

**SCHEME OF AMALGAMATION
UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956
BETWEEN**

Sriyam Impex Private Limited

Transferor Company

And

Ester Industries Limited

Transferee Company

And

their respective shareholders, creditors and all concerned.

PART-I

This Scheme of Amalgamation is presented for the amalgamation of Sriyam Impex Private Limited with Ester Industries Limited pursuant to Sections 391 & 394 of the Companies Act, 1956.

1. INTRODUCTION

1.1 Sriyam Impex Private Limited (herein after referred to as 'Transferor Company') is a Company incorporated under the Companies Act, 1956 on March 5, 1998, and having its Registered Office at Sohan Nagar, P.O. Charubeta, Khatima, Dist. Udham Singh Nagar, Utrakhand-262308, India. Transferor Company is authorised to and is engaged in the trading of Polyester films, Metallized film, Adhesive Chemicals, Laminated papers etc. etc.

1.2 Ester Industries Limited (herein after referred to as 'Transferee Company') is a Company incorporated under the Companies Act, 1956 on February 4, 1985, and having its Registered Office at Sohan Nagar, P.O. Charubeta, Khatima, Dist. Udham Singh Nagar, Utrakhand-262308, India. Transferee Company is authorized to and is engaged in the business of manufacturing Polyester Films, Specialty Polymers and Engineering Plastics. Polyester Films find applications largely in flexible packaging and other industrial applications. Engineering Plastics are used for injection moulded components finding applications in automotive, electrical, electronics, lighting and consumer durable.

Specialty Polymers are high performance polymers for special applications in rigid packaging, textiles, plastic sheets and other industrial applications.

1.3 Rationale for the Scheme

- 1.3.1 The Amalgamation will lead to the benefits of economies of scale, besides other synergetic advantages particularly in view of the fact that the Companies involved in the amalgamation are engaged in the businesses, which are complementary to each other and can be conveniently combined with one another for mutual benefit.
- 1.3.2 The Transferor Company and the Transferee Company are companies within the same group of Companies ('Group'). A consolidation of the Transferor Company and the Transferee Company by way of amalgamation would therefore lead to a more efficient utilization of capital and facilitate creation of a linear shareholding structure.
- 1.3.3 The proposed amalgamation will result in reduction on overheads and other expenses, economies of scale, reduction in administrative and procedural work and eliminate duplication of work and will enable the undertakings concerned to effect internal economies and optimize productivity.
- 1.3.4 The Scheme shall be beneficial and in the best interests of the shareholders, creditors, employees of the Transferor Company the Transferee Company and all concerned.

PART-II

2. DEFINITIONS:

For the purpose of this Scheme, the following expressions shall have the following meanings: -

- 2.1 "**Act**" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.

2.2 **“Amalgamating Undertaking”** means all the assets and liabilities belonging to Transferor Company and shall include:

- (i) The entire business of the Transferor Company;
- (ii) All the assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent), claims, estates, interests, powers properties, rights and titles of every description of or relating to the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets");
- (iii) All the debts, liabilities, duties and obligations including charges, liens and mortgages of every description of or pertaining to the Transferor Company as on the Appointed Date, whether provided for or not in the books of account of the Transferor Company and whether disclosed or undisclosed in its balance sheet (hereinafter referred to as "the said liabilities");
- (iv) Without prejudice to the generality of sub-clauses (i), (ii) & (iii) hereof, all rights, privileges, powers and authorities and all properties whether movable or immovable, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent or of whatsoever nature and wheresoever situated including brands, non-compete right, leasehold rights, tenancy rights, leasehold improvements, software, goodwill, industrial and other licenses installations, plant and machinery, furniture, fittings, office equipments, vehicles, shares, securities, inventories, book-debts, cash-in-hand, bank balances (including deposits with banks), loans and advances, deposits, advance payments, prepaid expenses, tax credits, sales tax deferrals / remission, CENVAT credits, sales tax credit and in particular all licenses, essentiality certificates, patents, trademarks, logos and all allotments, reservations, import quotas, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and licenses held by the Transferor Company or to which the Transferor Company is entitled to and all debts, liabilities, obligations and duties of the Transferor Company of whatsoever kind.

PROVIDED that except as provided herein, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall stand vested in the Transferee Company by virtue of the amalgamation.

- (v) All intellectual property rights of the Transferor Company pertaining to its business including patents, copyrights, designs and trademarks.
 - (vi) All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the business of the Transferor Company;
 - (vii) All permanent employees of the Transferor Company employed in the business of the Transferor Company;
 - (viii) All earnest monies, security deposits, payments against warrants, or other entitlements, if any, in connection with or relating to the business of the Transferor Company;
- 2.3 “**Appointed Date**” means for the purpose of amalgamation of Transferor Company commencement of business on the 1st day of April, 2012 or such other date as the High Court may direct or approve.
- 2.4 “**Authorised Signatory (ies)**” means any person authorized by the Board of Directors for the purpose of this scheme
- 2.5 “**Board of Directors**” in relation to The Transferor Company and The Transferee Company as the case may be, means Board of Directors of respective companies and shall include a committee of such Directors.

- 2.6 “**Effective Date**” means the last of the dates on which certified copy of the formal order of High Court is filed with the Registrar of Companies by both the Transferor Company and the Transferee Company.
- 2.7 “**High Court**” means the High Court of Uttarakhand at Nainital.
- 2.8 “**New Equity Shares**” mean equity shares issued by Transferee Company to the existing shareholders of Transferor Company referred to in clause 6, pursuant to amalgamation of the Transferor Company with Transferee Company.
- 2.9 “**Registrar of Companies**” means the Registrar of Companies, Kanpur.
- 2.10 “**Record Date**” means the date to be fixed by the Board of Directors or a committee thereof of the Transferee Company for the purpose of determining the members of the Transferor Company to whom shares will be allotted pursuant to Clause 6.1.1 of the Scheme.
- 2.11 “**Scheme**” means this **Scheme of Amalgamation** where under the Transferor Company is to be amalgamated with the Transferee Company in its present form or with any modification(s) approved or imposed or directed by the Members or Board of Directors of any of the companies made under Clause 15 and/or by the High Court and/or by any other authority, in accordance and compliance with the provisions of Section 2 (1B) of the Income Tax Act, 1961.
- 2.12 “**Transferor Company**” shall have the meaning given to in clause 1.1.
- 2.13 “**Transferee Company**” shall have the meaning given to in clause 1.2.
- 2.14 The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof from time to time. In particular, wherever reference is made to the Hon’ble High Court in this

Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal (“NCLT”) or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 3.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1 The Authorised, Issued, Subscribed and Paid Up Share Capital of the Transferor Company as at March 31, 2012 is as follows:

Particulars	Amount (Rs.)
AUTHORISED CAPITAL 47,960,000 Equity Shares of Rs. 10/- each	479,600,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL 19,646,224 Equity Shares of Rs. 10/- each	196,462,240.00

As on the date of this Scheme being approved by the Board of Directors of the Transferor Company and Transferee Company, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

- 4.2 The Authorised, Issued, Subscribed and Paid Up Share Capital of the Transferee Company as at March 31, 2012 is as follows:

Particulars	Amount (in Rs.)
AUTHORISED CAPITAL 150,000,000 Equity Shares of Rs. 5/- each	750,000,000.00
600,000 cumulative convertible preference shares of Rs. 50/- each	30,000,000.00
8,000,000 redeemable cumulative preference shares of Rs. 50/- each	400,000,000.00
TOTAL	1,180,000,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL 62,893,706 Equity Shares of Rs. 5/- each fully paid up	314,468,530.00

As on the date of this Scheme being approved by the Board of Directors of the Transferor Company and Transferee Company, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company.

PART – III - AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

5. TRANSFER AND VESTING

- 5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the modalities of transfer and vesting, the Amalgamating Undertaking belonging to the Transferor Company shall, without any further act or deed, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 391 to 394 and other applicable provisions of the

Act and pursuant to the orders of the High Court, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to all charges affecting the same provided that the Scheme shall not operate to enlarge the security for any loan deposit or facility created in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security there for after the Effective Date or otherwise.

- 5.2 Notwithstanding what is provided in Clause 5.1 above, it is expressly provided that in respect of such of the said assets as are moveable in nature, including cash in hand if any, or are otherwise capable of transfer by physical delivery or by endorsement and delivery or leasehold improvements, the same shall be so transferred by the Transferor Company to the Transferee Company immediately after the Scheme is sanctioned by the High Court, without requiring any further order of the High Court or any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly by virtue of this Scheme.
- 5.3 All the assets, title, interests, licenses, essentiality certificates, authorities acquired by or permits, quotas, approvals, permissions, incentives, sales tax deferrals / remissions, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes and other assets, special status and other benefits or privileges enjoyed by or conferred upon or held or availed of by and/or all rights and benefits that have accrued or which may accrue to the Transferor Company before and after the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the Transferor Company shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and be available the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions as if instead of the Transferor Company, the Transferee Company was a party thereto.
- 5.4 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, incentives, concessions and other authorizations relating to the Transferor Company shall stand transferred by the order of the High Court

to Transferee Company, Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file and record the change of name, pursuant to this Scheme.

5.5 Upon the coming into effect of this Scheme and with effect from the Appointed Date:

5.5.1 All secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities, duties and obligations of the Amalgamating Undertaking belonging to the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall, pursuant to the provisions of Section 394 (2) of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, so as to become the debts, liabilities, duties and obligations of the Transferee Company. Further, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of the Transferor Company are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company, shall, without any further act or deed continue to relate to such assets or any part thereof after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which the Transferor Company and the Transferee Company are party, and consistent with the joint obligations assumed by them under such arrangement. However, the Transferee company may, at any time after the coming into effect of this scheme in accordance thereof, if so required, under any law or otherwise execute deeds of confirmation in favor of the creditors/lenders of the Transferor company or in favor of any other party to the contract or arrangement to which the Transferor company is a party or any writing, as may be necessary, in order to give the formal effect to the above provisions. The Transferee company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor company as well as to implement and carry out all such formalities and compliances referred to above.

- 5.5.2 Loans, advances, payables and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf on either party.
- 5.5.3 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 5.5.4 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company, which shall meet, discharge and satisfy the same.
- 5.5.5 Guarantees provided by third parties on behalf of the Transferor Company shall vest in the Transferee Company and shall inure to the benefit of the Transferee Company.
- 5.6 All assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company in relation to or in connection with its business after the Appointed Date and prior to the Effective Date shall have been deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the assets, rights, title, interests and authorities of the Transferee Company.

- 5.7 For the purpose of giving effect to the vesting order passed under Sections 391, 394 and other applicable provisions of the Act, in respect of this Scheme, Transferee Company shall at any time pursuant to the sanction of this Scheme by the High Court be entitled to get the recordal of the change in the legal right(s) in respect of any right, asset or liability of the Transferor Company in the record of any authority or person who shall take them on file and record the change pursuant to and in terms of the Scheme.
- 5.8 This Scheme has been drawn up inter alia to comply with the conditions relating to “amalgamation” as specified under Section 2(1B) of the Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(1B) of the Income Tax Act, 1961. Such modification shall however not affect other parts of the Scheme.

6. CONSIDERATION

- 6.1 In consideration of the transfer and vesting of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall discharge consideration to the equity shareholders of the Transferor Company, whose names appear in the Register of Members of the Transferor Company as the holders of equity shares, on such date as may be determined as the “Record Date” for such purpose by the Board of Directors of the Transferee Company, in the following manner:
- 6.1.1 The Transferee Company shall, without further application, issue and allot to the Equity Shareholder(s) of the Transferor Company, 100 (One hundred only) Equity Shares of the nominal value of Rs. 5/- each at a premium of Rs. 25.22, i.e., at a fair value of Rs. 30.22 each, as determined in the valuation report given by the independent valuer, in the Transferee Company, credited as fully paid up, for every 197 (One hundred and ninety seven only) Equity Shares of the nominal value of Rs. 10 each fully paid up held by them in the Transferor Company. For the purpose of allotment referred to in this clause, fractional entitlements shall be rounded-off to the next higher whole number.

- 6.1.2 Equity shares to be allotted by the Transferee Company under this Scheme shall be hereinafter referred to as “New Equity Shares”. The Transferee Company shall issue and allot New Equity Shares either in physical form or dematerialized form to those equity shareholders who hold the shares of the Transferor Company in dematerialized form provided for issue of shares in dematerialized form, shareholders shall be required to provide details of their respective accounts with the depository participant and such other confirmations as may be required. All those equity shareholders who hold shares of the Transferor Company in physical form shall be issued New Equity Shares either in physical form or dematerialized form, provided for issue of shares in dematerialized form, shareholders shall be required to provide details of their respective accounts with the depository participant. The shareholders who fail to provide such details shall be issued New Equity Shares in physical form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Boards of Directors of the Transferor Company and the Transferee Company.
- 6.1.3 Notwithstanding anything to the contrary in this Scheme, upon the New Equity Shares in the Transferee Company being issued and allotted by it to the members of the Transferor Company as on the Record Date, the share certificates in relation to the Equity Shares held by them in the Transferor Company shall stand cancelled.
- 6.1.4 The New Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company.

Approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be the due compliance of Section 81 (1A) and such other regulations as are relevant and applicable for the issue and allotment of New Equity Shares by the Transferee Company.

- 6.1.5 The New Equity shares of the Transferee Company issued in terms of the scheme shall, subject to the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange (s) where the existing Equity Shares of the Transferee Company are listed and/or admitted to trading.
- 6.1.6 On completion of the scheme, equity shares of Transferee Company held by the Transferor Company shares shall stand cancelled.

6.2 Combination of Authorised Share Capital

Upon sanction of this Scheme, the Authorized Share Capital of the Transferee Company on the Effective Date shall automatically stand increased by merging the Authorized Share Capital of Transferor Company with Transferee Company without any further act or deed on the part of the Transferee Company, including payment of Stamp Duty and Registrar of Companies fees, for the Authorized Share Capital of Transferor Company. Further, if required, the Transferee Company shall take necessary steps to further increase and alter its Authorised Share Capital suitably to enable it to issue and allot the Equity Shares required to be issued and allotted by it in terms of this Scheme.

Upon the coming into effect of this Scheme, Clause V of the Memorandum of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

“The Authorized Share Capital of the Company is Rs.1,659,600,000/- (Rupees One Hundred and Sixty Five Crores and Ninety Six Lacs only) divided into 600,000 (Six lakhs) Cumulative Convertible Preference Shares of Rs. 50 (Rupees Fifty) each and 8,000,000 (Eighty Lakhs) Redeemable Cumulative Preference Shares (RCPS) of Rs.50/- (Rupees Fifty) each and 47,960,000 (Four Crore Seventy Nine Lacs and Sixty Thousand) of Equity Shares of Rs 10/- (Rupees Ten) each and 150,000,000 (Fifteen Crores) of Equity Shares of Rs. 5/- (Rupees Five) each .”

7. DISSOLUTION OF THE TRANSFEROR COMPANY

- 7.1 Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up.

8. ACCOUNTING TREATMENT

- 8.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation in its books of accounts as under:
- 8.1.1 Consideration for amalgamation shall be recorded at fair value. Equity Share Capital Account shall be credited with the aggregate face value of the New Equity Shares issued by it to the members of Transferor Company. The premium on the New Equity Shares shall be credited to the Securities Premium Account of the Transferee Company.
- 8.1.2 All the assets and liabilities as on the Appointed Date, recorded in the books of the Transferor Companies shall be recorded by the Transferee Company at their book values as appearing in the books of the Transferor Companies;
- 8.1.3 All the reserves (if any, including balance in securities premium) of the Transferor Company will be credited to the account of the Transferee Company, in the same manner and form as they appear in the books of the Transferor Company;
- 8.1.4 The difference between the amount recorded as consideration ie share capital (including security premium account) on issue of New Equity Shares allotted by Transferee Company and the existing equity share capital of Transferor Company pursuant to the order of the High Court shall be recorded as Capital Reserve / Goodwill.
- 8.1.5 On completion of the scheme, equity shares of Transferee Company held by the Transferor Company shares shall stand cancelled. Accordingly, face value of such shares would be reduced from the paid up capital of the Transferee Company. Further, book value of such investment held in Transferor Company over the face value of these shares shall be adjusted against the Capital Reserve of the Transferee Company.
- 8.1.6 Debit balance of Profit and Loss account and the Goodwill transferred from Transferor Company including the Goodwill, if any, arising pursuant to clause 8.1.4 of this scheme of amalgamation shall be adjusted by Transferee Company against security premium account.

- 8.1.7 The reduction, as specified above, in the share capital and security premium account of the Transferee Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.
- 8.2 The Accounting Treatment as stated in the Scheme is in compliance with the accounting treatment as prescribed under Accounting Standard 14 i.e. 'Accounting for Amalgamations' governed by the Companies (Accounting Standards) Rules, 2006.
- 8.3 In case of any differences in accounting policy between Transferor Company and Transferee Company, a uniform set of accounting policies will be adopted by the Board of Directors of the Transferee Company following the amalgamation. The effects on the financial statements of any changes in accounting policies should be adjusted against in accordance with Accounting Standard 5 ie 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' governed by the Companies (Accounting Standards) Rules, 2006
- 8.4 Notwithstanding anything above, the Board of Directors of the Transferee Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards notified by National Advisory Committee on Accounting Standards and applicable generally accepted accounting principles and any amendment made in Companies Act.

9. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY UNTIL EFFECTIVE DATE

- 9.1 With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall:
- 9.1.1 carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood

possessed of the Transferor Company on account of, and for the benefit of and in trust for the Transferee Company.

- 9.1.2 all the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes as the case may be, of the Transferee Company.
- 9.1.3 carry on its business with reasonable diligence and shall not without the prior written consent of the Transferee Company alienate, charge or otherwise deal with or dispose off the Undertaking or any part thereof except in the ordinary course of its business.
- 9.1.4 Not vary the terms and conditions of service of its permanent employees except in the ordinary course of its business.
- 9.1.5 Not, without the prior written consent of the Transferee Company, undertake any new business or a substantial expansion of its existing business
- 9.2 With effect from the Appointed Date, the Transferor Company has carried on and hereafter undertakes to carry on its business with reasonable diligence and utmost business prudence and from the date of acceptances of the Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company shall not alienate, charge, encumber, mortgage or otherwise deal with its Undertaking including any of the said assets or any part thereof, without the prior written consent of the Transferee Company, save and except in the ordinary course of business, or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date

Provided however that the Transferor Company shall be entitled in the ordinary course of business in relation to its borrowings required in connection with its business and operations to borrow in the form of loans and further consent of the Transferee Company shall not be required in this behalf.

10. EMPLOYEES OF THE TRANSFEROR COMPANY

- 10.1 All the staff, workmen and other employees, if any, of the Transferor Company in service on the date immediately preceding the Effective Date shall become the staff, workmen and employees of the Transferee Company on the Effective Date.
- 10.2 The services of the said staff, workmen and other employees shall, for all purposes, including accrued leave benefits, gratuity, provident fund, retirement benefits, retrenchment compensation, and so on, be regarded as continuous without any break or interruption of service by reason of the amalgamation of the Transferor Company to the Transferee Company.
- 10.3 The terms and conditions of service applicable to such employees on the Effective Date will not in any way be less favorable to them than those applicable to them immediately before the Effective Date. The position, rank and designation of the employees would, however, be decided by the Board of Directors of the Transferee Company, which shall also have the right to exercise an option, if warranted, to transfer such employees to any unit of the Transferee Company as may be deemed to be necessary from time to time.

It is expressly provided that as far as the Gratuity Fund, Provident Fund Scheme or any other Special Fund including any surplus in such funds, created or existing for the benefit of the employees, staff and workmen of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes or Funds as per the terms provided in the respective Trust deeds or other documents. It is the aim and intent of the Scheme that all the duties, obligations, powers and rights of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having being continuous for the purpose of the aforesaid Schemes / Funds in the hands of the Transferee Company.

11. RIGHT TO REVISE TAX RETURNS

It is clarified that all the taxes and duties payable by the Transferor Company including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims, from the Appointed Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise and file income tax returns including tax deducted at source certificates, sales tax/value added tax returns, service tax returns and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme.

12. LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company, if pending, on the Effective Date, shall not abate, be discontinued or be in any way prejudicially affected by reason of the vesting of the Transferor Company in the Transferee Company or the dissolution without winding up of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

13. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

13.1 Subject to the other provisions of this Scheme, all contracts, memorandum of understandings, tenders, bid documents, expressions of interest, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favor of the Transferee Company and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

13.2 The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after

the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done, executed for and on behalf of the Transferor Company as acts, deeds and things done, executed for and on behalf of the Transferee Company.

PART – IV - MISCELLANEOUS

14. APPLICATIONS TO THE HIGH COURT

The Transferor Company and the Transferee Company shall make necessary applications under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act to the High Court inter alia for convening/dispensing with the meetings of shareholders and creditors and sanction of this Scheme and for the consequent dissolution without winding up of the Transferor Company and for other reliefs.

15. MODIFICATIONS OR AMENDMENTS TO OR IMPLEMENTATION OF THE SCHEME

15.1 The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons, creditors and employees concerned to any modification or amendment or additions to this Scheme or to any conditions or limitations which either the Boards of Directors or a committee of the concerned Board of Directors or any Authorised Signatory as authorized by the Board of Directors of the Transferor Company and the Transferee Company may deem fit, or which the High Court or any other authorities under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute and perform all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those for bringing this Scheme into effect.

15.2 In the event that the Transferor Company or the Transferee Company may find any of the modifications or conditions which may be imposed by the High Court or other authorities unacceptable for any reason, then the Transferor Company and the Transferee Company are at liberty to withdraw the Scheme. The aforesaid powers of the

Transferor Company and the Transferee Company may be exercised by the Authorised Signatory of the respective Companies.

- 15.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Transferor Company and the Transferee Company or their Authorised Signatory may give and are authorized to determine and give all such directions as may be necessary including directions for settling or removing any question of doubt or difficulty that may arise on any account and between any persons including, such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 15.4 The Transferor Company and the Transferee Company shall also take all such other steps as may be necessary or expedient to give full and formal effect to and implement the provisions of this Scheme.

16. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses, including any taxes and duties of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferor Company.

Report of Audit Committee recommending draft Scheme of Amalgamation

The Board of Directors of the Company at its meeting held on 17th January, 2013 had approved the draft Scheme of Amalgamation of Sriyam Impex Private Limited ('SIPL') with Ester Industries Limited ('EIL'). EIL was in process to file the Scheme of Amalgamation along with other necessary documents with the National Stock Exchange and Bombay Stock Exchange (hereinafter referred to as 'Stock Exchanges') for their in-principal approval in terms of clause 24(f) of the Listing Agreement.

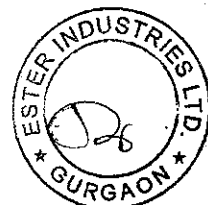
In the meantime, Securities and Exchange Board of India ('SEBI'), vide its Circular No.CIR/CFD/DIL/5/2013 dated 4th February, 2013 ("Circular") revised the requirements for consideration and approvals of the Scheme by the Stock Exchanges and SEBI under clause 24(f) of the Listing Agreement. As per the circular, Audit Committee should recommend the Scheme of Arrangement taking into consideration the Valuation Report on Share Entitlement Ratio.

In view of the above, Audit Committee in its meeting held on 11th February, 2013 considered and reviewed the Scheme of Amalgamation along with the following documents –

1. Valuation Report dated 14th January, 2013 issued by Goyal Malhotra and Associates, Chartered Accountants, Noida on Share Entitlement Ratio of equity shares issued in consideration of the amalgamation; and
2. Fairness Opinion dated 15th January, 2013 of Corporate Professionals Capital Private Limited, Merchant Bankers, Delhi, on the entitlement ratio recommended by Goyal, Malhotra and Associates.
3. Certificate issued by the Statutory Auditors of the Company on the Accounting Treatment prescribed in the Scheme.

Recommendation of the Audit Committee –

After considering and reviewing Valuation Report given by Goyal Malhotra and Associates and Fairness Opinion given by Corporate Professionals Capital Private Limited, the Audit Committee is satisfied with the report and finds the suggested



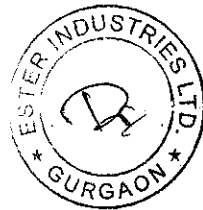
entitlement ratio of 100 equity shares of EIL for every 197 equity shares of SIPL, to be fair and reasonable.

Further, the Audit Committee has approved and recommended the Scheme of Amalgamation, as already approved by the Board of Directors in its meeting held on 17th January, 2013, for the consideration and approval of the same by Stock Exchanges and SEBI.

By order of the Audit Committee
For Ester Industries Limited



Diwaker Agrawal
Company Secretary



Date – 2nd April, 2013

Sriyam Impex Private Limited and Ester Industries Limited

Report on ratio for allotment of equity shares of Ester Industries Limited ('Ester' or 'EIL') to the equity shareholders of Sriyam Impex Private Limited ('SIPL' or 'the Company'), upon the merger of the SIPL with Ester as on April 1, 2012

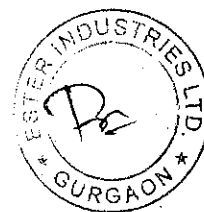
January 14, 2013



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1 REPORT LETTER

Private and Confidential

January 14, 2013

Board of Directors

Sriyam Impex Private Limited and Ester Industries Limited

DLF Cyber City, DLF Building No.-8,

Tower 'A', 2nd Floor, Sector 25, Phase-II,

Gurgaon, Haryana 122002, India

Dear Sir,

Sub – Report on ratio for allotment of equity shares of Ester Industries Limited ('Ester' or 'EIL') to the equity shareholders of Sriyam Impex Private Limited ('SIPL' or 'the Company'), upon the merger of the SIPL with Ester as on April 1, 2012.

This report summarizes results of workings and analysis for allotment ratio for issue of equity shares of 'Ester' to the equity shareholders of SIPL upon merger of SIPL into Ester as at April 1, 2012 (Appointed Date) carried out by Goyal Malhotra and Associates ("GMA" or "we") in accordance with our terms of arrangement dated January 7, 2013 with Sriyam Impex Private Limited\Ester Industries Limited and should not be relied for any other purpose.

