ESTER INTERNATIONAL (USA), LIMITED UN-AUDITED FINANCIAL STATEMENTS MARCH 31, 2014 (DISCONTINUED OPERATIONS)

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BALANCE SHEET AS AT MARCH 31, 2014

(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	3,250
Custom duties payable - note 2	145,978
Due to parent company	14,399
Total current liabilities	163,627
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)	(185,814)
Total stockholder's equity	(160,814)
Total Liabilities and Stockholder's Equity	2,813

STATEMENT OF INCOME AND RETAINED EARNINGS YEAR ENDED MARCH 31, 2014 (DISCONTINUED OPERATIONS)

(In USD)

Income:	
Receipts	-
Total income	
Expenses:	
Professional fees	-
Bank charges	-
Loss before other income and expenses	-
Other income and expenses:	
Difference in exchange	(63)
Net Loss	(63)
Retained earnings (deficit) -beginning	(185,751)
Retained earnings (deficit) -end	(185,814)

ESTER INTERNATIONAL (USA), LTD.

STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2014 (DISCONTINUED OPERATIONS)

(In USD)

Increase (decrease) in cash:	
Cash flows from operating activities :	
Profit/ (Net loss)	(63)
Net cash used in operating activities	(63)
Cash flows provided by financing activities:	
Due from parent company	2,063
Accrued expenses	(2,000)
Net cash provided by financing activities:	63
Net decrease in cash	-
Cash -beginning	1,407
Cash -end	1,407
Supplemental disclosures:	
Taxes paid	-

NOTES TO FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2014 (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 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 this liability is \$145,978.

BALANCE SHEET AS AT MARCH 31, 2014 (DISCONTINUED OPERATIONS)

	As at	As at
	March 31, 2014	March 31, 2013 (INR in Lacs)
	(INR in Lacs)	
ASSETS		
Current assets:		
Cash	0.85	0.76
Due from Parent Company	-	-
Other current assets	0.84	0.76
Total current assets	1.69	1.53
Total Assets*	1.69	1.53
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities**:		
Accrued expenses	12.23	2.85
Customer duties payable - note 2	79.36	79.36
Due to parent company	6.71	6.71
Total current liabilities	98.30	88.92
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)	(106.30)	(97.09)
Total stockholder's equity	(96.61)	(87.40)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY**	1.69	1.53

STATEMENT OF INCOME AND RETAINED EARNINGS AS AT MARCH 31, 2014 (DISCONTINUED OPERATIONS)

	For the Year Ended 31st March 2014 (INR in Lacs)	For the Year Ended 31st March 2013 (INR in Lacs)
Income:***		
Receipts	-	-
Difference in exchange	-	-
Total income	-	-
Expenses:****		
Professional fees	-	1.09
Business taxes	-	-
Bank charges	-	0.01
Difference in exchange	0.04	5.56
Total expenses	0.04	6.67
Net (loss)/Gain	(0.04)	(6.67)
Retained earnings (deficit) -beginning	(97.09)	(90.42)
Retained earnings (deficit) -end	(97.12)	(97.09)

STATEMENT OF CASH FLOWS AS AT MARCH 31, 2014 (DISCONTINUED OPERATIONS)

	For the Year Ended 31st March 2014 (INR in Lacs)	For the Year Ended 31st March 2013 (INR in Lacs)
Increase (decrease) in cash:		<u> </u>
Cash flows from operating activities :		
Profit/ (Net loss)	(0.04)	(6.67)
Foreign Exchange Impact		-
Changes in assets and Liabilities :		
Other current assets	0.08	(0.05)
Accrued expenses	0.04	(1.85)
Net cash used in operating activities	0.08	(8.57)
Cash flows provided by financing activities:		
Due from parent company	-	8.09
Net cash provided by financing activities :	-	8.09
Net decrease in cash	0.08	(0.47)
Cash -beginning	0.76	1.24
Cash -end	0.84	0.76
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 2014 & 31st March 2013 respectively.

^{**} Total liabilities have been converted at TT selling rate as on 31st March 2014 & 31st March 2013 respectively.

^{***} All income have been converted at TT Buying rate as on 31st March 2014 & 31st March 2013 respectively.

^{****} All expenses have been converted at TT selling rate as on 31st March 2014 & 31st March 2013 respectively.