separately over the period till next major inspection/ overhaul. Upon next major inspection/ overhaul, the costs of new major inspection/ overhaul are added to the asset's cost and any amount remaining from the previous inspection/ overhaul is derecognized.

Had the company continued to use the earlier policy of depreciating fixed asset, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been lower by Rs 45.59 lacs. Profit for the current period would have been higher by Rs 45.59 lacs (net of tax impact of Rs 30.51 lacs). Fixed asset would correspondingly have been higher by Rs 45.59 lacs.

**c) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates

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

**d) Tangible fixed Assets**

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

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

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

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

**e) Depreciation**

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

	<b>Useful lives estimated by the management(years)</b>
Factory buildings*	2 to 29.94
Administrative Buildings	12 to 61.35
Plant and machinery*	2 to 40
Furniture and fixtures*	15.79
A.C. & Refrigeration	10
Office equipment*	10
Computers*	6.16
Vehicles	8
Batteries under UPS project (Plant and Machinery)*	5

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

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

**f) Intangibles**

Software costs relating to acquisition of initial software license fee and installation costs are capitalized in the year of purchase. Softwares are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years. Patent costs is capitaliized in the year of acquisition. Patent is amortized on a straight-line basis over its useful life, which is considered to be of a period of 5.26 years.

**g) Impairment of assets**

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

**h) Leases**

*Where the Company is the lessee*

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

**i) Investment**

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

**j) Inventories**

Inventories are valued as follows:

**Raw materials, components and stores & spares**

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

**Work-in-progress and finished goods**

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

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

**k) Revenue recognition**

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

***Sale of Goods***

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

***Export Benefit***

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

***Interest***

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

***Dividends***

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

***Policy for Insurance Claims***

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

**l) Foreign currency transactions****Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate

between the reporting currency and the foreign currency at the date of the transaction.

#### **Conversion**

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

#### **Exchange Differences**

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

#### **Forward Exchange Contracts not intended for trading or speculation purposes**

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

#### **m) Retirement and other employee benefits**

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

#### **n) Income Taxes**

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

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

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

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

be available.

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

**o) Borrowing Costs**

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

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

**p) Provisions**

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

**q) Segment Reporting Policies**

**Identification of segments:**

**Primary Segment**

*Business Segment*

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

**Secondary Segment**

*Geographical Segment*

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

The geographical segments considered for disclosure are as follows:

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

**Inter Segment Transfers**

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

**Allocation of common costs**

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

**Unallocated items**

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

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

**r) Cash and Cash Equivalents**

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

**s) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not

recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**t) Earnings Per Share**

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

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

**u) Measurement of EBITDA**

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

**3. Share capital**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Authorized shares (No.)</b>		
150,000,000 (previous year: 150,000,000) equity shares of Rs. 5/- each	7,500.00	7,500.00
47,960,000 (previous year: 47,960,000) equity shares of Rs. 10/- each	4,796.00	4,796.00
600,000 (previous year: 600,000) cumulative convertible preference shares of Rs. 50/- each	300.00	300.00
8,000,000 (previous year: 8,000,000) redeemable cumulative preference shares of Rs. 50/- each	4,000.00	4,000.00
<b>Issued, subscribed &amp; fully paid up shares (No.)</b>		
83,393,759 (previous year: 62,643,759) equity shares of Rs. 5/- each fully paid	<b>4,169.69</b>	<b>3,132.19</b>

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period**

	As at March 31, 2016	As at March 31, 2015
<b>No. of Shares outstanding at the beginning</b>	<b>62,643,759</b>	<b>62,893,706</b>
9,972,703 equity shares allotted pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company.	-	9,972,703
10,222,650 equity shares cancelled pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company.	-	10,222,650
20,750,000 equity shares allotted on conversion of Warrants	20,750,000	-
<b>No. of Shares Outstanding at the end of the period</b>	<b>83,393,759</b>	<b>62,643,759</b>

**b) Terms / rights attached to equity shares**

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

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.

**c) Shares held by holding/ultimate holding company and/or their subsidiaries / their associates** (Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
Wilemina Finance Corp., holding company		
44,915,012 (previous year 44,915,012) equity shares of Rs. 5 each fully paid	2,245.75	2,245.75

**d) 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, 2016	As at March 31, 2015
9,972,703 equity shares allotted pursuant to Scheme of Arrangement entered between Sriyam Impex Private Limited and the Company.	498.64	498.64

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

	As at March 31, 2016 %	As at March 31, 2015 %
Wilemina Finance Corp., holding company		
44,915,012 (previous year 44,915,012) equity shares of Rs. 5 each fully paid	53.86	71.70
Vettel International Limited, Public Shareholder	24.88	Nil
20,750,000 (previous year Nil) equity shares of Rs. 5 each fully paid		

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, 2016	As at March 31, 2015
<b>Capital reserve</b>	<b>3,520.74</b>	<b>3,520.74</b>
<b>Capital redemption reserve</b>	<b>335.37</b>	<b>335.37</b>
<b>Securities premium account</b>		
Balance as per last financial statements	5,062.76	5,062.76
Add: Premium increased on account of shares issued for warrants	1,058.25	-
<b>Closing balance</b>	<b>6,121.01</b>	<b>5,062.76</b>
<b>Revaluation reserve</b>		
Balance as per last financial statements	504.83	519.43
Less: Transferred to general reserve (Refer Note 2(b))	14.61	14.60
<b>Closing balance</b>	<b>490.22</b>	<b>504.83</b>
<b>General reserve</b>		
Balance as per last financial statements	1,514.06	1,503.67
Add: Transferred from revaluation reserve	14.61	14.60
Less: Depreciation adjustment (Refer Note 2(b))	-	4.21
	<b>1,528.67</b>	<b>1,514.06</b>
<b>Foreign Exchange Translation reserve</b>		
Balance as per last financial statements	(19.65)	(16.90)

	As at March 31, 2016	As at March 31, 2015
Add: Addition during the year	(4.93)	(2.75)
<b>Closing balance</b>	<b>(24.58)</b>	<b>(19.65)</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	12,620.96	12,237.06
Add: Profit for the year	456.04	383.90
<b>Net surplus in the statement of profit &amp; loss</b>	<b>13,077.00</b>	<b>12,620.96</b>
<b>Total reserve &amp; surplus</b>	<b>25,048.43</b>	<b>23,539.07</b>

5. Long-term borrowings

(Rs. In lacs)

	Non-current portion		Current maturities	
	As at	As at	As at	As at
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Secured</b>				
Term loans from banks	6,947.72	11,779.11	3,570.77	4,225.62
Term loans from financial institution	1,640.78	-	59.22	-
Vehicle loans	134.14	167.16	104.71	100.69
Buyers' credit for capital goods	979.83	534.22	-	-
	<b>9,702.47</b>	<b>12,480.49</b>	<b>3,734.70</b>	<b>4,326.31</b>
<b>Amount disclosed under the head "other current liabilities" (Refer note 10)</b>	-	-	(3,734.70)	(4,326.31)
<b>Total Long-term borrowings</b>	<b>9,702.47</b>	<b>12,480.49</b>	-	-