For the purposes of recommending allotment ratio, we have carried out the analysis of Ester and SIPL on the basis of Net Assets Value Method, Market Price Method, Price Earning Capacity Value Method and Discounted Cash Flow Method and our report on the same is enclosed herewith for your reference. Read with underlying assumptions, scope of work and limitations defined in our report, **the proposed allotment ratio is 100 equity shares of Ester Industries Limited to be issued for every 197 shares of Sriyam Impex Private Limited**

As per information and explanation given to us by the Ester and the Company, the allotment ratio has been arrived at after considering the future profitability, future capital expenditure requirements in the



Goyal Malhotra and Associates

Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

business, equity servicing capacity, capital employed in the business, shareholders' profile and other relevant factors provided by the management. We have not done any process to verify the same

Scope of Work: We understand that the Management of Sriyam Impex Private Limited is contemplating a restructuring exercise wherein it proposes to merge SIPL into Ester to achieve synergies through focused business segments and leverage on its operations for future growth ("Transaction").

This would be achieved by a Scheme of Arrangement for merger ("Scheme") under the provisions of Sections 391-394 of the Companies Act, 1956.

For the purposes of merger, the Company requires Goyal Malhotra and Associates ("GMA") to provide share allotment ratio for the issue of shares of EIL to the equity shareholder of SIPL, pursuant to merger.

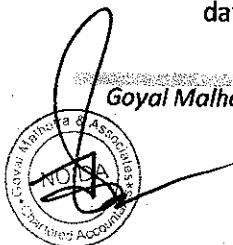
As such the report is to be read in totality, and not in parts in conjunction with the relevant documents referred to in this report. While utmost care has been taken however, our report is subject to the limitations detailed hereinafter.

Date of the report- Valuation analysis and result are specific to the purpose of valuation and the transaction date mentioned in the report is agreed as per the terms of our engagement. We have no responsibility to update this report for the events and circumstances occurring after the date of this report. The valuation has been conducted with reference to the information provided to us by the management as on November 15, 2012 read with our scope limitations. Analysis and results for the share allotment ratio are specific to the purpose of transaction and the Appointed Date i.e. April 1, 2012 mentioned in the report is agreed as per the terms of our engagement. We have no responsibility to update this report for the events and circumstances occurring after the date of this report.

Reliance on the information provided: -

- We have been provided with certain written and verbal information & assumptions from "Ester", "SIPL" and its representatives. We have evaluated the information provided to us through broad enquiry, analysis and review on the basis of information available in public domain (but have not carried out a due diligence, review or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided).

Goyal Malhotra and Associates



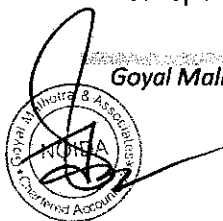
Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

- The terms of this engagement were such that we were entitled to rely upon the information provided by Ester and the Company without detailed enquiry. Also, we have been given to understand that Ester and the company has not omitted any relevant and material factors that could impact the share allotment ratio.
- Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. GMA assumes no responsibility for any errors/omission in the above information furnished by Ester and the company and their impact on present exercise.
- Our work does not constitute an audit, due diligence or certification of historical financial statements of the Companies or certification or verification of future projections\business plan referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.
- We have not provided any opinion on the valuation of Ester and the Company but has performed certain agreed upon procedures for the recommendation of share allotment ratio.
- No investigation of the Companies claim to title of assets of the Companies under transaction has been made for the purpose of this engagement and the Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. No responsibility is assumed for matters of a legal nature. We were not required to carry out a legal due diligence review

Financial Projections : - The conclusion arrived at depends upon the nature of financial information provided and reliance placed on the same by the valuer. The financial projections provided to us by Ester and SIPL, has not been verified or validated by us and the accuracy and appropriateness of such computations have not been verified by us. Further, we did not verify the assumptions used by Ester and SIPL for determining net cash flows.

Based on representation provided by the management, all information on Ester and SIPL as required, has been provided to GMA (subject to scope limitations), and is accurate and complete in all material respects. In addition to the above documentary evidence, our valuation analysis is based on discussions with management (covering the nature and operations of Ester and SIPL's businesses, historical financial performances, existing business plans, future performance estimates, or budgets, the assumptions underlying the business plans, estimates, or budgets, as well as the risk factors that could affect planned performance) and our own researches into the market and industry within which Ester and SIPL operates. Also, you have been provided an opportunity to review our draft report for the current exercise as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

Goyal Malhotra and Associates



Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

Competent management assumed- It should be specifically noted that the valuation assumes that the property / business will be completely managed and maintained over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which the actual results will depend.

Valuation analysis- Valuation of the business is not a precise art or science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment.

Share Allotment Analysis – Share allotment analysis is not a precise art or science and the conclusions arrived at are based on subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided our analysis of indicative values based on the information provided and within our scope and constraints of our engagement, others may place a different value to the same.

Purpose of the report- Our report is issued for the purpose of issue of shares of Ester to existing shareholders of SIPL. This report and information contained herein are confidential. It is intended only for the sole use and information of the client and only for the purpose mentioned herein. We are not responsible to any other user of the report for any decision of such user based on the report. Any user intending to provide finance / invest in the shares/ business of the company and/ or the client, its subsidiaries, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

It is understood that this report is required in connection with the limited purpose and will not be used to solicit either directly or indirectly – investments in Ester or SIPL or otherwise for any transaction. This report is purely for the identified purpose in accordance with our terms of arrangement dated January 7, 2013 with SIPL and Ester.

Restrictions on use: This report should not be disclosed to any other party without our prior consent in writing. This report is strictly confidential and no part thereof may be reproduced or used by any other party other than Ester and SIPL for its intended purpose. The terms of reference for this engagement have been established between Ester\SIPL and us and we will not accept any responsibility whatsoever to any other party to whom the report may be shown or who may acquire a copy of the report. If others choose to rely in any way on the contents of this report they do so entirely at their own risk.

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Sources of the Information: - During the course of our analysis, we were supplied with written and verbal information which we have relied upon. The set of information/ document etc, which has been furnished to us, are as under:

- Brief background of the business of Ester and SIPL;
- Audited \Unaudited financial statements of Ester and SIPL the financial year ended 31st March 2010, 31st March 2011 and 31st March 2012;
- Projected financial statements of Ester and SIPL;
- Scheme of Arrangement of merger under section 391 to 394 of the Companies Act, 1956;
- Shareholding pattern of Ester and SIPL as at April 1, 2012;
- Details of contingent liabilities of Ester and SIPL as at April 1, 2012;
- Projected financial statements of Ester and SIPL for FY13, FY14, FY15, FY16 and FY17
- We have also received necessary explanations and information, which we believed were relevant to the present valuation exercise from the Management of Ester and SIPL.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work.



Manoj Goyal

Partner

M. No. 098958

Goyal Malhotra and Associates

Chartered Accountants

307, Ocean Plaza, P-5,

Sector-18, Noida (U.P.) 201 301

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2 EXECUTIVE SUMMARY

Ester Industries Limited was incorporated on 4th February 1985 at Delhi. It manufactures polyester chips, polyester films engineering plastic and specialty polymers. The commercial production of polyester chips, polyester film and dyed polyester filament commenced from 1st July, 1988. The company entered into technical collaboration agreement for polyester chips plant with Lutrans Limited, Lurich, Switzerland for technical know-how and services. It also entered into a technical collaboration agreement with Lindauer Dornier GmbH, West Germany. The profitability of the company would have been still better but for poor availability and higher price of raw material in the first six months followed by a strike at Khatima Plant from March to April 1990. During 1989-90, the company changed its name from Ester India Limited to Ester Industries Limited

SIPL is a subsidiary of Wilemina Finance Corporation, Mauritius (WFC). SIPL directly holds 16.25% Equity Share Capital of Ester Industries Limited (EIL) The Company is an investment company only and is engaged in business of Commodity Trading.

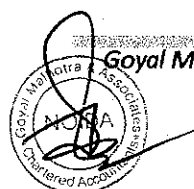
Shareholding Pattern of Ester

As at March 31, 2012	No of Shares	%
Promoter Group	45,343,442	72.1%
Public Institutions	62,600	0.1%
Body Corporates	2,204,444	3.5%
Public Shareholding	15,283,220	24.3%
Total	62,893,706	100.0%

Shareholding Pattern of SIPL

As at March 31, 2012	No of Shares	%
Ayush Vardhan	350,429	1.8%
Wilemina Finance	19,295,795	98.2%
Total	19,646,224	100.0%

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Goyal Malhotra and Associates

Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

We understand that the Management of Sriyam Impex Private Limited is contemplating a restructuring exercise wherein it proposes to merge SIPL into Ester to achieve synergies through focused business segments and leverage on its operations for future growth ("Transaction").

For the purposes of merger, SIPL and EIL requires Goyal Malhotra and Associates ("GMA") to provide share allotment ratio for the issue of equity shares of Ester to the shareholders of SIPL as on Appointed Date.

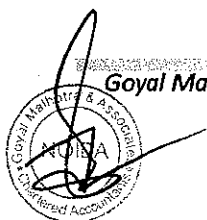
Approach:

- We have conducted a valuation analysis of Ester and SIPL as per Market Price Method, Net Assets Value method, Price Earning Capacity Value Method and Discounted Cash Flow Method. These are generally accepted approaches for the computation of share allotment ratio.
- The analysis and result relies upon the information substantively contained herein and which inter alia has been provided by the Management of Ester and SIPL which we assume has been duly approved by the concerned authority.
- We have given the appropriate weights to each of the methods (based on discussions with Management) considering the business risks and other applicable factors to arrive at the share allotment ratio.
- In the course of performing our procedures, we have relied on financials and other information, including estimates of future financial performance and assumptions thereof, provided by management. Our conclusions will be dependent on such information being complete and correct in all material respects. We have not conducted an independent audit, review or validation of such information including the estimates of future financial performance for the said purpose.

Results:

- Results of our analysis (please refer slide 10 to 13 for details of procedures performed) indicates a **share allotment ratio of – 100 equity share of Ester for every 197 equity Shares of SIPL**. The same is subject to 'scope limitations' detailed in the slides 13 to 16 of the report.

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3 AGREED UPON PROCEDURES

We have not relied on a single approach for determination of the share allotment ratio as all the approaches have its limitations and data gaps, also no conclusion can be drawn from a single approach, hence we have assigned the following weights (based on discussions with Management), to each of the approaches :

Summary	Weight	Ester Industries	Sriyam Impex	Weighted Average	
				Ester Industries	Sriyam Impex
Net Assets Value	20%	2,764	301	553	301
Market Price Method	20%	1,263	-	253	-
Pricing Norms	20%	1,560	-	312	-
Discounted Cash Flow Method	20%	1,723	-	345	-
Price Earning Capacity Value	20%	2,194	-	439	-
Weighted Average Value				1,901	301
Number of Shares				63	20
Share Price Value				30.22	15.36
Share Allotment Ratio				197	100

- Workings under each of the method is given in annexure

- Market price approach takes into account the basic assumption of liquidation of the Companies at the fair market value on the date of the transaction, which is not the intent of the Management. Also information of the market price was not available for SIPL and there has been reliance on the Management for use of significant assumptions for determination of market/fair value, hence market price approach cannot be used, in its entirety hence equal weights have been assigned to every method.
- DCF method is one of the most scientific methods amongst all the valuation methods in terms of conceptual framework. The value as derived is not impacted by accounting policies as it is based on cash flows and not book profits. This method incorporates all factors relevant to the business (i.e. tangible and intangible assets, current and future position, financial and business risks etc.)
- Net Assets Value determines the value on the basis of historical cost of assets and liabilities and does not factor the market premium.

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Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

- Price Earning Capacity Value is based on the normalized historical numbers of the Company which does not factor the value of growth plans of the Company going forward. Also this method involves high level of subjectivity on the future maintainable profits and high degree of reliance has to be placed on the Management estimates.
- The effect of such allotment ratio would be that each shareholder of SIPL becomes the shareholder in Ester. No shareholder is or will required to dispose off any part of his shareholding either to any of the other shareholders or in the market or otherwise.
- We have arrived at the allotment ratio based on the information provided by the Management and have not examined any other matter including economic rationale of the merger per se or accounting and tax matters involved in the proposed merger exercise.

