



ESTER INTERNATIONAL (USA), LIMITED

FINANCIAL STATEMENTS

MARCH 31, 2013

(Discontinued Operations)

ESTER INTERNATIONAL (USA), LTD.

FINANCIAL STATEMENTS

MARCH 31, 2013

(DISCONTINUED OPERATIONS)

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ESTER INTERNATIONAL (USA), LIMITED

R. Rehani & Co.

Certified Public Accountants, P.C.

350 Fifth Avenue, Suite 5416 New York, NY 10118

INDEPENDENT AUDITOR'S REPORT

The Board of Directors

Ester International (USA), Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Ester International (USA), Ltd. which comprise the balance sheet as of March 31, 2013, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this included the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ester International (USA), Ltd. as of March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

New York, New York

April 19, 2013

ESTER INTERNATIONAL (USA), LTD.

BALANCE SHEET

AS AT MARCH 31, 2013

(DISCONTINUED OPERATIONS)

ASSETS	(In USD)
Current assets :	
Cash	1,407
Other current assets	1,406
Total current assets	2,813
Total Assets	2,813

LIABILITIES AND STOCKHOLDER'S EQUITY	(In USD)
Current Liabilities :	
Accrued expenses	5,250
Custom duties payable - note 2	145,978
Due to parent company	12,336
Total current liabilities	163,564
Stockholder's equity :	
Common stock, no par value; authorized 200 shares; issued and outstanding 200 shares	200
Additional paid in capital	24,800
Retained earnings (deficit)	(185,751)
Total stockholder's equity	(160,751)
Total Liabilities and Stockholder's Equity	2,813

ESTER INTERNATIONAL (USA), LTD.
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED MARCH 31, 2013
(DISCONTINUED OPERATIONS)

(In USD)

Income:	
Receipts	-
Expenses:	
Professional fees	2,000
Bank charges	25
Loss before other income and expenses	(2,025)
Other income and expenses:	
Diffrence in exchange	(47)
Net Loss	(2,072)
Retained earnings (deficit) -beginning	(183,679)
Retained earnings (deficit) -end	(185,751)

ESTER INTERNATIONAL (USA), LTD.
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2013
(DISCONTINUED OPERATIONS)

(In USD)

Increase (decrease) in cash :	
Cash flows from operating activities :	
Net loss	(2,072)
Net cash used in operating activities	(2,072)
Cash flows provided by financing activities :	
Due from parent company	5,047
Accrued expenses	(4,000)
Net cash provided by financing activities :	1,047
Net decrease in cash	(1,025)
Cash -beginning	2,432
Cash -end	1,407

ESTER INTERNATIONAL (USA), LTD.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

(DISCONTINUED OPERATIONS)

Note 1 - Summary of significant accounting policies:

a) Organization and business activity:

Ester International (USA), Ltd. was incorporated under the laws of the State of New Jersey on May 8, 1997. The company was in the business of importing polyester film and engineering polymer products from its parent company in India. The company has discontinued its operations in 2003 due to increase in custom duties to 24.96% making the product uncompetitive in the USA market.

b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from the estimates.

c) Subsequent events:

In accordance with ASC 855, the company evaluates subsequent events through April 19, 2013, the date these financial statements were issued. There were no material subsequent event that required recognition of additional disclosure on these financial statements.

Note 2 – Custom duties payable:

The company is under an investigation by Department of Commerce for anti-dumping and countervailing duties on import of PET films from India. The Department of Commerce has determined a preliminary combined rate of 24.96% on PET film imports by the company beginning October 23, 2001. The company estimated and provided an additional duty of \$171,821 on such imports between October 23, 2001 and March 31, 2003. Principal balance still outstanding against this liability is \$145,978.

ESTER INTERNATIONAL, (USA) LTD.

BALANCE SHEET

AS AT MARCH 31, 2013

(DISCONTINUED OPERATIONS)

	As at March 31, 2013 (INR in Lacs)	As at March 31, 2012 (INR in Lacs)
ASSETS		
Current assets :		
Cash	0.76	1.24
Due from Parent Company	-	-
Other current assets	0.76	0.72
Total current assets	1.53	1.95
Total Assets*	1.53	1.95
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities** :		
Accrued expenses	2.85	4.71
Customer duties payable - note 2	79.36	74.27
Due to parent company	6.71	3.71
Total current liabilities	88.92	82.68
Stockholder's equity :		
Common stock, no par value; authorized 200 shares; issued and outstanding 200 shares	0.08	0.08
Additional paid in capital	9.61	9.61
Retained earning (deficit)	(97.09)	(90.42)
Total stockholder's equity	(87.40)	(80.73)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY**	1.53	1.95

ESTER INTERNATIONAL, (USA) LTD.
STATEMENT OF INCOME AND RETAINED EARNINGS
AS AT MARCH 31, 2013
(DISCONTINUED OPERATIONS)

	For the Year Ended 31st March 2013 (INR in Lacs)	For the Year Ended 31st March 2012 (INR in Lacs)
Income:***		
Receipts	-	-
Difference in exchange	-	-
Total income	-	-
Expenses:****		
Professional fees	1.09	1.02
Business taxes	-	-
Bank charges	0.01	-
Difference in exchange	5.56	10.18
Total expenses	6.67	11.20
Net (loss)/Gain	(6.67)	(11.20)
Retained earnings (deficit) -beginning	(90.42)	(79.22)
Retained earnings (deficit) -end	(97.09)	(90.42)

ESTER INTERNATIONAL (USA) LTD.

STATEMENT OF CASH FLOWS AS AT MARCH 31, 2013 (DISCONTINUED OPERATIONS)

	For the Year Ended 31st March 2013 (INR in Lacs)	For the Year Ended 31st March 2012 (INR in Lacs)
Increase (decrease) in cash :		
Cash flows from operating activities :		
Profit/ (Net loss)	(6.67)	(11.20)
Changes in Assets and Liabilities :		
Other current assets	(0.05)	(0.10)
Accrued expenses	(1.85)	1.49
Net cash used in operating activities	(8.57)	(9.81)
Cash flows provided by financing activities :		
Due from parent company	8.09	9.96
Net cash provided by financing activities :	8.09	9.96
Net decrease in cash	(0.47)	0.16
Cash -beginning	1.24	1.08
Cash -end	0.76	1.24
Supplemental disclosures:		
Taxes paid	0.00	0.00

Note :

The above said accounts have been converted into INR as per the requirement of Schedule VI of the Companies Act, 1956.

* Total assets have been converted at TT Buying Rate as on 31st March 2013 & 31st March 2012 respectively.

** Total liabilities have been converted at TT selling rate as on 31st March 2013 & 31st March 2012 respectively.

*** All income have been converted at TT Buying rate as on 31st March 2013 & 31st March 2012 respectively.

**** All expenses have been converted at TT selling rate as on 31st March 2013 & 31st March 2012 respectively.