I. Term loans

- a) **From Bank of India** of Rs. 378.00 lacs (previous year Rs. 450.00 lacs) for Engineering Plastics Extruder, Twin Screw Extruder for Film Plant # 1 and UPS is secured by first exclusive charge by way of hypothecation of Engineering Plastics Extruder, Twin Screw Extruder & UPS and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company) and Personal Guarantee of Mr. Arvind Singhania. 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, 2016 is repayable in 12 quarterly installments starting from April 1, 2016.
- b) **From Bank of India** of Rs. 1600.00 lacs (previous year Rs. 1900.00 Lacs) as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and Second Pari Passu charge on current assets and further secured by irrevocable guarantee of Wilemina Finance Corp., (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the rate base rate plus 3.25% pa. The Corporate Loan is repayable in 20 quarterly installments starting from March 31, 2015. The outstanding amount as on March 31, 2016 is repayable in 16 quarterly installments starting from April 1, 2016.
- c) **From Bank of Baroda** of Rs. 750.00 lacs (previous year Rs.1000.00 lacs) as Corporate Loan for augmentation of Working Capital is secured by First Pari Passu charge on fixed assets of the company (both present & future) with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and Second Pari Passu charge on current assets and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding Company) and Personal Guarantee of Mr. Arvind Singhania. Corporate Loan bears floating interest at the base rate plus 3.25% pa. The Corporate Loan is repayable in 20 quarterly installments starting from April 1, 2015. The outstanding amount as on March 31, 2016 is repayable in 15 quarterly installments starting from April 1, 2016.
- d) **From Union Bank of India** of Rs. 420.75 lacs (previous year Rs.607.75 lacs) for Metalizer Project is secured by first exclusive charge by way of hypothecation of Metalizing Unit and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2013. The outstanding amount as on March 31, 2016 is repayable in 9 quarterly installments starting from April 1, 2016.

- e) **From Union Bank of India** of Rs. 714.79 lacs (previous year Rs. 934.79 lacs) for Bio Mass (Husk) fuelled Thermic Fluid Heater is secured by first exclusive charge by way of hypothecation of Bio Mass (Husk) fuelled Thermic Fluid Heater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 3.00% pa. The Term Loan is repayable in 20 quarterly installments starting from September 2014. The outstanding amount as on March 31, 2016 is repayable in 13 quarterly installments starting from April 1, 2016.
- f) **From State Bank of Bikaner and Jaipur** of Rs. 250.65 lacs (previous year Rs. 754.65 lacs) is secured by first exclusive charge by way of hypothecation of Oil Fired Heater, Reclaim Co-extruder and In-Line Coater and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan bears floating interest at the base rate plus 2.75% pa. The Term Loan is repayable in 20 quarterly installments starting from December 2011. The outstanding amount as on March 31, 2016 is repayable in 2 quarterly installments starting from April 1, 2016.
- g) **From Karnataka Bank** of Rs. NIL (previous year Rs. 392.83 lacs) towards reimbursement of cost of certain machinery already purchased / certain other machineries to be purchased was secured by hypothecation of certain plant & machinery purchased / to be purchased at factory premises at Uttrakhand and equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed there upon in Gurgaon as Collateral security and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). Sanction amount and disbursed amount of the Term Loan were Rs. 480 Lacs and Rs. 432.85 Lacs respectively. The term loan was bearing floating interest at the base rate plus 2.25% pa. Entire outstanding loan has been paid and No Dues Certificate for the same has been issued by Karnataka Bank.
- h) **From Karnataka Bank** of Rs. Nil (previous year Rs. 1016.00 lacs) was taken over from Bank of Baroda. The term loan was secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). The term loan was bearing floating interest at the base rate plus 2.25% pa. The term loan was repayable in 45 months or period remaining outstanding with Bank of Baroda i.e 41 months whichever is less. Accordingly terminal date of repayment of the term loan was 31st March 2018 with monthly installments starting from October 25, 2014. Entire outstanding loan has been paid and No Dues Certificate for the same has been issued by Karnataka Bank.
- i) **From Karnataka Bank** of Rs. Nil (previous year Rs. 403.27 lacs) towards reimbursement of extra cost incurred towards construction of Corporate Office building was secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and further secured by irrevocable guarantee of Wilemina Finance Corp. (Holding company). Sanctioned & disbursed amount of the Term Loan was Rs. 440.00 lacs. The term loan was bearing floating interest at the base rate plus 2.25% pa. The term loan was repayable in 72 months with monthly installments starting from October 25, 2014. Entire outstanding loan has been paid and No Dues Certificate for the same has been issued by Karnataka Bank.
- j) **From Tata Capital Financial Services Ltd** of Rs. 1700.00 lacs (previous year Rs. Nil) has been sanctioned for repayment of outstanding dues of Karnataka Bank and augmentation of Working Capital. The term loan is secured by equitable mortgage by way of deposit of title deeds of land & Corporate Office building constructed thereupon in Gurgaon and first & Exclusive charge over the hypothecation of certain plant & machinery installed at factory premises at Uttrakhand and further secured by Personal Guarantee of Mr. Arvind Singhania. The term loan bears floating interest at the LTLR minus 6.50% pa. Out of Rs. 1700 lacs, Rs. 100 lacs is repayable in 53 months with terminal date of repayment being 24th August 2020, monthly installments starting from April 24, 2016 and balance Rs. 1600 lacs is repayable in 60 months with terminal date of repayment being 24th March 2021, monthly installments starting from October 24, 2016.
- k) **From consortium member banks namely Bank of India & Bank of Baroda** of Rs. 2562.19 lacs (previous year Rs. 3,419.33 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) and Personal Guarantee of Mr. Arvind Singhania. The term loans bear floating interest rate at the base rate plus 2.75% to 3.00% pa. These term loans are repayable in 28 quarterly installments starting from April 1, 2012. The outstanding amount as on March 31, 2016 is repayable in 12 quarterly installments starting from April 1, 2016.
- l) **From consortium member banks namely Union Bank of India, Canara Bank and State Bank of Bikaner & Jaipur** of Rs. 3842.12 lacs (previous year Rs. 5,026.12 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, 2016 is repayable in 12 quarterly installments starting from April 1, 2016.

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

**II. Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the Loans. Vehicle loans bears interest rates ranging from 8.25% to 13.50% pa. These loans are repayable in monthly installments till January 2020.

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

a) Buyers' Credit amounting to Rs. 979.83 lacs (previous year Rs. 534.22 lacs) are against LOUs / LOCs issued 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) and Personal Guarantee of Mr. Arvind Singhania.

Company has availed LOUs / LOCs facilities from the banks to avail the Buyers' Credit of Rs. 979.83 lacs (previous year - Rs. 534.22 Lacs). These LOU / LOC facilities are sanctioned to the company as a sub limit of term loans upto a period of 3 years till March 2018.

LOCs / LOUs facilities are sanctioned to the company as a sub limit of term loan, bears interest rate ranging from 0.45% to 1.53%. Liability towards Buyers' Credit under LOCs / LOUs will be liquidated out of the proceeds of term loans that are repayable in 12 quarterly installments.

**6. Deferred tax liability**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,434.10	4,242.36
<b>Gross deferred tax liability</b>	<b>4,434.10</b>	<b>4,242.36</b>
<b>Deferred tax assets</b>		
Unabsorbed depreciation and carry forward losses	1,273.43	1,433.38
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	362.40	237.92
<b>Gross deferred tax assets</b>	<b>1,635.83</b>	<b>1,671.30</b>
<b>Net deferred tax liability</b>	<b>2,798.27</b>	<b>2,571.06</b>

**7. Provisions**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Long term provisions</b>		
Provision for gratuity (refer note 29)	622.41	550.50
<b>Total long term provision</b>	<b>622.41</b>	<b>550.50</b>
<b>Short term provisions</b>		
Provision for taxation (net of advance tax payments)	62.32	60.30
Provision for wealth tax	-	2.87
Provision for gratuity (refer note 29)	58.12	20.59
Provision for leave benefits	188.89	163.17
<b>Total short term provision</b>	<b>309.33</b>	<b>246.93</b>
<b>Total provisions</b>	<b>931.74</b>	<b>797.43</b>

**8. Short Term Borrowings**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>		
Working capital loan from banks	8,367.66	8,456.76
Bills discounting	3,888.02	4,557.60
Buyers' credit for raw material	2,385.41	2,904.31
Acceptances	3,545.84	4,837.23
<b>Total short term borrowings</b>	<b>18,186.93</b>	<b>20,755.90</b>

**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) and Personal Guarantee of Mr. Arvind Singhania. 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 2.50% to 3.00% pa. The bill discounting from banks bear floating interest rate ranging from 10.15% 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 0.93% to 1.53% pa.