4 KEY FACTORS USED IN VALUATION ANALYSIS

- The Management of Ester and SIPL has represented that there are no outstanding warrants/security/convertible instruments issued or granted by Ester or SIPL as of the date of issue of this report till the date when Scheme will become effective, which would impact the number of equity shares of Ester and SIPL;
- We have further been informed that SIPL has not granted any stock option under ESOS to its employees till the date of this report;
- As per information and explanation given to us by the Company, this allotment ratio has been arrived at after considering the future capital expenditure requirements in the business, equity servicing capacity, capital employed in the business, listing guidelines of the stock exchanges with respect to minimum paid-up capital, shareholders' profile and other relevant factors;
- Our analysis is based on audited\unaudited financial statements of the Companies i.e. March 31, 2011 and March 31, 2012 of Ester and SIPL. All the allocations of assets, liabilities, revenues and expenses have been done as per Accounting Standard 17 "Segment Reporting" by the management and we have not done any analysis to verify or audit the above allocations. As explained to us, current assets (other than cash/bank balances) and current liabilities (excluding capex related liabilities) are all operating in nature and not interest-bearing except as mentioned elsewhere in this report. Similarly, fixed assets and intangibles (except CWIP) are all operating in nature and include no surplus assets except as mentioned elsewhere in this report;

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Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

- As explained to us by the Company, no intra-group dealings (except those mentioned in this report) were entered into. The intra-group dealings, if any, mentioned in this report were done at arm's length basis as explained to us and has been squared off wherever required;
- We have arrived at the allotment ratio based on the information provided by the management and have not examined any other matter including economic rationale of the merger per se or accounting and tax matters involved in the proposed merger exercise;
- The business of Ester and SIPL in the foreseeable future is expected to grow at least similar to recent growth rates enjoyed by it except as mentioned elsewhere in this report. Also, as explained to us by management, growth achieved in recent years in revenue, profits, etc. are based on organic growth and also real improvement in business and not due to accounting or similar reasons. As explained to us by management, recent years' financial results are based on dealings with third parties and no intra-group dealings (except those mentioned in this report) were entered into. The intra-group dealings, if any, mentioned in this report were done at arm's length basis as explained to us;
- As explained to us by the Management of the Company, the operating assets and liabilities of the Company as at Valuation Date are at levels (in relation to volume of business) as employed on an average by the Company throughout last year except as mentioned elsewhere in this report. No capex has been incurred or assets capitalized or long term leases signed during last six months except as mentioned elsewhere in this report. Also, as explained to us, operating assets have been well maintained by the Company and its subsidiaries;
- Based on discussions with Management, we understand that no guarantees have been given by the Company on behalf of companies which are insolvent or expected to be insolvent in foreseeable future. As explained to us by the Company, there are no contingent liabilities or assets other than those mentioned herein;
- The valuation analysis and results significantly depend upon the business plan of the Company and its subsidiaries which has not been validated by us and we have relied on the management business plan for our workings. We have not validated the business plan based on historical numbers, customer orders, loan disbursement and loan payments, current cost patterns, working capital requirements, capex, yields and profitability etc;
- The current valuation analysis has been undertaken assuming that present business operations represent optimum use of assets of the business except as mentioned elsewhere in this report. We have relied on the management projections for and have not analyzed the same with historical and information available in public domain;

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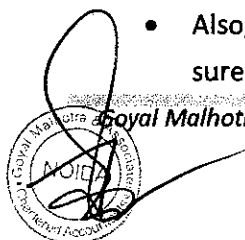
Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

- The Company has represented to us that there is no surplus / non-operating asset in the Company as of the Valuation Date except those as mentioned herein. There are no contingent liabilities in the Company and its subsidiaries other than what is discussed in the report;
- All information on Ester and SIPL as required, provided to GMA, and is accurate and complete in all material respects. In addition to the above documentary evidence, our valuation is based on discussions with management (covering the nature and operations of Ester and SIPL's businesses, historical financial performances, existing business plans, future performance estimates, or budgets, the assumptions underlying the business plans, estimates, or budgets, as well as the risk factors that could affect planned performance) and our own researches into the market and industry within which Ester\SIPL's operates. Also, you have been provided an opportunity to review our draft report for the current exercise as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

5 STATEMENT OF LIMITING CONDITIONS

- Valuation analysis is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective. There is therefore no indisputable single value. We have performed agreed upon procedures over valuation analysis and do not provide any opinion on the valuation thereof. While we have provided our analysis of indicative values based on the information provided and within our scope and constraints of our engagement, others may place a different value to the same;
- Valuation analysis is specific to the purpose of valuation and the valuation date mentioned in the report as agreed per terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other company;
- Valuation analysis are also specific to the date of this report. An exercise of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, GMA's results are, to a significant extent, subject to continuance of current trends beyond the date of the report. We, however, have no obligation to update this report for events, trends or transactions relating to the SIPL or the market/economy in general and occurring subsequent to the date of this report.
- Valuation analysis herein are arrived based on generally accepted principles
- The share allotment ratio and fair exchange ratio recommended herein are arrived based on generally accepted principles. These do not consider specific provisions of tax laws prevalent in India. The ratios specified are not to be construed as compliant with the tax regulations.
- Also, we have been given to understand by the Management of Ester or SIPL that it has made sure that no relevant and material factors have been omitted or concealed or given

Royal Malhotra and Associates



Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

inaccurately by people assigned to provide information and clarifications to us for this exercise and that it has checked out relevance or materiality of any specific information to the present exercise with us in case of any doubt.

- Our report on valuation analysis was based on inquiries of and discussions with management of Ester (if any) / SIPL and reading of the documents provided to us. In the course of our over valuation analysis, we have relied upon financials and other information, including estimates of future financial performance and assumptions thereof, provided by management of SIPL and Ester
- Our conclusions are dependent on such information being complete and correct in all material respects. We have not conducted an independent audit, due diligence review or validation of such information and estimates of future financial performance for the purpose of this assignment. Accordingly, we don't express an opinion or any other form of assurance thereon and we accept no responsibility or liability for any losses occasioned to Ester /SIPL, their directors or shareholders or to any other party as a result of our reliance on such information. No representation is made as to the accuracy or completeness of such information unless expressly stated and nothing in our report should be relied as a representation of the future.
- We provide no assurance that a transaction can be completed successfully at or close to our recommended ratio within a particular timeframe. Our share allotment ratio recommendation only represents the most likely ratio around which a merger should happen.
- We make no representation or warranty as to the accuracy or completeness of the information used for our analysis, including any estimates, and shall have no liability for any representations (expressed or implied) contained in, or for any omission from, these procedures.
- We have performed our analysis of Ester or SIPL and no account has been taken of any discount or premium that may be negotiated in the market in the event of a distress sale.
- Valuation analysis performed by us is not and should not be construed to constitute as an audit. GMA is not expressing any opinion on any GAAP related issues or the valuation and does not offer any attestation services. The above mentioned procedures were performed to the extent of data provided to us by the management of Ester / SIPL. (We are not a public accounting firm and do not issue opinions on financial statements or offer any attestation services).
- For the purpose of this engagement and report, we have made no investigation of and assume no responsibility for the title to, or liabilities against the share/debt capital of Ester and SIPL. Audited financial statements with respect to Ester and SIPL were made available to us as at March 31, 2012 respectively.

Goyal Malhotra and Associates



Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

- It is understood that this report is required in connection with the limited purpose and will not be used to solicit either directly or indirectly – investments in Ester or SIPL or otherwise for any transaction.
- This report is purely for the identified purpose in accordance with our terms of arrangement dated January 7, 2013 with Ester and SIPL and should not be a part of any public/ regulatory filings.
- We have performed valuation analysis of each of Ester or SIPL individually and no account has been taken of negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole or in the event of a distress sale any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole or in the event of a distress sale.
- Our report on valuation analysis has been prepared solely for the use by Ester or SIPL . This report should not be relied upon for any other purpose or by any other party and GMA will not accept any responsibility to any other party to whom it may be shown or into whose hands it may come, other than the person or persons to whom it is addressed.
- This report was not prepared by GMA for use by prospective financing sources. If, at any time, a potential financing source reviews this report, such financing source should conduct their own investigation and analysis of the data set forth in this document, obtain their own independent advice, and reach their own conclusions
- GMA is not required to give testimony or to appear in court by reason of this valuation analysis, with reference to the projects mentioned in the report
- Any inferences drawn from this valuation report should consider the report in its entirety
- Our valuation analysis are based on audited financial statements of Ester and SIPL as at March 31, 2012. As explained to us, current assets (other than cash/bank balances) and current liabilities (including unsecured loan) are all operating in nature and not interest-bearing except as mentioned elsewhere in this report. Similarly, fixed assets (except CWIP) are all operating in nature and include no surplus assets except as mentioned elsewhere in this report.
- As explained to us by Ester or SIPL, no intra-group dealings (except those mentioned in this report) were entered into. The intra-group dealings, if any, mentioned in this report were done at arm's length basis as explained to us.
- Based on discussions with Management, we understand that no guarantees have been given by the Ester or SIPL on behalf of companies which are insolvent or expected to be insolvent in foreseeable future. As explained to us by the Company, there are no contingent liabilities or assets other than those mentioned herein.



Goyal Malhotra and Associates

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Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

- The current valuation analysis has been undertaken assuming business will be conducted under normal circumstances
- Nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose. We are not responsible for arithmetical accuracy / logical consistency of any information provided by Ester or SIPL and used in our analysis. The terms of our engagement were such that we were entitled to rely upon the information provided by Ester without detailed inquiry.
- Ester or SIPL shall be solely responsible for applying independent business judgment with respect to services and work products provided by us, and determine future courses of action with respect to any matters addressed in any service / work products / deliverables provided by us to Ester.
- Management is confident of achieving the financial projections provided to us and we have used the same assumption for our valuation analysis.
- The recommendation rendered in this report only represent the recommendations of GMA based upon information provided by the management of SIPL or Ester and other sources and said recommendations shall be considered advisory in nature. Our recommendation will however not be for advising anybody to take buy or sell decision for which specific opinion needs to be taken from expert advisors.
- No enquiry into Ester or SIPL's claim to the title of assets or property has been made for the purpose of this valuation. With regard to Ester/SIPL claim to title of assets or property, we have relied solely on representations, whether verbal or otherwise, made by the management to us for the purposes of this report. We have not verified such representations against any title of documents or any agreements evidencing rights or interest in or over such assets of property and have assumed Ester/SIPL claim to such rights, title or interest as valid for the purposes of this report

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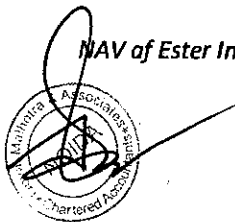


Goyal Malhotra and Associates

6 ANNEXURE: NET ASSETS VALUE METHOD

As per the historical net asset method, 10 equity share of Ester will be issued to every 29 shares of SIPL, details of the same are given below:

NAV of Ester Industries – In Rs Million



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Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

Particulars	Unit	Audited
		March 31, 2012
Gross Fixed Assets		6,551
Less Acc. Dep.		3,047
Net Fixed Assets	A	3,504
Capital Work in Progress	B	172
Investments	C	8
Current Assets		
- Inventories		1,043
- Debtors		842
- Cash and Bank		212
- Other Current Assets		44
- Loans and Advances		440
		2,581
Less :		
- Current Liabilities		984
- Provisions		60
Net Current Assets	D	1,537
Loan Funds	E	2,374
Contingent Liabilities	F	83
Net Worth (A+B+C-D-E-F)		2,764
less Surplus Assets		228
Net Assets Value		2,536

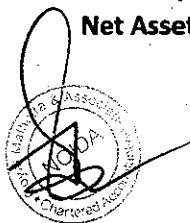


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NAV of SIPL – In Rs Million

Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

Particulars	Unit	Audited
		March 31, 2012
Gross Fixed Assets		0.2
Less Acc. Dep.		0.2
Net Fixed Assets	A	0.0
Capital Work in Progress	B	-
Investments	C	293
Current Assets		
- Inventories		2
- Debtors		16
- Cash and Bank		4
- Other Current Assets		-
- Loans and Advances		0.2
		<u>22</u>
Less :		
- Current Liabilities		14
- Provisions		0.1
Net Current Assets	C	8
Loan Funds	D	-
Contingent Liabilities	E	-
Net Worth (A+B+C-D-E)		301
Less Surplus Assets		4
Net Assets Value		297



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Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

7 ANNEXURE : WORKING UNDER DCF METHOD – ESTER INDUSTRIES

Particulars	March 31, 2012 A	March 31, 2013 P	March 31, 2014 P	March 31, 2015 P	March 31, 2016 P	March 31, 2017 P	March 31, 2018 P	Terminal Value
Total Revenue	6,996	8,818	9,080	9,514	9,948	10,169	10,422	10,630
Total Expenditure	6,892	8,134	8,275	8,663	9,053	9,281	9,518	9,709
Net Profit Before Tax and Dep	104	684	805	851	896	888	904	922
Finance Cost	-	275	353	321	270	202	123	61
Income Tax	-	-	-	-	62	134	166	276
Net Profit After Tax Before Dep	104	409	453	531	563	552	615	584
Add :								
- (Increase)/Decrease in Current Assets	36	(463)	(27)	(117)	(117)	(64)	(67)	(69)
- Increase/(Decrease) in Current Liabilities	(24)	60	1	(37)	(37)	33	(21)	(21)
Cash Flow from Operations	116	6	426	377	410	521	527	494
Add:								
- (Increase)/Decrease in Fixed Assets	(4)	-	-	-	-	-	-	-
- (Increase)/Decrease in Investments	-	-	-	-	-	-	-	-
- Increase/(decrease) in Loans	(3)	115	(360)	(365)	(419)	(440)	(596)	-
Free Cash Flow Available to Equity	109	121	66	13	(9)	81	(69)	494
Opening Cash and Cash Equivalents								
Closing Cash and Cash Equivalents								
Terminal Value @ growth rate of 2%	2.0%							3,394
Cost of Equity @ 16.56%	16.56%	0.86	0.74	0.63	0.54	0.46	0.40	0.34
Present Value of Cash Flows	-	104	48	8	(5)	38	(28)	1,330
Grand Total	1,495							
Add : Liquid Investments (cash + Investments)	228							
Equity Value	1,723							

Per discussions and information provided by the management, we understand that the SIPL is primarily an investment company and in the business of commodity trading and will not make cash profits for next three years, hence the value of SIPL from DCF Method is coming negative, hence not considered for our workings



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Report on ratio for allotment of equity shares of Ester Industries Limited to the equity shareholders of Sriyam Impex Private Limited upon the merger of the SIPL with Ester as on April 1, 2012

8 ANNEXURE : WORKING UNDER PRICE EARNING CAPACITY VALUE METHOD

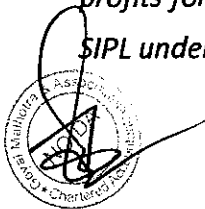
(In Rs Million)

Particulars	Ester Industries			
	FY09A	FY10A	FY11A	FY12A
Sales	3,724	3,954	6,716	6,996
Other Income	-	-	-	-
Total Income	3,724	3,954	6,716	6,996
Raw Material Consumption	2,546	2,418	3,156	4,936
Personnel Expenses	163	205	300	248
Manufacturing Expenses		404	565	860
Administrative and Other Expenses	137	198	252	247
Selling Expenses	144	123	200	336
Depreciation and Amortisation	134	142	179	265
Interest	96	64	119	264
Total Expenses	3,220	3,553	4,771	7,157
Profit Before Taxation	504	400	1,945	(161)
Less Taxation	151	120	584	-
Profit After Taxation	353	280	1,362	(161)
Weight	4	3	1	2
Average Profit				329
Capitalisation@ 15%				2,194

Notes : Following have been excluded from the computation of normalised profits

1. Profit and Loss from foreign exchange derivatives
2. Loss or profit on account of exchange differences
3. Bad debts recovered and surplus from key man insurance policies
4. Miscellaneous income
5. Loss from disposal of fixed assets
6. Provision for Obsolete Inventory

Per discussions and information provided by the Management, we understand that the SIPL is an investment company and in the business of commodity trading the Company is not making profits for last three years as at March 31, 2012, hence we are not able to compute the value of SIPL under this method.



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9 ANNEXURE : WORKING UNDER MARKET PRICE METHOD**• COMPUTATION OF THE MARKET CAPITALIZATION OF ESTER AS AT APRIL 01, 2012,**

Particulars	Unit	Ester Industries
Market Price Per Equity Share ¹	Rs. Per Share	20.1
Number of Equity Shares	Number in Million	63
Market Capitalisation	In Million	1,263
Total Market Capitalisation	In Million	1,263

1. Weighted average market price per share as at April 1, 2012

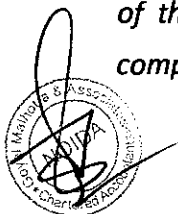
Per discussions with management we understand that SIPL is not a listed company on any of the stock exchange of India, hence the value of SIPL under this method cannot be computed.

• COMPUTATION OF THE MARKET CAPITALIZATION OF ESTER AS AT APRIL 01, 2012 AS PER PRICING GUIDELINES OF SEBI FOR PREFERENTIAL ALLOTMENT

Particulars	Unit	Ester Industries
Market Price Per Equity Share ¹	Rs. Per Share	24.8
Number of Equity Shares	Number in Million	63
Market Capitalisation	In Million	1,560
Total Market Capitalisation	In Million	1,560

1. Average price as per SEBI guidelines on issues of shares under preferential allotment

Per discussions with management we understand that SIPL is not a listed company on any of the stock exchange of India, hence the value of SIPL under this method cannot be computed.



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FAIRNESS OPINION

ESTER INDUSTRIES LIMITED

15th January, 2013



Strictly Private & Confidential

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Ref. No: CPC/MB/063/2012-13

Dated 15.01.2013

SEBI Reg. No: INM000011435

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To,

The Board of Directors

Ester Industries Limited (Transferee Company)

&

Sriyam Impex Private Limited (Transferor Company)

Subject: Opinion on Fairness of Valuation in the proposed Scheme of Arrangement for Merger of Sriyam Impex Private Limited with Ester Industries Limited

Dear Sir,

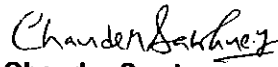
We refer to our letter of engagement for the purpose of arriving at an opinion on the Valuation of Equity shares carried by Goyal Malhotra and Associates, (here-in-after referred as "Valuer") in respect of the proposed Merger of M/s Sriyam Impex Private Limited (Transferor Company / "SIPL") with M/s Ester Industries Limited (here-in-after referred as "Transferee Company"/ "EIL") w.e.f. the Appointed date i.e. 1st April, 2012 pursuant to a Scheme of Arrangement for Merger to be sanctioned by the Hon'ble High Court of relevant jurisdiction u/s 391-394 of the Companies Act, 1956.

In terms of our engagement letter, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the documents submitted to us and does not constitute our independent Valuation Analysis. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

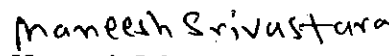
The opinion is confidential and has been prepared exclusively for the management of the Transferor Company and Transferee Company. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Corporate Professionals Capital Private Limited

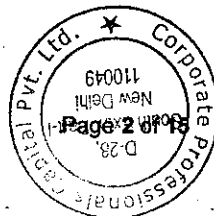

Chander Sawhney

[Asst. Vice President]


Maneesh Srivastava

[Manager]

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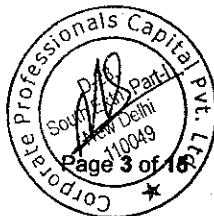


Content

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CONTEXT AND BACKGROUND

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1. We understand that M/s Ester Industries Limited (the Transferee Company) is a widely held public company having its Equity shares listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Now, pursuant to a Scheme of Arrangement for Merger, M/s. Sriyam Impex Private Limited (The Transferor Company) are proposed to be merged into it pursuant to Sections 391-394 and other applicable provisions of Companies Act, 1956.
2. **The Valuation and Swap Ratio** for the proposed Amalgamation has been determined by **M/s Goyal Malhotra and Associates**, Vide their Valuation Report dated 14th January, 2013 for valuation based as on 1st April, 2012.
3. In accordance with Clause 24(h) of the Listing Agreement and SEBI circular dated September 04, 2008 as applicable to the Listed Companies, the listed Company as well as the Unlisted Company getting merged shall each be required to obtain a "Fairness Opinion" on the Valuation of assets / Equity shares done by the Valuers for the Company and Unlisted Company from an independent Merchant Banker.

Clause 24(h) of the Listing Agreement reads as below-

"The company agrees that in the explanatory statement forwarded by it to the shareholders w/s 393 or accompanying a proposed resolution to be passed w/s 100 of the Companies Act, it shall disclose the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern, and the "fairness opinion" obtained from an Independent merchant bankers on Valuation of assets / Equity shares done by the Valuers for the company and unlisted company."

4. With reference to the above, we, **Corporate Professionals Capital Private Limited**, a **SEBI Registered Merchant Banker**, have been appointed by the Transferee and the Transferor Companies, to provide the "Fairness Opinion" in accordance with the clause 24 of the Listing Agreement, stated above.

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BRIEF ABOUT COMPANIES

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1. **ESTER INDUSTRIES LIMITED** (herein after referred to as 'Transferee Company' or 'EIL'), bearing CIN L24111UR1985PLC015063 was incorporated on 04th February, 1985 under the provisions of Companies Act, 1956. The registered office of the Company is situated at Sohan Nagar, P.O.Charubeta,Khatima, Distt.Udham Singh Nagar, Uttarakhand - 262308. The Equity Shares of the Company are listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). 'EIL' is India's leading producer of polyester films and engineering plastic compounds.

AND

2. **BRIYAM IMPEX PRIVATE LIMITED** (herein after referred to Transferor Company' or 'SIPL'), bearing CIN U51397UR1998PTC033659 was incorporated on 05th March, 1998 under the provisions of Companies Act, 1956. The registered office of the Company is situated at Sohan Nagar, P.O.Charubeta,Khatima, Distt.Udham Singh Nagar, Uttarakhand - 262308. 'SIPL' is primarily an investment company and in the business of commodity trading.

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VALUERS ANALYSIS

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To determine the exchange ratio between "EIL" and "SIPL", the Valuer have specifically relied upon the Audited Balance Sheets and Income Statement of "EIL" and "SIPL" for the financial year ended 31st March, 2010, 31st March 2011 & 31st March 2012 as well as projected financial statement of "EIL" & "SIPL" for FY13, FY14, FY15, FY16 and FY17.

The valuation has been carried out under following methods.

ASSET BASED METHOD

The Net Asset Method represents the value of the equity shares with reference to the historical cost of assets and liabilities of Ester and SIPL as at the Appointed Date.

- Such value generally has limited relevance for the computation of share allotment ratio of equity shares of a going concern as this method assumes the liquidation of the company;
- In the Net Asset Method, the assets and liabilities are considered at their realizable (market) value including intangible assets and contingent liabilities, which are not stated in the balance sheet.
- From the market value of the net assets, the potential liabilities, which would have to be paid, have been deducted and the resultant figure is the Net Asset value of the business. Management informed us that there is no material contingent liability as on March 31, 2012 other than provided in AR 2012.

For valuing the shares of "EIL" valuer has applied Asset Based Method, as one of the method to arrive at the entry value of the Company. Further, for arriving at the valuation of shares of "SIPL" valuer has only considered the NAV Method.

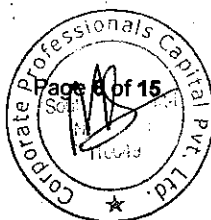
MARKET BASED METHOD

The Market Value Method is generally the most preferred method in case of frequently traded Shares of Companies listed on Stock Exchanges having nationwide trading as it takes into account the value of the company as perceived by the investors.

Equity Shares of "EIL" are listed at Bombay Stock Exchange and National Stock Exchange. To arrive at the market price of "EIL", valuer has computed the average of weekly high and low of the closing prices of the equity shares as quoted on the Stock Exchange for the last 26 Weeks started from 7th October 2011 ended 30th March, 2012.

Beside this the valuer has also calculated the value of Ester Industries Ltd as per market capitalization of Ester as at April 01, 2012

Since, "SIPL" is an unlisted company, thus this methodology is not applicable in the instant case.



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INCOME BASED METHOD

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The Income approach methods determine the value of a business based on its ability to generate desired economic benefit. The Income based method of valuations are based on the premise that the current value of any business is a function of the future value that an investor can expect to receive from purchasing all or part of the business.

Under this approach valuer has applied Price Earning Capacity Value Method as per historical profitability and Discounted Cash Flow Method as per the projection for valuing the shares of "EIL".

The valuer have not relied on a single approach for determination of the share allotment ratio as all the approaches have its limitations and data gaps, also no conclusion can be drawn from a single approach, hence valuer have assigned equal weight (based on discussions with Management), to each of the approaches.

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Enclosures:

- Annexure 1 Share Exchange Ratio
- Annexure 2 Valuation Computation



CONCLUSION & OPINION

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- With reference to above and based on information provided by the management/ Valuer of the entities forming part of the Merger and after discussions with the Valuers, we understand that the present Merger has been structured to consolidate the transferor and the transferee companies resources and businesses. The proposed Merger of "SIPL" with "EIL", as envisaged in the Scheme, is driven by the motive of consolidation and further expansion of the Transferee Company and to fulfill the objectives and business strategies of both the companies.
- As the transferor company is not listed at any stock exchange and not making profit for last three years ended March 31, 2012, therefore, the valuer has considered it fit to apply the Net Asset Value (NAV) Methodology and as the transferee company listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and considering the future prospects of "EIL", valuer has applied Net Asset Value (NAV) Method, Price Earning Capacity Value (PECV) Method, Discounted Cash Flow (DCF) Method, Market Price Method and as well as applied the Pricing guidelines prescribed by SEBI for preferential allotment and assigned equal weights to all the methods to determine the value of equity shares of company and accordingly deciding the share exchange Ratio.

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to Clause 24 of the listing agreement and SEBI circular dated September 04, 2008, we have reviewed the Valuation Report of the Valuer dated 14th January, 2013 for valuation based as on 1st April, 2012 for the proposed arrangement as to the Assets/Equity shares of the Transferee Company and the Transferor Company and are of the opinion that these may be taken as fair and reasonable from a financial and commercial point of view to holders of Equity shares of both the companies."

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CAVEATS

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- We wish to emphasize that, we have relied on explanations and information provided by the respective key managements, and other public available information while verifying the valuation report. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed/validated the financial data except what is provided to us by the Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in M/s Ester Industries Limited and/ or M/s Sriyam Impex Private Limited and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management / Valuer of M/s Ester Industries Limited and M/s Sriyam Impex Private Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of valuation as at 1st April, 2012. We have no responsibility to update this report for events and circumstances occurring after this valuation Date..
- This Fairness opinion of ours as a Cat-1 Merchant Banker is subject to the Caveats above as well as the Caveats of the valuer mentioned in its valuation report dated 14th January 2013 for valuation based as at 1st April, 2012.