## 9. Trade Payable

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Trade payables</b>		
Total outstanding dues of other than micro & small enterprises	2,250.73	1,855.79
Total outstanding dues of micro & small enterprises (refer note 33)	51.85	48.46
<b>Total trade payables</b>	<b>2,302.58</b>	<b>1,904.25</b>

## 10. Other liability

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
Current maturities of term loans from banks	3,570.77	4,225.62
Current maturities of term loans from body corporate	59.22	-
Current maturities of vehicle loans	104.71	100.69
Capital creditors	563.50	180.40
Interest accrued but not due on borrowings	35.75	43.24
Deposits from dealer / customer & others	18.63	8.63
Advances from customers	316.91	312.06
Investor education & protection fund will be credited by this amount (as & when due)	64.31	70.30
- Unpaid dividend		
Others payables		
- dues to statutory authorities	243.94	152.78
- others	730.07	632.83
<b>Total other liabilities</b>	<b>5,707.81</b>	<b>5,726.55</b>

**11. Fixed assets**

(Rs. in lacs)

Description	Gross block			Accumulated depreciation / amortisation				Net block	
	April 1, 2015	Additions	Deductions	March 31, 2016	April 1, 2015	Current year	Deductions	March 31, 2016	March 31, 2015
<b>Tangible assets:</b>									
Land - freehold (ii)	1,504.36	188.93	-	<b>1,693.29</b>	-	-	-	<b>1,693.29</b>	1,504.36
Buildings (ii)	7,901.26	189.69	-	<b>8,090.95</b>	2,107.24	256.83	-	<b>5,726.88</b>	5,794.02
Plant & machinery (i) & (ii)	67,199.42	885.73	305.24	<b>67,779.91</b>	35,729.19	2,711.56	257.05	<b>29,596.21</b>	31,470.23
Furniture & fixtures	410.33	71.90	-	<b>482.23</b>	105.75	28.25	-	<b>348.23</b>	304.58
Office equipments	669.79	103.91	2.62	<b>771.08</b>	379.98	81.09	2.16	<b>312.17</b>	289.81
Vehicles	829.28	93.25	31.87	<b>890.67</b>	308.39	107.44	12.20	<b>487.04</b>	520.89
<b>Intangible assets:</b>									
Software	455.58	5.45	-	<b>461.03</b>	406.84	24.48	-	<b>431.32</b>	48.74
Patent	-	332.41	-	<b>332.41</b>	-	26.59	-	<b>305.82</b>	-
<b>Total</b>	<b>78,970.02</b>	<b>1,871.27</b>	<b>339.73</b>	<b>80,501.57</b>	<b>39,037.39</b>	<b>3,236.25</b>	<b>271.41</b>	<b>38,499.35</b>	<b>39,932.63</b>
<b>Previous year</b>	<b>74,894.42</b>	<b>4,208.45</b>	<b>132.85</b>	<b>78,970.02</b>	<b>35,895.40</b>	<b>3,216.87</b>	<b>74.88</b>	<b>39,037.39</b>	<b>38,999.02</b>

(i) (a) Amount of borrowing cost aggregating Rs. 148.26 lacs (Previous year Rs. 271.80 lacs) have been capitalised during the year.

Plant & Machinery - Rs. 148.26 lacs (previous year Rs. 271.80 lacs)

(b) Foreign Exchange Fluctuation aggregating Rs. 64.68 lacs on plant & machinery (Previous year 38.80 lacs(de-capitalized)) 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. Investment**

(Rs. In lacs)

<b>Non-current Investments</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>A. Other than trade - quoted (valued at cost unless stated otherwise)</b>		
<b>Equity shares</b>		
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Pearl Polymers Limited	0.04	0.04
- 50 (previous year 50) equity shares of Rs.10 each fully paid up in J.K.Enterprises Limited	0.03	0.03
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Haryana Petrochemicals Limited	0.04	0.04
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Sanghi Polyester Limited	0.08	0.08
- 360 (previous year 360) equity shares of Rs.5 each fully paid up in Venlon Enterprises Limited	0.10	0.10
- 100 (previous year 100) equity shares of Rs.10 each fully paid up in Modipon Limited	0.11	0.11
	<b>0.40</b>	<b>0.40</b>
<b>Less: Provision for diminution in the value of investments</b>	0.22	0.22
	0.18	0.18
<b>B. Other than trade - unquoted (valued at cost unless stated otherwise)</b>		
<b>Preference shares</b>		
- 20,000 (previous year 20,000) preference shares of Rs.10 each fully paid up JSW Ispat Steel Limited	4.78	4.78
	4.78	4.78
<b>Less : Provision for diminution in the value of investment JSW Ispat Steel Limited</b>	3.25	3.25
	<b>1.53</b>	<b>1.53</b>
	<b>1.71</b>	<b>1.71</b>
Aggregate amount of quoted investments (net of provision)	0.18	0.18
Aggregate amount of unquoted investments (net of provision)	1.53	1.53
<b>Total non -current investment net of provisions</b>	<b>1.71</b>	<b>1.71</b>

**Current investments (valued at lower of cost and fair value, unless stated otherwise)**

(Rs. In lacs)

	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
45,775.389 (previous year NIL) units of SBI- Corporate Bond Fund - Regular plan - Growth of Rs. 10.00 each fully paid up	10.00	-
99,990.00 (previous year NIL)units of BOI AXA- capital protection oriented Fund of Rs. 10.00 each fully paid up	10.00	-
1150.91 (previous year NIL) units of BOI AXA- Liquid Fund - Direct Plan - Growth of Rs. 1737.76 each fully paid up	20.00	-
<b>Less: provision for diminution in the value of Investments</b>	0.28	-
<b>Total Current investment net of provisions</b>	39.72	-
Aggregate amount of quoted investments (market value Rs. 40.71 lacs, (previous year Rs. NIL) (net of provision)		

**13. Loans & advances**

(Rs. In lacs)

	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	89.47	346.31
Prepaid expenses	31.15	43.63
Deposits-others	553.33	517.62
<b>Total (A)</b>	<b>673.95</b>	<b>907.56</b>