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ANNEXURE I
[SHARE EXCHANGE RATIO]

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Amount in (Rs Million)

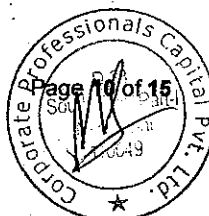
SUMMARY	WEIGHT	ESTER INDUSTRIES	SRIYAM IMPEX	WEIGHTED AVERAGE	
				ESTER INDUSTRIES	SRIYAM IMPEX
Net Asset Value	20%	2,764	301	553	301
Market Price Method	20%	1,263	-	253	-
Pricing Norms	20%	1,560	-	312	-
Discounted Cash Flow Method	20%	1,723	-	345	-
Price Earning Capacity Value	20%	2,194	-	439	-
Weighted Average Value				1,901	301
Number of shares				63	20
Share Price Value				30.22	15.35
Share Allotment Ratio				197	100

* Detailed computation of methodology adopted is attached with this report in **Annexure II**.

On the basis of the aforesaid computations made by valuer, we are of the opinion that:

"EIL" shall issue and allot 100 (Hundred) Equity Shares for every 197 (One Hundred Ninety Seven) Equity shares each held by the shareholders of "SIPL".

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ANNEXURE II [VALUATION COMPUTATION]

The following method of valuation have been used to arrive at the valuation of "EIL" and "SIPL"

1. VALUATION OF M/S ESTER INDUSTRIES LTD

We have calculated the price of each equity share of "EIL" on the basis of the methods, namely

A. Net Asset Value Method

Particulars	Amount in Rs Million	
	Audited Mar-12	
Gross Fixed Assets		6,551
Less: Acc. Dep.		3,047
Net Fixed Assets	A	3,505
Capital Work in Progress	B	172
Investments	C	8
Current Assets		
Inventories		1,043
Debtors		842
Cash and Bank		212
Other Current Assets		44
Loans and Advances		440
		2,581
Less:		
Current Liabilities		984
Provisions		60
Net Current Assets	D	1,537
Loan Funds	E	2,374
Contingent Liabilities	F	83

The Net Asset Value of Ester Industries Ltd as on April 1, 2012 is Rs. 2,764

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B. Market Price per Share Method

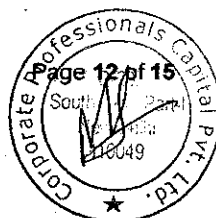
In arriving at the valuation of each equity share of "EIL"; we have computed the average of weekly high and low of the closing prices of the equity shares as quoted on the Stock Exchange for the last 26 Weeks or price for the last 2 weeks whichever is higher.

Week	Close Price	High	Low	Average
7-Oct-11	27.25	27.25	26.70	26.98
14-Oct-11	29.20	29.50	28.00	28.75
21-Oct-11	28.85	29.05	28.45	28.75
28-Oct-11	29.15	29.55	28.80	29.18
4-Nov-11	34.40	37.60	32.05	34.83
11-Nov-11	30.05	32.70	30.05	31.38
18-Nov-11	27.15	28.55	27.15	27.85
25-Nov-11	23.35	25.80	22.25	24.03
2-Dec-11	24.20	25.70	24.20	24.95
9-Dec-11	23.30	23.95	23.00	23.48
16-Dec-11	22.70	23.70	22.65	23.18
23-Dec-11	21.00	21.60	20.00	20.80
30-Dec-11	20.25	21.30	20.25	20.78
7-Jan-12	21.30	21.30	20.25	20.78
13-Jan-12	24.10	24.65	23.30	23.98
20-Jan-12	23.40	24.20	22.90	23.55
27-Jan-12	25.25	25.25	23.30	24.28
3-Feb-12	25.35	25.35	24.65	25.00
10-Feb-12	26.55	27.90	26.55	27.23
17-Feb-12	23.90	25.95	23.85	24.90
24-Feb-12	23.05	23.75	23.00	23.38
3-Mar-12	21.70	23.15	21.70	22.43
9-Mar-12	22.00	23.00	22.00	22.50
16-Mar-12	21.80	22.35	21.45	21.90
23-Mar-12	19.95	21.55	19.95	20.75
30-Mar-12	19.50	19.50	18.85	19.18

Average of Last Six Months	24.80
Average of Last Two Weeks	19.96

THE MARKET PRICE PER SHARE OF "EIL" COMES TO 24.80 /- PER SHARE.

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C. Market Price per Share as per Market Capitalization of Ester as at April 01,2012

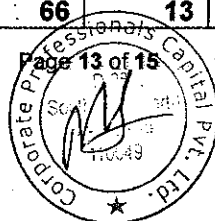
Particulars	Unit	Ester Industries
Market Price Per Equity Share*	Rs. Per Share	20.1
Number of Equity Shares	Number in Million	63
Market Capitalization	In Million	1,263
Total Market Capitalization	In Million	1,263

* Weighted average market price per share as at April, 2012

D. Discounted Cash Flow Method (DCF)

Amount in Rs. Million

Particulars	March 2012 A	March 2012 P	March 2014 P	March 2015 P	March 2016 P	March 2017 P	March 2018 P	Terminal Value
Total Revenue	6,996	8,818	9,080	9,514	9,948	10,169	10,422	10,630
Total Expenditure	6,892	8,134	8,275	8,663	9,052	9,281	9,518	9,708
Net Profit Before Tax and Dep.	104	684	805	851	896	888	904	922
Finance Cost		275	353	321	270	202	123	61
Income Tax	-	-	-	-	62	134	166	276
Net Profit After Tax and Dep.	104	409	453	531	563	552	615	584
Add:								
(Increase/ Decrease in Current Assets	36	(463)	(27)	(117)	(117)	(64)	(67)	(69)
(Increase/ Decrease in Current Liabilities	(24)	60	1	(37)	(37)	33	(22)	(21)
Cash Flow from Operations	116	6	426	377	410	521	527	494
Add:								
(Increase/ Decrease in Fixed Assets	(4)	-	-	-	-	-	-	-
(Increase/ Decrease in Investment	-	-	-	-	-	-	-	-
(Increase/ Decrease in Loans	(3)	115	(360)	(365)	(419)	(440)	(596)	-
Free Cash Flow available to	109	121	66	13	(9)	81	(69)	494



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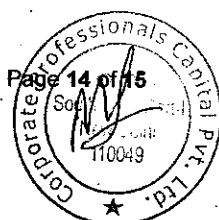
Equity								
Opening Cash and Cash Equivalents								
Closing Cash and Cash Equivalents								
Terminal Value @ Growth rate of 2%								3,394
Cost of Equity @ 16.56%		0.86	0.74	0.63	0.54	0.46	0.40	0.34
Present Value of Cash flow		104	48	8	(5)	38	(28)	1,330
Grand Total	1,495							
Add: Liquid Investments (Cash + Investments)	228							
Equity Value	1,723							

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E. Price Earning Capacity Value

Amount in Rs. Million

Particulars	Ester Industries			
	FY09A	FY10A	FY11A	FY12A
Sales	3,724	3,954	6,716	6,996
Other Income	-	-	-	-
Total Income	3,724	3,954	6,716	6,996
Raw Material Consumptions	2,546	2,418	3,156	4,936
Personnel Expenses	163	205	300	248
Manufacturing Expenses		404	565	860
Administrative and Other Expenses	137	198	252	247
Selling Expenses	144	123	200	336
Depreciation and Amortisation	134	142	179	265
Interest	96	64	119	264
Total Expenses	3,220	3,553	4,771	7,157
Profit Before Taxation	504	400	1,945	(161)
Less Taxation	151	120	584	-
Profit After Taxation	353	280	1,361	(161)
	4	3	1	2
Average Profit				329
Capitalization @ 15%				2,194



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2. VALUATION OF M/S SRIYAM IMPEX PRIVATE LIMITED**60**

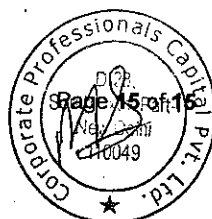
The Valuer has calculated the price of each equity shares of "SIPL" on the basis of Net Assets Value methods only:

Amount in Rs. Million

Particulars	Unit	Audited March 31,2012
Gross Fixed Asset		0.2
Less Acc. Dep		0.2
Net Fixed Asset	A	0
Capital Work In Progress	B	0
Investments	C	293
Current Asset		
Inventories		2
Debtors		16
Cash & Bank		4
Other Current Assets		0
Loan & Advances		0.2
		22
Less		
Current Liability		14
Provisions		0.1
Net Current Asset	D	7
Loan Funds	E	0
Contingent Liabilities	F	0
Net Worth (A+B+C+D-E-F)		301
Net Asset Value		301

The Net Asset Value of Sriyam Impex Pvt. Ltd as on April 1, 2012 is Rs. 301

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PRE-MERGER SHAREHOLDING

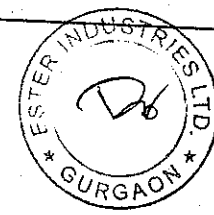
(I)(a) Statement showing Shareholding Pattern

Name of the Company : Ester Industries Limited

Scrip Code, Name of the scrip, class of security : ESTER/EQUITY

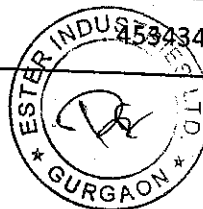
As on Date : 31-Dec-2012

Partly paid-up shares	No. of partly paid-up shares	As a % of total no. of partly paid-up Shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Warrants	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of Warrants
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	62893706		

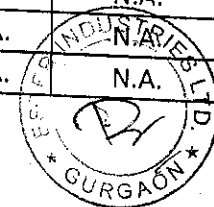


(I)(a) Statement showing Shareholding Pattern

Sr. no.	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹ (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX) = (VIII) / (IV) * 100
(I)	(II)	(III)	(IV)	(V)				
(A)	Promoter and Promoter Group ²							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	2	300	300	0.00	0.00	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	10222650	10222650	16.25	16.25	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(1)	3	10222950	10222950	0.00	0.00	0	0.00
(2)	Foreign				16.25	16.25	0	0.00
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	2	300	300	0.00	0.00	0	0.00
(b)	Bodies Corporate	1	35120192	35120192	55.84	55.84	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(2)	3	35120492	35120492	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=	6	45343442	45343442	55.84	55.84	0	0.00
					72.10	72.10	0	0.00



(A)(1)+(A)(2)								
(B) Public shareholding³								
(1) Institutions								
(a)	Mutual Funds/UTI	5	27500	0	0.04	0.04	N.A.	N.A.
(b)	Financial Institutions/Banks	10	34800	1000	0.06	0.06	N.A.	N.A.
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Venture Capital Funds	0	0	0	0.00	0.00	N.A.	N.A.
(e)	Insurance Companies	1	300	0	0.00	0.00	N.A.	N.A.
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	N.A.	N.A.
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	N.A.	N.A.
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.
(i)	Any Other (Total)	0	0	0	0.00	0.00	N.A.	N.A.
Sub-Total (B)(1)		16	62600	1000	0.10	0.10	N.A.	N.A.
(2) Non-institutions								
(a)	Bodies Corporate	517	2090379	2058479	3.32	3.32	N.A.	N.A.
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	25955	11766186	9867579	18.71	18.71	N.A.	N.A.
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	48	2694770	2694770	4.28	4.28	N.A.	N.A.
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Any Other (Total)	171	936329	918529	1.49	1.49	N.A.	N.A.
(d1)	Non Resident Individual	171	936329	918529	1.49	1.49	N.A.	N.A.
Sub-Total (B)(2)		26691	17487664	15539357	27.81	27.81	N.A.	N.A.
Total Public Shareholding (B)=		26707	17550264	15540357	27.90	27.90	N.A.	N.A.

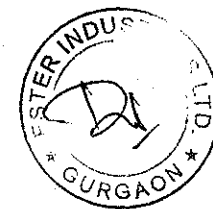


	(B)(1)+(B)(2)							
	TOTAL (A)+(B)	26713	62893706	60883799	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	N.A.	0.00	N.A.	N.A.
C1	Promoter and Promoter Group	0	0	0	N.A.	0.00	N.A.	N.A.
C2	Public	0	0	0	N.A.	0.00	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	26713	62893706	60883799	N.A.	100.00	0	0.00

¹For determining public shareholding for the purpose of Clause 40A.

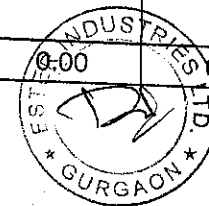
²For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

³For definitions of "Public Shareholding", refer to Clause 40A.