	As at March 31, 2016	As at March 31, 2015
<b>Current</b>		
<b>Unsecured, considered good</b>		
Advances recoverable in cash or in kind or for value to be received	556.41	860.87
Prepaid expenses	349.10	348.92
Advance tax & tax deducted at source (net of provision of tax)	126.43	173.80
MAT credit entitlement	571.54	401.33
Balances with statutory / Government authorities	297.15	268.48
Loans to employees	66.75	57.67
<b>Unsecured, considered doubtful</b>		
Advances recoverable in cash or in kind or for value to be received	31.91	31.91
	<b>1,999.29</b>	<b>2,142.98</b>
Less: provision for doubtful advances	31.91	31.91
<b>Total (B)</b>	<b>1,967.38</b>	<b>2,111.07</b>
<b>Total (A+B)</b>	<b>2,641.33</b>	<b>3,018.63</b>
<b>14. Other assets</b>		(Rs. In lacs)
	As at March 31, 2016	As at March 31, 2015
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Other bank balances (refer note 17)	13.46	66.84
<b>Total other non-current assets</b>	<b>13.46</b>	<b>66.84</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Asset held for disposal (at net book value or estimated net realizable value, which ever is less)	29.34	12.30
Interest receivable on fixed deposits	30.20	26.90
Export benefit receivable	400.72	293.99
Unamortized premium on forward contracts	10.30	19.47
	<b>470.56</b>	<b>352.66</b>
Less: provision for doubtful Export benefit receivable	4.34	-
<b>Total other current assets</b>	<b>466.22</b>	<b>352.66</b>
<b>Total other assets</b>	<b>479.68</b>	<b>419.50</b>
<b>15. Inventory (at lower of cost or net relizable value)</b>		(Rs. In lacs)
	As at March 31, 2016	As at March 31, 2015
Raw materials {including stock in transit Rs. 1,092.63 lacs (previous year Rs. 1,500.34 lacs)}	4,957.31	5,813.09
Work in process	1,017.65	611.00
Finished goods {including stock in transit Rs. 1,283.05 lacs (previous year Rs. 1,140.65 lacs)}	5,791.26	5,129.27
Stores and spares {including stock in transit Rs. 12.43 lacs (previous year Rs. 21.43 lacs)}	1,070.82	1,213.47
<b>Total inventories</b>	<b>12,837.04</b>	<b>12,766.83</b>
<b>16. Trade receivables</b>		(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Un-secured, considered good	57.43	200.56
Doubtful	187.92	45.54
	245.35	246.10
Less: Provision for doubtful trade receivables	187.92	45.54
<b>Total (A)</b>	<b>57.43</b>	<b>200.56</b>
<b>Other receivables</b>		
Un-secured, considered good	11,163.05	11,591.75
<b>Total (B)</b>	<b>11,163.05</b>	<b>11,591.75</b>
<b>Total (A+B)</b>	<b>11,220.48</b>	<b>11,792.31</b>

**17. Cash and bank balances**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Cash and cash equivalents</b>		
Cash on hand	15.54	9.18
Balances with banks in current accounts	127.95	1,541.24
Unpaid dividend accounts *	64.31	70.30
<b>Total (A)</b>	<b>207.80</b>	<b>1,620.72</b>
<b>Other bank balance</b>		
Short term deposits pledged	-	62.34
Deposits with maturity of more than 3 months but up to 12 months	342.21	301.66
Deposits with original maturity of more than 12 months	244.32	373.06
<b>Total (B)</b>	<b>586.53</b>	<b>737.06</b>
<b>Total Cash &amp; Bank Balance (A+B)</b>	<b>794.33</b>	<b>2,357.78</b>
Less:- Amount disclosed under non-current assets (refer note 14)	(13.46)	(66.84)
<b>Cash &amp; Bank Balance</b>	<b>780.87</b>	<b>2,290.94</b>

\* 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, 2016	For the year ended March 31, 2015
Sale of products	83,216.68	97,503.96
Other operating revenue	842.90	810.87
<b>Revenue from operations (gross)</b>	<b>84,059.58</b>	<b>98,314.83</b>
Less: Excise duty	6,977.62	8,688.07
<b>Revenue from operations (net)</b>	<b>77,081.96</b>	<b>89,626.76</b>

Excise duty on sales amounting to Rs. 6,977.62 lacs (previous year Rs. 8,688.07 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/(decrease) of stock Rs.89.77 lacs (previous year Rs. 7.48 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, 2016	For the year ended March 31, 2015
<b>Other operating revenue</b>		
Sales of scrap	54.87	43.24
Export incentive from FMS/MEIS	283.39	203.95
Drawback earned	504.64	563.68
	<b>842.90</b>	<b>810.87</b>

**Details of goods sold**

	2015-16		2014-15	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	2,940	2,249.56	19,133	16,776.00
Speciality polymers	3,540	6,753.90	1,237	2,061.74
Polyester films	48,967	56,700.96	43,594	59,120.45
Engineering plastics	10,948	17,445.34	11,510	19,406.16
Others		66.92		139.61
<b>Total</b>		<b>83,216.68</b>		<b>97,503.96</b>

## 19. Other income

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on:		
- Fixed deposits {tax deducted at source Rs. 5.75 lacs (previous year Rs. 6.23 lacs)}	58.27	63.49
- Trade receivable {tax deducted at source Rs. 4.40 lacs (previous year Rs. 3.96 lacs)}	72.43	75.73
- Others {tax deducted at source Rs. 4.42 lacs (previous year Rs. 4.17 lacs)}	55.21	41.72
Insurance claim	19.79	36.94
Profit on sale of investments	11.39	1.34
Dividend	0.01	-
Provisions / liabilities no longer required written back	139.90	15.63
Premium on forward contract amortised	25.80	-
Miscellaneous income	99.36	59.00
<b>Total other income</b>	<b>482.16</b>	<b>293.85</b>

## 20. Cost of raw material consumed

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Cost of raw material consumed	49,921.97	62,581.13
<b>Total</b>	<b>49,921.97</b>	<b>62,581.13</b>

### Details of raw material consumed

	2015-16		2014-15	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
PTA	49,267.35	23,343.11	55,861.29	32,641.14
MEG	19,732.86	10,616.27	21,911.70	13,548.59
PBT chips	5,688.98	5,582.39	6,387.86	7,517.35
NYLON	2,903.42	3,662.53	2,586.26	3,648.01
BUTANE DIOL	456.67	582.21	133.51	211.47
NDC	2.44	9.41	1.75	6.44
Others		6,126.05		5,008.13
<b>Total</b>		<b>49,921.97</b>		<b>62,581.13</b>

### Inventory of Raw material

(Rs. In lacs)

	2015-16	2014-15
	Value (Rs. in lacs)	Value (Rs. in lacs)
PTA	476.90	696.58
MEG	423.32	341.59
PBT chips	1,226.69	1,652.30
NYLON	503.35	661.33
BUTANE DIOL	11.18	11.78
Others	2,315.87	2,449.51
	<b>4,957.31</b>	<b>5,813.09</b>

## 21. (Increase) / Decrease in Inventories

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015	(Increase) / Decrease
Closing stock			
- Finished goods	5,791.26	5,129.27	661.99
- Work in process	1,017.65	611.00	406.65
	<b>6,808.91</b>	<b>5,740.27</b>	<b>1,068.64</b>
Opening stock			
- Finished goods	5,129.27	5,434.13	(304.86)
- Work in process	611.00	679.84	(68.84)
	<b>5,740.27</b>	<b>6,113.97</b>	<b>(373.70)</b>
<b>Total (Increase) / Decrease</b>	<b>(1,068.64)</b>	<b>373.70</b>	

**Inventory of finished goods**

	2015-16		2014-15	
	Qty (MT)	Value (Rs. in lacs)	Qty (MT)	Value (Rs. in lacs)
Polyester chips	1,250.90	748.50	904.50	683.32
Speciality Polymers	853.04	988.63	499.76	682.53
Polyester films	1,622.50	1,588.76	1,446.29	1,696.31
Engineering plastics	1,164.67	1,579.98	901.87	1,320.43
Recycled polyester chips	977.14	885.39	799.97	746.68
		<b>5,791.26</b>		<b>5,129.27</b>

**Inventory of work in progress**

	2015-16	2014-15
	Value (Rs. in lacs)	Value (Rs. in lacs)
Polyester chips	168.91	94.39
Speciality Polymers	84.89	54.75
Polyester films	572.74	361.85
Engineering plastics	191.11	100.01
	<b>1,017.65</b>	<b>611.00</b>

**22. Employee benefit expenses**

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages & bonus	3,530.72	3,220.08
Contribution to provident and other funds	290.80	271.61
Gratuity (refer note 29)	125.94	106.89
Staff welfare expenses	508.83	520.68
	<b>4,456.29</b>	<b>4,119.26</b>