(I)(b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	PAN of the Shareholder	Total Shares held		Shares pledged or otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital (XIII)
			Number	as a % of grand total (A) + (B) + (C) (V)	Number	as a percentage (VII) = (VI) / (IV)*100	as a % of grand total (A) + (B) + (C) of sub-clause (I)(a) (VIII)	Number of warrants held (XI)	As a % total number of warrants of the same class (X)	Number of convertible securities held (XI)	As a % total number of convertible securities of the same class (XII)	
1	Wilemina Finance Corporation	AAACW8959M	35120192	55.84	0	0.00	0.00	0	0.00	0	0.00	0.00
2	Sriyam Impex Private Limited	AAECS1145D	10222650	16.25	0	0.00	0.00	0	0.00	0	0.00	0.00
3	Uma Devi Singhania	AAVPS3281L	150	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
4	Arvind Singhania	AAVPS3280M	150	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
5	Jai Vardhan Singhania	CHAPS7236M	150	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
6	Ayush Vardhan Singhania	BGRPS5481D	150	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
	TOTAL		45343442	72.10	0	0.00	0.00	0	0.00	0	0.00	0.00



I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted
					Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
	TOTAL		0	0.00	0	0.00	0	0.00	0

I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 5% of the total number of shares

Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted
					Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
	TOTAL		0	0.00	0	0.00	0	0.00	0.00



(I)(d) Statement showing details of locked-in shares

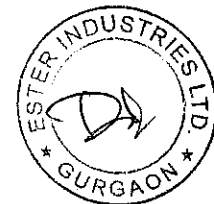
Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
	TOTAL		0	0.00

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
	TOTAL	0	0	0.00

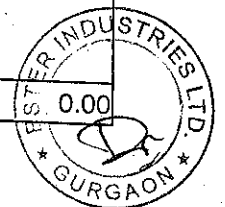
(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by 'promoter/promoter group' are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
		TOTAL	0	0.00

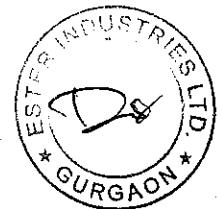


(III) (a) Statement showing the voting pattern of shareholders, if more than one class of shares/securities is issued by the issuer.

Sr. no.	Category of shareholder	Number of Voting Rights held in each class of securities			Total Voting Rights (III+IV+V) (VI)	Total Voting Rights i.e. (VI)	
		Class X (III)	Class Y (IV)	Class Z (V)		As a percentage of (A+B) (VII)	As a percentage of (A+B+C) (VIII)
(A)	Promoter and Promoter Group ²						
(1)	Indian						
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0	0.00	0.00
(d)	Financial Institutions/Banks	0	0	0	0	0.00	0.00
(e)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (A)(1)	0	0	0	0	0.00	0.00
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(e)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	0	0	0	0.00	0.00
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds/UTI	0	0	0	0	0.00	0.00



(b)	Financial Institutions/Banks	0	0	0	0	0.00	0.00
(c)	Central Government/State Government(s)	0	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(h)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (B)(1)	0	0	0	0	0.00	0.00
(2)	Non-institutions	0	0	0	0	0.00	0.00
(a)	Bodies Corporate	0	0	0	0	0.00	0.00
	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	0	0	0	0	0.00	0.00
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	0	0	0	0	0.00	0.00
(c)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(d)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (B)(2)	0	0	0	0	0.00	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0	0.00	0.00
	TOTAL (A)+(B)	0	0	0	0	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0.00	0.00
C1	Promoter and Promoter Group	0	0	0	0	0	0
C2	Public	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	0	0	0	0	0.00	0.00



POST-MERGER SHAREHOLDING

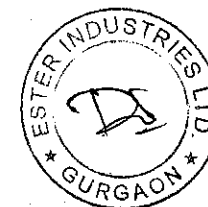
(I)(a) Statement showing Shareholding Pattern

Name of the Company : Ester Industries Limited

Scrip Code, Name of the scrip, class of security : ESTER/EQUITY

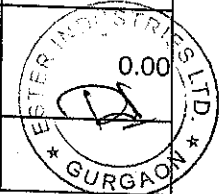
As on Date : 31-Dec-2012

Partly paid-up shares	No. of partly paid-up shares	As a % of total no. of partly paid-up Shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Warrants	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of Warrants
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	62643759		

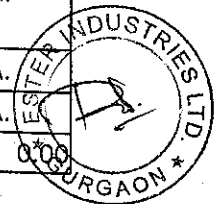


(I)(a) Statement showing Shareholding Pattern

Sr. no.	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹ (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX) = (VIII) / (IV) * 100
(I)	(II)	(III)	(IV)	(V)				
(A)	Promoter and Promoter Group ²							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	2	178183	178183	0.28	0.28	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0
	Sub-Total (A)(1)	2	178183	178183	0.28	0.28	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	2	300	300	0.00	0.00	0	0.00
(b)	Bodies Corporate	1	44915012	44915012	71.70	71.70	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(2)	3	44915312	44915312	71.70	71.70	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	5	45093495	45093495	71.98	71.98	0	0.00



(B)	Public shareholding³								
(1)	Institutions								
(a)	Mutual Funds/UTI	5	27500	0	0.04	0.04	N.A.	N.A.	
(b)	Financial Institutions/Banks	10	34800	1000	0.06	0.06	N.A.	N.A.	
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	N.A.	N.A.	
(d)	Venture Capital Funds	0	0	0	0.00	0.00	N.A.	N.A.	
(e)	Insurance Companies	1	300	0	0.00	0.00	N.A.	N.A.	
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	N.A.	N.A.	
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	N.A.	N.A.	
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.	
(i)	Any Other (Total)	0	0	0	0.00	0.00	N.A.	N.A.	
	Sub-Total (B)(1)	16	62600	1000	0.10	0.10	N.A.	N.A.	
(2)	Non-institutions								
(a)	Bodies Corporate	517	2090379	2058479	3.34	3.34	N.A.	N.A.	
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	25955	11766186	9867579	18.78	18.78	N.A.	N.A.	
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	48	2694770	2694770	4.30	4.30	N.A.	N.A.	
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.	
(d)	Any Other (Total)	171	936329	918529	1.49	1.49	N.A.	N.A.	
(d1)	Non Resident Individual	171	936329	918529	1.49	1.49	N.A.	N.A.	
	Sub-Total (B)(2)	26691	17487664	15539357	27.92	27.92	N.A.	N.A.	
	Total Public Shareholding (B)= (B)(1)+(B)(2)	26707	17550264	15540357	28.02	28.02	N.A.	N.A.	
	TOTAL (A)+(B)	26712	62643759	60633852	100.00	100.00	0	0.00	
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	N.A.	0.00	N.A.	N.A.	
C1	Promoter and Promoter Group	0	0	0	N.A.	0.00	N.A.	N.A.	
C2	Public	0	0	0	N.A.	0.00	N.A.	N.A.	
	GRAND TOTAL (A)+(B)+(C)	26712	62643759	60633852	N.A.	100.00	0	0.00	



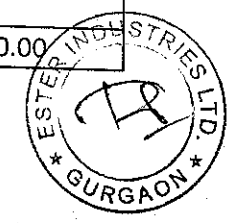
¹For determining public shareholding for the purpose of Clause 40A.

²For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

³For definitions of "Public Shareholding", refer to Clause 40A.

(I)(b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	PAN of the Shareholder	Total Shares held		Shares pledged or otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
			Number	as a % of grand total (A) + (B) + (C) (V)	Number	as a percentage (VII) = (VI) / (IV)*100	as a % of grand total (A) + (B) + (C) of sub-clause (I)(a) (VIII)	Number of warrants held (XI)	As a % total number of warrants of the same class (X)	Number of convertible securities held (XI)	As a % total number of convertible securities of the same class (XII)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (VI) / (IV)*100	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)
1	Wilemina Finance Corporation	AAACW8959M	44915012	71.70	0	0.00	0.00	0	0.00	0	0.00	0.00
2	Uma Devi Singhania	AAVPS3281L	150	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
3	Arvind Singhania	AAVPS3280M	150	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
4	Jai Vardhan Singhania	CHAPS7236M	150	0.00	0	0.00	0.00	0	0.00	0	0.00	0.00
5	Ayush Vardhan Singhania	BGRPS5481D	178033	0.28	0	0.00	0.00	0	0.00	0	0.00	0.00
	TOTAL		45093495	71.98	0	0.00	0.00	0	0.00	0	0.00	0.00

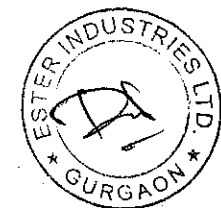


I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted
					Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
	TOTAL		0	0.00	0	0.00	0	0.00	0

I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 5% of the total number of shares

Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted
					Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
	TOTAL		0	0.00	0	0.00	0	0.00	0.00



(I)(d) Statement showing details of locked-in shares

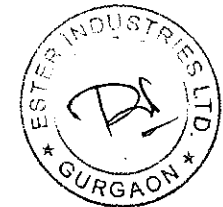
Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	TOTAL		0	0.00

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	TOTAL	0	0	0.00

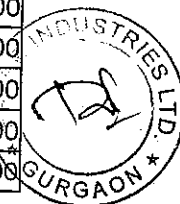
(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by 'promoter/promoter group' are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
		TOTAL	0	0.00

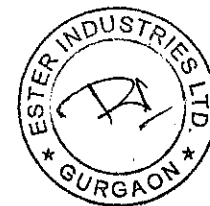


(III) (a) Statement showing the voting pattern of shareholders, if more than one class of shares/securities is issued by the issuer.

Sr. no.	Category of shareholder	Number of Voting Rights held in each class of securities			Total Voting Rights (III+IV+V) (VI)	Total Voting Rights i.e. (VI)	
		Class X (III)	Class Y (IV)	Class Z (V)		As a percentage of (A+B) (VII)	As a percentage of (A+B+C) (VIII)
(A)	Promoter and Promoter Group²						
(1)	Indian						
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0	0.00	0.00
(d)	Financial Institutions/Banks	0	0	0	0	0.00	0.00
(e)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (A)(1)	0	0	0	0	0.00	0.00
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(e)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	0	0	0	0.00	0.00
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds/UTI	0	0	0	0	0.00	0.00
(b)	Financial Institutions/Banks	0	0	0	0	0.00	0.00
(c)	Central Government/State Government(s)	0	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0	0.00	0.00



(g)	Foreign Venture Capital Investors	0	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(h)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (B)(1)	0	0	0	0	0.00	0.00
(2)	Non-institutions						
(a)	Bodies Corporate	0	0	0	0	0.00	0.00
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	0	0	0	0	0.00	0.00
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	0	0	0	0	0.00	0.00
(c)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(d)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (B)(2)	0	0	0	0	0.00	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0	0.00	0.00
	TOTAL (A)+(B)	0	0	0	0	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0.00	0.00
C1	Promoter and Promoter Group	0	0	0	0	0	0
C2	Public	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	0	0	0	0	0.00	0.00

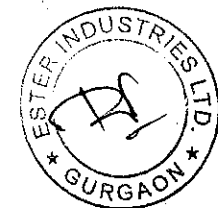


PRE-MERGER SHAREHOLDING**(I)(a) Statement showing Shareholding Pattern**

Name of the Company : Sriyam Impex Private Limited

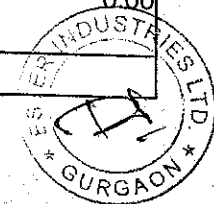
As on Date : 31-Dec-2012

Partly paid-up shares	No. of partly paid-up shares	As a % of total no. of partly paid-up Shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Outstanding convertible securities	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Warrants	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of Warrants
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	19646224		

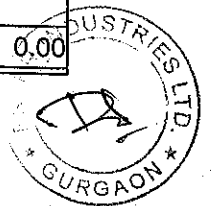


(I)(a) Statement showing Shareholding Pattern

Sr. no.	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹ (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX) = (VIII) / (IV) * 100
(I)	(II)	(III)	(IV)	(V)				
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	1	350429	0.00	1.78	1.78	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0
	Sub-Total (A)(1)	1	350429	0.00	1.78	1.78	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	1	19295795	0	98.22	98.22	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(2)	1	19295795	0	98.22	98.22	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2	19646224	0	100.00	100.00	0	0.00



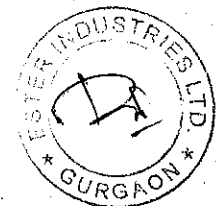
(B) Public shareholding									
(1) Institutions									
(a) Mutual Funds/UTI	0	0	0	0	0	0	N.A.	N.A.	
(b) Financial Institutions/Banks	0	0	0	0	0	0	N.A.	N.A.	
(c) Central Government/State Government(s)	0	0	0	0	0	0	N.A.	N.A.	
(d) Venture Capital Funds	0	0	0	0	0	0	N.A.	N.A.	
(e) Insurance Companies	0	0	0	0	0	0	N.A.	N.A.	
(f) Foreign Institutional Investors	0	0	0	0	0	0	N.A.	N.A.	
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	N.A.	N.A.	
(h) Qualified Foreign Investor	0	0	0	0	0	0	N.A.	N.A.	
(i) Any Other (Total)	0	0	0	0	0	0	N.A.	N.A.	
Sub-Total (B)(1)	0	0	0	0	0	0	N.A.	N.A.	
(2) Non-institutions									
(a) Bodies Corporate	0	0	0	0	0	0	N.A.	N.A.	
(b) Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	0	0	0	0	0	0	N.A.	N.A.	
Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	0	0	0	0	0	0	N.A.	N.A.	
(c) Qualified Foreign Investor	0	0	0	0	0	0	N.A.	N.A.	
(d) Any Other (Total)	0	0	0	0	0	0	N.A.	N.A.	
(d1) Non Resident Individual	0	0	0	0	0	0	N.A.	N.A.	
Sub-Total (B)(2)	0	0	0	0	0	0	N.A.	N.A.	
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0	0	0	N.A.	N.A.	
TOTAL (A)+(B)	2	19646224	0	100.00	100.00	0	0.00		