**23. Other Expenditure**

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Manufacturing expenses</b>		
Consumption of stores and spare parts	1,272.70	1,120.35
Consumption of packing material	1,724.24	1,654.69
Power & fuel	6,292.76	6,025.86
Material handling charges	452.54	400.80
Increase / (decrease) in excise duty on closing stock	89.77	7.48
<b>Total manufacturing expenses (A)</b>	<b>9,832.01</b>	<b>9,209.18</b>
<b>Selling expenses</b>		
Freight	2,656.35	2,856.83
Commission and brokerage (other than sole selling agents)	285.73	264.18
Discount, claims and rebates	268.56	143.57

	For the year ended March 31, 2016	For the year ended March 31, 2015
Others	0.07	-
<b>Total selling expenses (B)</b>	<b>3,210.71</b>	<b>3,264.58</b>
<b>Administration and other expenses</b>		
Rent	70.28	69.97
Rates and taxes	29.76	14.15
Insurance	259.28	253.06
Repairs & maintenance		
- Building	36.18	21.57
- Plant & machinery	220.73	193.18
- Others	185.39	189.50
CSR Expenditure	2.91	-
Travelling & conveyance	992.51	899.25
Communication costs	106.74	107.41
Legal & professional charges	619.87	415.03
Printing & stationery	27.10	30.24
Donations (other than political parties)	7.71	7.87
Directors sitting fees	4.40	4.90
Auditors' remuneration		
- Statutory audit fee	19.09	16.00
- Limited review fee	15.13	12.00
- Certification Services	-	-
- Out of pocket expenses	0.68	1.16
Loss on fixed assets sold / discarded	21.75	6.93
Loss on sale of investments	0.28	34.45
Bad debts, advances & irrecoverable balances written off	153.59	33.38
Foreign exchange fluctuation loss (net)	131.84	18.48
Provision for doubtful Export benefit receivable	4.34	-
Provision for obsolete inventory	8.92	-
Premium on forward contract amortised	-	42.06
Miscellaneous expenses	772.37	594.41
<b>Total administrative &amp; other expenses (C)</b>	<b>3,690.85</b>	<b>2,965.00</b>
<b>Total other expenses (A+B+C)</b>	<b>16,733.57</b>	<b>15,438.76</b>

#### 24. Finance cost

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest		
- on term loans	1,691.19	1,677.78
- on working capital	1,445.21	1,559.88
- on buyers' credit facilities	36.96	38.36
- on Statutory dues	0.05	3.44
Bank charges	428.02	430.09
	<b>3,601.43</b>	<b>3,709.55</b>

#### 25. Earning per share (EPS)

	Year ended March 31, 2016	Year ended March 31, 2015
Net profit for calculation of basic /diluted EPS	456.04	383.90
Weighted average number of equity shares	80,332,284	62,643,759
Weighted average number of equity shares for calculating basic EPS	80,332,284	62,643,759
<b>Effect of dilution:</b>		
Share Warrants convertible in to equity shares	-	5,045,377
Weighted average number of equity shares for calculating diluted EPS	80,332,284	67,689,136
Basic EPS (in Rs.)	0.57	0.61
Diluted EPS (in Rs.)	0.57	0.57

**26. Capital commitments**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	299.36	603.65

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

**27. Contingent liabilities**

(Rs. In lacs)

	As at March 31, 2016	As at March 31, 2015
<b>(A) Excise Duty and Customs Duty pending hearing of appeals/writ petitions:</b>		
(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
<b>Total (A)</b>	<b>526.93</b>	<b>526.93</b>
<b>(B) Show cause notices related to Service Tax &amp; Excise rebate on export</b>	<b>13.54</b>	<b>13.54</b>
<b>(C) Income Tax:</b>		
(i) Disallowance of advertisement expenditure pursuant to rule 6B of IT rules, 1962 in the revised return of income which is based on the auditor's report in respect of A.Y. 1993-94 to 1997-98 by ITAT.	1.16	1.16
(ii) Disallowance of club expenditure on the contention that they are not wholly and exclusively for the business needs of the company in respect of A.Y. 1993-94 to 1994-95 & A.Y. 2005-06 by ITAT.	0.47	0.47
(iii) Disallowance of 50% of entertainment expenses on the contention that there has been no participation of the employee for incurring such expenditure in respect of A.Y. 1993-94 to 1997-98 by ITAT.	5.10	5.10
(iv) Disallowance of expenses relating to previous years in respect of A.Y. 1993-94 to 1997-98 by ITAT.	14.68	14.68
(v) Demand of MAT (including interest) A.Y. 2004-05*	5.78	5.78
* Disallowances of expenses incurred on earning exempt income like dividend by invoking section 14A of the act by AO in respect of A.Y. 2004-05.		
* Disallowances of provision for doubtful debts and advances for computing book profits under section 115JB of the Act as they are in the nature of reserves as per assessing officer.		

	As at March 31, 2016	As at March 31, 2015
* Disallowances of claim of profit under section 80HHC for computing book profits under section 115JB of the act on the contention that company should have adjusted unabsorbed business loss and depreciation with the profits of the business first before arriving at the deduction under section 80HHC of the Act. Since, the two exceed the current years profits, there can be no deduction under section 80HHC of the Act.		
(vi) Demand of MAT (including interest) A.Y. 2005-06@	11.16	11.16
@ Disallowance of carry forward of loss on sale of investment on which dividend income is earned which is exempt from tax by invoking section 94(7) of the Act.		
@ Disallowance of other expenses under MAT including foreign technician fees, unexplained investment.		
(vii) Liability in respect of disallowances of excess depreciation claimed by company, bonus provision, disallowance of expenses incurred on earning exempt income like dividend and interest by invoking section 14A of the Act in respect of A.Y. 2006-07 to A.Y. 2009-10.	11.66	11.66
(viii) Disallowances out of travelling exp and U/S 14A in respect of AY 2011-12	6.27	6.27
(ix) Disallowance u/s 14A , Rule 8D in respect of AY 2012-13 & 2013-14	0.22	0.15
<b>Total (C)</b>	<b>56.50</b>	<b>56.43</b>
<b>Total (D) = (A)+(B)+(C)</b>	<b>596.97</b>	<b>596.90</b>
<b>(E) Other claims not acknowledged as debts *</b>	<b>88.87</b>	<b>88.87</b>
<b>(F) Additional Bonus for FY 2014-15 due to Payment of Bonus (Amendment) Act, 2015**</b>	<b>22.87</b>	<b>-</b>
<b>(G) Bonds amounting to Rs 510 lacs executed in favour of Central Excise &amp; Customs Authorities, out of which, amount to be re-credited on receiving the proof of export is yet to be submitted.</b>	<b>271.85</b>	<b>229.13</b>
<b>(H) Amount of duty saved on import under advance license - corresponding export obligation pending is Rs.559.72 lacs (previous year Rs. 1,493.72 lacs)</b>	<b>29.28</b>	<b>34.95</b>

\* others claim not acknowledge as debts includes Rs 33.24 Lacs against which company has filed counter claim for Rs 661.26 lacs which is pending under arbitration in Delhi .

\*\* In view of the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, the Company has made a provision for incremental bonus for current financial year i.e. for 2015-16. Though the amendment was effective retrospectively from 1st April, 2014, the company on the legal advice has decided not to consider it on account of the interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

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

The company is involved in various litigation, the outcome which are considered probable and in respect of which the company has made aggregate provision of Rs. 185.22 lacs (Previous Year Rs. 185.22 Lacs) as at March 31, 2016.

## 28. Directors' Remuneration

The shareholders of the Company had approved the remuneration of Mr. Arvind Singhania, Managing Director of the Company, vide Special Resolution passed through Postal Ballot on 20th May, 2015. However due to changed market condition, the profits of the Company during FY 2015-16 were inadequate for payment of remuneration to Mr. Arvind Singhania and the remuneration paid to Mr Arvind Singhania is in excess of the limit prescribed under Section 197, 198 read with Schedule V of the Companies Act, 2013. Such inadequacy of the profit was not determinable at the time of appointment. Therefore, the Company has made an application to the Central Government seeking its approval for the payment of remuneration in case of inadequacy of profit. The application is still under consideration with the Central Government. In case the Central Government does not provide the approval for the payment of remuneration / waiver of excess remuneration, Mr. Arvind Singhania will refund the excess remuneration to the Company.

The remuneration of Mr. Pradeep Kumar Rustagi was approved by the Shareholders vide Special Resolution passed through Postal ballot on 20th May, 2015. The remuneration paid to Mr Rustagi during FY 2015-16 is within the limits prescribed under Part II of Schedule V of the Companies Act, 2013.

**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)

	<b>Gratuity</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Current service cost	61.19	52.24
Interest cost on benefit obligation	44.26	46.62
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	20.49	8.02
Past service cost	-	-
<b>Net benefit expense</b>	<b>125.94</b>	<b>106.89</b>

**Balance sheet**

Details of provision for Gratuity

(Rs. In Lacs)

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Defined benefit obligation	680.53	571.09
<b>Plan liability</b>	<b>680.53</b>	<b>571.09</b>

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

(Rs. In Lacs)

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Opening defined benefit obligation	571.09	548.48
Interest cost	44.26	46.62
Current service cost	61.19	52.24
Benefits paid	16.50	84.27
Actuarial losses on obligation	20.49	8.02
<b>Closing defined benefit obligation</b>	<b>713.53</b>	<b>739.64</b>

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:

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	%	%
Discount rate	8.00	7.75
Increase in compensation cost	5.50	5.25
<b>Employee turnover – Age Group</b>		
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)

	<b>Gratuity</b>				
	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Defined benefit obligation	680.53	571.09	548.48	469.60	410.24
Deficit	680.53	571.09	548.48	469.60	410.24
Experience adjustments on plan liabilities Loss/(Gain)	-	8.82	21.40	20.86	(30.33)

## Contribution to Defined Contribution Plans:

(Rs. In lacs)

	March 31, 2016	March 31, 2015
Superannuation fund	67.87	70.06
Provident fund contribution to Government authority	74.17	90.07

## 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, 2016 and March 31, 2015.

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, 2016	March 31, 2015
Projected benefit obligation at beginning of year	920.57	714.43
Current service cost	107.15	97.89
Interest cost	73.65	55.37
Contributions by plan participants / employees	134.44	115.80
Actuarial (gain) / loss due to interest guarantee	16.35	12.50
Benefits paid	(65.60)	(81.75)
Past service cost	-	-
Settlements / Transfer In	55.55	6.34
Projected benefit obligation at end of year	1,242.12	920.57

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

(Rs. In lacs)

Reconciliation of Plan Assets	March 31, 2016	March 31, 2015
Plan asset at beginning of year	966.90	761.40
Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency	-	-
Expected return on plan asset	85.09	66.62
Employer contribution	107.15	97.89
Plan participants / employee contribution	134.44	115.80
Benefit payments	(65.60)	(81.75)
Asset gain / (loss)	10.13	0.60
Settlements / Transfer In	55.55	6.34
Ending asset at fair value	1,293.66	966.90

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

Economic Assumptions	March 31, 2016	March 31, 2015
i) Interest rate	8.80%	8.75%
ii) Expected shortfall in Interest earning on the fund	0.05%	0.00%

Demographic Assumptions	March 31, 2016	March 31, 2015
i) Mortality	IALM (2006-08)	IALM (2006-08)
ii) Disability	None	None
iii) Normal Retirement Age	58	58

**30. Leases:**

The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed under the lease agreement and there are no subleases. The company have paid Rs. 70.28 lacs (previous year Rs. 69.97 lacs) towards operating lease rentals.

**31. Forward contract outstanding as at Balance sheet date:**

Particulars	Currency	As at	As at	Purpose
		March 31, 2016	March 31, 2015	
Purchase - Buyers' Credit Raw Material	USD	1,501,765	63,000	Forward contract to hedge foreign currency liability in respect of Buyers' Credit against LOUs / LOCs for import of raw material.
Sales	USD	1,933,453	1,769,427	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, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		Import Creditors (including acceptances)	SGD	730.00	-	48.94	-
	GBP	6,050.00	-	95.14	-	5.76	-
	USD	2,603,299.00	4,322,526.05	66.37	62.53	1,727.81	2,702.88
Export trade receivables	Euro	71,003.06	241,401.63	75.05	67.14	53.29	162.08
LOUs / LOCs for Buyers' Credit							
- For Capital Goods	USD	260,977.50	260,977.50	66.33	62.49	173.11	163.08
	Euro	1,074,200.00	552,200.00	75.10	67.19	806.72	371.02
- For Raw material	USD	1,224,730.79	2,887,003.62	66.33	62.49	812.36	1,804.09
	JPY	11,325,000.00	-	59.06	-	66.89	-
	Euro	679,240.03	1,578,879.43	75.10	67.19	510.11	1,060.85

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

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
i) The principal amount & the interest due thereon remaining unpaid to any supplier as at the end of year		
Principal Amount	51.85	48.46
Interest Due thereon	-	-
ii) Payments made to supplier beyond the appointed day during the year		
Principal	601.16	700.84
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
<b>Names of related parties where control exists</b>	
- Ultimate Holding Company	- Goldring Investments Corp.
- Holding Company	- Wilemina Finance Corporation
- Subsidiary Company	- Ester International USA Limited (EIUL)
<b>Key Management Personnel.</b>	- Mr. Arvind Singhania (Chairman & CEO)
	- Mr. Pradeep Kumar Rustagi (Executive Director & CFO)
<b>Relatives of Key Management Personnel.</b>	- Mr. Ayush Vardhan Singhania (Son of Mr. Arvind Singhania)
	- Mr. Jai Vardhan Singhania (Son of Mr. Arvind Singhania)
<b>Individuals, which directly or indirectly through subsidiaries, control or exercise significant influence over the company.</b>	- Mr. Arvind Singhania (Chairman & CEO)
<b>Enterprises owned or significantly influenced by Key management personnel or their relatives</b>	- Fenton Investments Private Limited
	- PDJ Properties & Investment Services Private Limited

b) Related party transaction (Rs. in lacs)

Nature of Transactions	Holding Company	Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>Transactions during the year</b>						
<b>Managerial Remuneration</b>						
Arvind Singhania	-	-	148.66	-	-	148.66
	-	-	(110.73)	-	-	(110.73)
Pradeep Kumar Rustagi	-	-	82.95	-	-	82.95
	-	-	(94.31)	-	-	(94.31)
<b>Rent Paid</b>						
Fenton Investments Pvt. Ltd.	-	-	-	-	20.54	20.54
	-	-	-	-	(20.22)	(20.22)
<b>Salary Paid</b>						
Ayush Vardhan Singhania	-	-	-	39.14	-	39.14
	-	-	-	(30.68)	-	(30.68)
Jai Vardhan Singhania	-	-	-	39.20	-	39.20
	-	-	-	(15.00)	-	(15.00)
<b>Education, Training &amp; Development*</b>						
Ayush Vardhan Singhania	-	-	-	-	-	-
	-	-	-	(73.02)	-	(73.02)
<b>Balances Outstanding as at year end</b>						
<b>Security deposit</b>						
Fenton Investments Pvt.Ltd.	-	-	-	-	4.50	4.50
	-	-	-	-	(4.50)	(4.50)
<b>Guarantees given against Loans Taken (jointly and severally) by the Company</b>						
- Wilemina Finance Corporation	29,685.25	-	-	-	-	29,685.25
	(37,294.86)	-	-	-	-	(37,294.86)
- Arvind Singhania	-	-	26,156.95	-	-	26,156.95
	-	-	(2,900.00)	-	-	(2,900.00)

- Previous year figures are given in bracket.

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

**35. Capitalization of expenditure:**

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

(Rs. In lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages & bonus	28.33	21.92
Finance costs	148.26	271.80
	<b>176.59</b>	<b>293.72</b>

**36. Segment Reporting**

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

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

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

**A. Segment Disclosure**

(Rs. In lacs)

Particulars	Polyester Film		Engineering Plastics		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>REVENUE</b>						
External sales	61,566.99	72,296.14	15,514.96	17,330.62	77,081.96	89,626.76
Inter segment sale	-	-	-	-	-	-
<b>Total revenue</b>	<b>61,566.99</b>	<b>72,296.14</b>	<b>15,514.96</b>	<b>17,330.62</b>	<b>77,081.96</b>	<b>89,626.76</b>
<b>SEGMENT RESULT</b>	<b>7,386.97</b>	<b>6,637.24</b>	<b>1,155.96</b>	<b>1,248.54</b>	<b>8,542.93</b>	<b>7,885.78</b>
Unallocated corporate expenses					4,740.40	3,982.45
<b>Operating Profit</b>					<b>3,802.53</b>	<b>3,903.33</b>
Finance costs					3,601.43	3,709.55
Other income					482.16	293.85
<b>Profit Before Tax / (Loss)</b>					<b>683.27</b>	<b>487.63</b>
Income taxes					227.21	103.73
<b>Net Profit / (Loss)</b>					<b>456.06</b>	<b>383.90</b>
<b>OTHER INFORMATION</b>						
Segment assets	43,805.44	43,340.49	10,355.52	11,205.79	54,160.96	54,546.28
Unallocated corporate assets					14,686.96	16,884.89
<b>Total assets</b>					<b>68,847.92</b>	<b>71,431.17</b>
Segment liabilities	4,719.75	4,234.84	1,978.82	3,007.57	6,698.57	7,242.41
Unallocated corporate liabilities					32,931.23	36,993.28
<b>Total liabilities</b>					<b>39,629.81</b>	<b>44,235.69</b>
Capital expenditure	1,493.84	914.48	102.46	137.52	1,596.30	1,052.00
Unallocated Capital expenditure					774.16	2,479.40
<b>Total Capital expenditure</b>					<b>2,370.45</b>	<b>3,531.40</b>
Depreciation/Amortisation	2,643.26	2,735.23	173.52	132.10	2,816.78	2,867.32
Unallocated Depreciation/Amortisation					343.26	343.26
<b>Total Depreciation/Amortisation</b>					<b>3,160.03</b>	<b>3,210.58</b>

Particulars	Polyester Film		Engineering Plastics			Total
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Unallocated Non-cash expenses other than depreciation and amortisation					9.25	14.10
<b>Total Non-cash expenses other than depreciation and amortisation</b>					<b>9.25</b>	<b>14.10</b>

## B. INFORMATION ABOUT SECONDARY SEGMENTS

a) Revenue as per Geographical Markets (Rs. in lacs)

	March 31, 2016	March 31, 2015
India *	54,587.19	69,854.52
Outside India	22,494.77	19,772.24
<b>Total</b>	<b>77,081.96</b>	<b>89,626.76</b>

\* Includes Deemed export within India

b) Carrying amount of Segment Assets (Trade receivable) by geographical location of assets (Rs. in lacs)

	March 31, 2016	March 31, 2015
India	6,940.77	8,142.73
Outside India	4,279.71	3,649.57
<b>Total</b>	<b>11,220.48</b>	<b>11,792.30</b>

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, 2016	March 31, 2015
India	2,370.45	3,531.40
Outside India	-	-
<b>Total</b>	<b>2,370.45</b>	<b>3,531.40</b>

37. Value of imports calculated on CIF basis (Rs. in lacs)

	March 31, 2016	March 31, 2015
Raw Materials	9,927.01	15,196.15
Stores & Spare Parts	534.96	545.02
Capital Goods	888.76	571.49
<b>Total</b>	<b>11,350.73</b>	<b>16,312.66</b>

38. Earning in foreign currency: (Rs. in lacs)

	March 31, 2016	March 31, 2015
FOB value of export of goods , R&D Charges & misc. income received	22,016.45	19,057.23
<b>Total</b>	<b>22,016.45</b>	<b>19,057.23</b>

(FOB Value of Exports does not include Deemed Exports of Rs. 92.74 lacs (previous year Rs.513.45 lacs).

**39. Imported and indigenous raw material and spare parts consumed**

(Rs. In lacs)

	March 31, 2016		March 31, 2015	
	Percentage	Value	Percentage	Value
<b>Raw Material</b>				
Imported	25.31	12,633.18	27.35	17,112.93
Indigenous	74.69	37,288.79	72.65	45,468.20
<b>Total</b>	<b>100.00</b>	<b>49,921.97</b>	<b>100.00</b>	<b>62,581.13</b>
<b>Stores &amp; spares</b>				
Imported	45.31	576.65	53.47	599.04
Indigenous	54.69	696.05	46.53	521.31
<b>Total</b>	<b>100.00</b>	<b>1,272.70</b>	<b>100.00</b>	<b>1,120.35</b>

**40. Expenditure in foreign currency:**

(Rs. in lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Bank charges	35.18	38.92
Legal & professional	28.25	20.90
Expense on foreign technicians	32.89	23.04
Commission and brokerage	163.29	174.28
Traveling expenses	121.69	99.83
Discount, claims and rebates	60.36	57.94
Miscellaneous expenses	22.66	31.93
<b>Total</b>	<b>464.32</b>	<b>446.84</b>

**41. Share of Parent company and Subsidiaries in Net Assets and Profit or Loss as required in Schedule III of Companies Act 2013**

Name of Entity	Net Assets, i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated net assets	Amount (Rs. In Lacs)	As % of consolidated profit or loss	Amount (Rs. In Lacs)
Ester Industries Limited	100.37%	29323.06	100.00%	456.06
Ester International (USA) Ltd.	-0.37%	-106.66	0.00%	-0.02
Minority Interest in subsidiary	Nil	Nil	Nil	Nil

- 42.** In the Board Meeting held on 25th May, 2015, the Company has allotted 2,07,50,000 Equity Shares of Rs. 5/- each (face value) fully paid at a price of Rs. 10.10 each including premium of Rs. 5.10/- each (the Equity Shares) to Vettel International Limited, a Non-Promoter entity, pursuant to conversion of 2,07,50,000 Zero Coupon Warrants of Rs. 10.10 each (the Warrants) in compliance with the Companies Act, 1956 and SEBI Regulations. The company had already obtained approvals from Shareholders, Stock Exchanges and FIPB. During the month of May, 2015, the Company had received an amount of Rs. 1587.02 Lacs towards 75% of the total amount of the Warrants required for the conversion of the Warrants into Equity Shares. The Company had already received 25% of the total amount of the Warrants during FY 2014-15.

The Company has obtained listing approvals of the Equity Shares from both the Stock Exchanges viz Bombay Stock Exchange and National Stock Exchange in the month of June, 2015.

- 43.** Pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee has adopted a Corporate Social Responsibility Policy. As per Section 135(5) of the Act, the Company needs to ensure that at least 2% of the average net profit of preceding 3 (three) financial years is spent on CSR activities as mentioned in CSR Policy. The prescribed amount to be spent on CSR during FY 2015-16 was Rs. 7.47 Lacs being 2% of the average net profit of preceding three financial years (2012-13, 2013-14 and 2014-15).

As against obligation to spend Rs. 7.47 lacs on CSR during FY 2015-16, the Company has spent only Rs. 2.90 lacs and carried forward unspent amount of Rs. 4.57 Lacs for spending on CSR activities during FY 2016-17. The Company observed that obligated amount of Rs. 7.47 lacs was not large enough to make any worthwhile impact on the society. The Company feels that brought forward amount of Rs. 4.57 lacs together with obligation of Rs. 17.29 lacs, would be large enough to make positive impact on the society and accordingly has decided to spend Rs. 21.86 lacs during the FY 2016-17 on CSR activities.

**Details of CSR expenditure**

(Rs. In lacs)

	March 31, 2016			March 31, 2015
A- Gross amount to be spent by the Company during the year	7.47			Nil
	In cash	Yet to be paid in cash	Total	
B- Amount spent during the year ending on 31st March 2016				
(i) Promoting education by providing educational materials, school bags, furniture to a primary School	2.03	Nil	2.03	Nil
(ii) Promoting health care and preventive health care through treatment of poor patients, help to disabled persons, financial assistance for organizing eye camp and donation of woolen blankets	0.87	Nil	0.87	Nil

44. Previous year figure have been regrouped / reclassified whenever considered necessary, so as to confirm with the current year's classification.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

**per Atul Seksaria**

Partner

Membership no. 086370

Place : New Delhi

Date : May 25, 2016

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

**Arvind Singhania**

Chairman & CEO

DIN : 00934017

**Pradeep Kumar Rustagi**

Executive Director & CFO

DIN : 00879345

**Diwaker Dinesh**

Company Secretary

M.No.:A22282

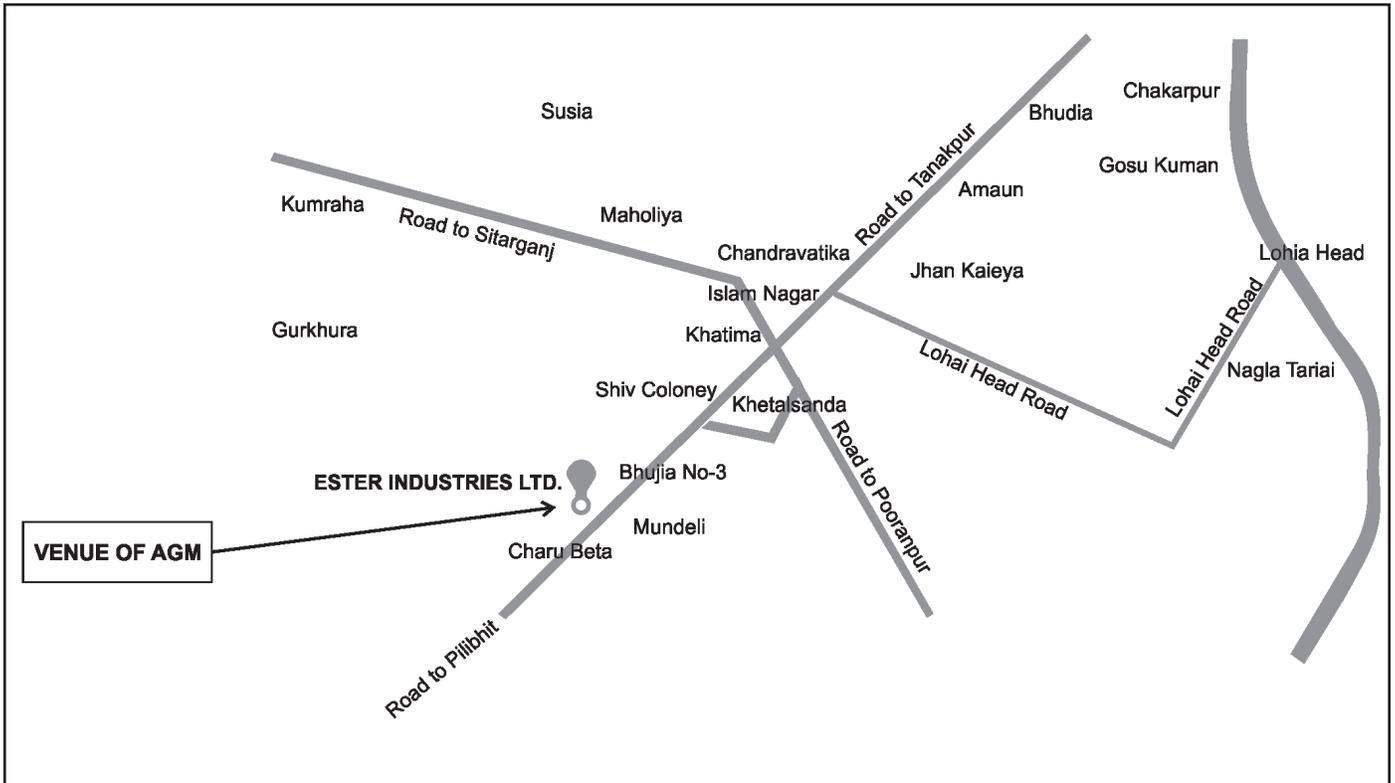
**Date of AGM**

24th September, 2016

**Venue of AGM**

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

**ROUTE MAP FOR VENUE OF AGM**





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 – investor@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**

<p><b>IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE</b> Please send the form to the Registrar at following address- <b>MAS Services Limited</b> <b>Unit – Ester Industries Limited</b> <b>T - 34, Okhla Industrial Area, Phase - II, New Delhi –110 020</b></p>	<p><b>IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE</b> Please send the form to your concerned Depository Participant where you maintain your Demat Account.</p>
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Dear Sir

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

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

4 Particulars of bank :

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

5. Date from which the mandate should be effective: \_\_\_\_\_

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

Signature of Shareholder

Date

Place





# 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 - investor@ester.in

## 30th ANNUAL GENERAL MEETING

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

Folio No./ DP Id. & Client Id. :  
Name of the Shareholder :  
Jt1 :  
Jt2 :  
Address of the Shareholder :  
No. of Shares :

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company to be held on Saturday, the 24th Day of September 2016 at 10.30 AM at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand.

Name of Proxy :  
(IN CAPITAL LETTER)

\_\_\_\_\_  
SIGNATURE/S OF THE SHAREHOLDER/S OR PROXY  
(To be signed at the time of handing over the slip)

### ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	PAN / Sequence No.
160817023	



# 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 – investor@ester.in

## 30th 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 30th Annual General Meeting of the Company to be held on Saturday, 24th September, 2016 at 10.30 AM at Registered Office at Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand and any adjournment thereof in respect of such resolutions as are indicated below :

ITEM NO	RESOLUTIONS	Optional <sup>2</sup>	
		FOR	AGAINST
1	Consideration and adoption of Annual Accounts, Auditors and Directors Report		
2	Re-appointment of Mrs. Archana Singhania who retires by rotation		
3	Ratification of appointment of S. R. Batliboi & Co. LLP as Statutory Auditors and fixation of their remuneration		
4	Ratification of Remuneration fixed for Cost Auditor of the Company		

Signed this .....day of..... 2016

Signature of Shareholder.....

Signature of Proxy holder(s) .....

Note -

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

Re. 1/- Revenue Stamp
-----------------------------



CIN: L24111UR1985PLC015063

**Registered Office:**

Sohan Nagar, P. O. Charubeta, Khatima-262308,  
Distt. Udham Singh Nagar, Uttarakhand  
Phone : (05943) 250153-57  
Fax No. (05943) 250158

**Corporate Office:**

Plot No. 11, Block-A, Infocity-I, Sector 33 & 34,  
Gurgaon-122001, Haryana  
Phone No.: +91-124-4572100, Fax no.: +91-124-4572199  
[www.esterindustries.com](http://www.esterindustries.com), Email: [investor@ester.in](mailto:investor@ester.in)