(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	N.A.	0.00	N.A.	N.A.
C1	Promoter and Promoter Group	0	0	0	N.A.	0.00	N.A.	N.A.
C2	Public	0	0	0	N.A.	0.00	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	2	19646224	0	N.A.	100.00	0	0.00

(I)(b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	PAN of the Shareholder	Total Shares held		Shares pledged or otherwise encumbered			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
			Number	as a % of grand total (A) + (B) + (C)	Number	as a percentage	as a % of grand total (A) + (B) + (C) of sub-clause (I)(a) (VIII)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (VI) / (IV)*100	(VIII)	(XI)	(X)	(XI)	(XII)	(XIII)
1	Wilemina Finance Corporation	AAACW8959M	19295795	98.22	0	0.00	0.00	0	0.00	0	0.00	0.00
2	Ayush Vardhan Singhania	BGRPS5481D	350429	1.78	0	0.00	0.00	0	0.00	0	0.00	0.00
	TOTAL		19646224	100.00	0	0.00	0.00	0	0.00	0	0.00	0.00

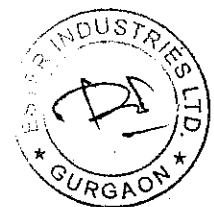


I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted
					Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
	TOTAL		0	0.00	0	0.00	0	0.00	0

I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 5% of the total number of shares

Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted
					Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
	TOTAL		0	0.00	0	0.00	0	0.00	0.00



(I)(d) Statement showing details of locked-in shares

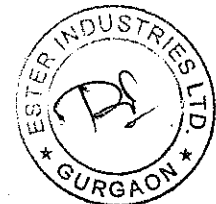
Sr. No.	Name of the shareholder	PAN of the Shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	TOTAL		0	0.00

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
	TOTAL	0	0	0.00

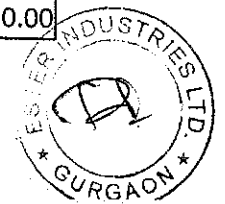
(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by 'promoter/promoter group' are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
		TOTAL	0	0.00

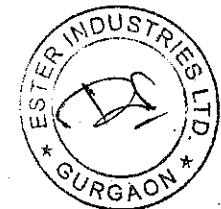


(III) (a) Statement showing the voting pattern of shareholders, if more than one class of shares/securities is issued by the issuer.

Sr. no.	Category of shareholder	Number of Voting Rights held in each class of securities			Total Voting Rights (III+IV+V) (VI)	Total Voting Rights i.e. (VI)	
		Class X (III)	Class Y (IV)	Class Z (V)		As a percentage of (A+B) (VII)	As a percentage of (A+B+C) (VIII)
(I)	(II)						
(A)	Promoter and Promoter Group						
(1)	Indian						
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0	0.00	0.00
(d)	Financial Institutions/Banks	0	0	0	0	0.00	0.00
(e)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (A)(1)	0	0	0	0	0.00	0.00
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(e)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	0	0	0	0.00	0.00
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds/UTI	0	0	0	0	0.00	0.00
(b)	Financial Institutions/Banks	0	0	0	0	0.00	0.00
(c)	Central Government/State Government(s)	0	0	0	0	0.00	0.00



(d)	Venture Capital Funds	0	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(h)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (B)(1)	0	0	0	0	0.00	0.00
(2)	Non-institutions						
(a)	Bodies Corporate	0	0	0	0	0.00	0.00
	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	0	0	0	0	0.00	0.00
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	0	0	0	0	0.00	0.00
(c)	Qualified Foreign Investor	0	0	0	0	0.00	0.00
(d)	Any Other (Total)	0	0	0	0	0.00	0.00
	Sub-Total (B)(2)	0	0	0	0	0.00	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0	0.00	0.00
	TOTAL (A)+(B)	0	0	0	0	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0.00	0.00
C1	Promoter and Promoter Group	0	0	0	0	0	0
C2	Public	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	0	0	0	0	0.00	0.00



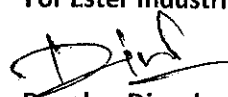
Quarterly Compliance Report on Corporate Governance

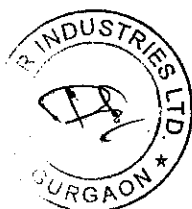
Name of the Company: Ester Industries Limited

Quarter Ending on: 31st December, 2012

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49I		
(A) Composition of Board	49(IA)	Yes	-
(B) Non – Executive Directors' compensation & disclosures	49(IB)	Yes	-
(C) Other provisions as to Board and committees	49(IC)	Yes	-
(D) Code of Conduct	49(ID)	Yes	-
II Audit Committee	49(II)		-
(A) Qualified & Independent Audit Committee	49(IIA)	Yes	-
(B) Meeting of the Audit Committee	49(IIB)	Yes	-
(C) Power of Audit Committee	49(IIC)	Yes	-
(D) Role of Audit Committee	49(IID)	Yes	-
(E) Review of Information by Audit Committee	49(IIE)	Yes	-
III. Subsidiary Companies	49(III)	NA	There is no material non-listed Indian Subsidiary of Ester Industries Limited
IV. Disclosures	49(IV)		
(A) Basis of related parties transactions	49(IVA)	Yes	-
(B) Disclosure of Accounting Treatment	49(IVB)	Yes	-
(C) Board Disclosure	49(IVC)	Yes	-
(D) Proceeds from Public issues, right issues, preferential issues etc.,	49(IVD)	NA	-
(E) Remuneration of Directors	49(IVE)	Yes	-
(F) Management	49(IVF)	Yes	-
(G) Shareholders	49(IVG)	Yes	-
V. CEO / CFO Certification	49(V)	Yes	Complied as part of the Annual Report of the Company
VI. Report on Corporate Governance	49(VI)	Yes	Complied as part of the Annual Report of the Company
VII. Compliance	49(VII)	Yes	Complied as part of the Annual Report of the Company

For Ester Industries Limited


 Diwaker Dinesh
 Company Secretary



Name of the Company: Ester Industries Limited (Transferee Company)

(Rs. in Crores)

	For the Nine Months ended on 31/12/2012 (Unaudited)	For the year ended on 31/03/2012 (Audited)	For the year ended on 31/03/2011 (Audited)	For the year ended on 31/03/2010 (Audited)
Equity Paid up Capital	31.45	31.45	31.45	31.45
Reserves and surplus*	234.59	232.59	246.65	146.94
Carry forward profit/ (losses)	-	-	-	-
Net Worth**	260.66	258.55	272.47	172.29
Miscellaneous Expenditure	-	-	-	-
Secured Loans	260.59	237.42	218.89	54.39
Unsecured Loans	-	-	-	-
Fixed Assets	363.80	350.45	363.23	135.79
Income from Operations	672.10	699.58	671.64	395.37
Total Income	676.28	705.36	673.28	396.58
Total Expenditure***	673.17	726.33	479.89	355.24
Profit /(Loss) before Tax	3.11	(20.97)	193.39	41.34
Profit /(Loss) after Tax	2.10	(13.92)	129.47	27.87
Cash profit	24.52	5.57	211.32	55.49
EPS (in absolute Rs.)	0.33	(2.21)	20.59	4.85
Book value (in absolute Rs.)	41.44	41.11	43.32	27.39

*Reserve and Surplus includes Net Surplus in Profit and Loss Statement.

**Net Worth = Equity Share Capital + Reserve and Surplus (excluding Revaluation Reserves, if any)

*** Total Expenditure includes Depreciation & Finance cost and excludes Income Tax.

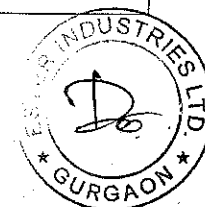
Calculation of Net Worth-

	As on 31/12/2012	As on 31/03/2012	As on 31/03/2011	As on 31/03/2010
Equity Share Capital	31.45	31.45	31.45	31.45
Reserves and Surplus	234.59	232.59	246.65	146.94
Less: Revaluation Reserve	5.38	5.49	5.63	6.1
Net Worth	260.66	258.55	272.47	172.29

Calculation of Cash Profit -

	For the Nine Months ended on 31/12/2012	For the year ended on 31/03/2012	For the year ended on 31/03/2011	For the year ended on 31/03/2010
Profit Before Tax	3.11	(20.97)	193.39	41.34
Depreciation	21.41	26.54	17.93	14.15
Cash Profit	24.52	5.57	211.32	55.49

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Name of the Company: Sriyam Impex Private Limited (Transferor Company)

(Rs. in Crores)

	For the Nine Months ended on 31/12/2012 (Unaudited)	For the year ended on 31/03/2012 (Audited)	For the year ended on 31/03/2011 (Audited)	For the year ended on 31/03/2010 (Audited)
Equity Paid up Capital	19.65	19.65	19.30	0.01
Reserves and surplus*	27.14	28.33	28.17	(0.12)
Carry forward profit/(losses)	(1.43)	(0.24)	(0.39)	(0.12)
Net Worth**	46.79	47.98	47.47	(0.11)
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	-	-	0.39	0.17
Fixed Assets	3.67	4.89	6.52	0.01
Income from Operations	0.71	1.91	3.64	-
Total Income	0.71	3.80	5.48	0.00
Total Expenditure***	1.90	3.63	5.72	0.00
Profit /(Loss) before Tax	(1.19)	0.17	(0.24)	(0.00)
Profit /(Loss) after Tax	(1.19)	0.16	(0.28)	(0.00)
Cash profit	0.03	1.80	1.39	(0.00)
EPS (in absolute figures)	(0.61)	0.08	(10.77)	(1.53)
Book value (in absolute figures)	23.81	24.42	24.60	-

*Reserve and Surplus has been taken after deducting carry forward losses.

**Net Worth = Equity Share Capital + Reserves and Surplus (excluding Revaluation Reserve if any)

*** Total Expenditure includes Depreciation & Finance cost and excludes Income Tax.

Calculation of Net Worth -

Year	As on 31/12/2012	As on 31/03/2012	As on 31/03/2011	As on 31/03/2010
Equity Share Capital	19.65	19.65	19.30	0.01
Reserves and Surplus	27.14	28.33	28.17	(0.12)
Net Worth	46.79	47.98	47.47	(0.11)

Calculation of Cash Profit -

Year	For the Nine Months ended on 31/12/2012	For the year ended on 31/03/2012	For the year ended on 31/03/2011	For the year ended on 31/03/2010
Profit Before Tax	(1.19)	0.17	(0.24)	0.00
Depreciation	1.22	1.63	1.63	0.00
Cash Profit	0.03	1.80	1.39	0.00

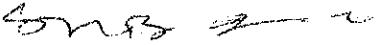
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Limited Review Report

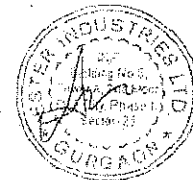
Review Report to
The Board of Directors
Ester Industries Limited

1. We have reviewed the accompanying statement of unaudited financial results of Ester Industries Limited ('the Company') for the quarter ended December 31, 2012 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.


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

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per Manoj Gupta
Partner
Membership No : 83906



Place: Gurgaon, Haryana
Date: February 11, 2013

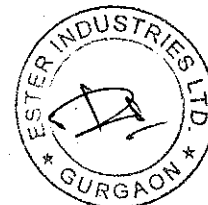


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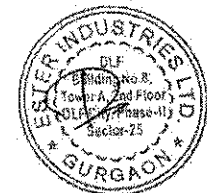
ESTER INDUSTRIES LIMITED
REGD. OFFICE : SOHAN NAGAR, P.O. CHARUBETA
KHATIMA - 262 368, DISTT. UDHAMSINGH NAGAR (UTTRAKHAND)

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON DECEMBER 31, 2012

Sr. no	Particulars	(Rs. In lacs)					
		Three months ended	Preceding Three months ended	Corresponding Three months ended	Nine months ended	Corresponding Nine months ended	Previous Year ended
		31-Dec-12 (Unaudited)	30-Sep-12 (Unaudited)	31-Dec-11 (Unaudited)	31-Dec-12 (Unaudited)	31-Dec-11 (Unaudited)	31-Mar-12 (Audited)
PART I							
1	Income from Operations						
a)	Net sales/Income from Operations (Net of Excise Duty)	23,146.34	20,770.86	17,030.79	65,982.36	50,047.38	68,394.29
b)	Other Operating Income	409.96	420.45	424.11	1,227.87	1,263.98	1,563.72
	Total Income from operation (net) (1(a)+1(b))	23,556.30	21,191.31	17,454.90	67,210.23	51,311.36	69,958.01
2	Expenses						
a)	Cost of materials consumed	17,673.50	14,190.42	13,998.79	48,799.15	37,090.67	51,833.23
b)	Changes in Inventories of Finished goods and work in progress	(443.10)	580.81	(1,266.74)	(508.48)	(1,652.23)	(2,474.86)
c)	Employee benefits expenses	778.05	755.02	643.44	2,246.37	1,817.29	2,482.20
d)	Depreciation and amortization expense	736.06	712.92	678.88	2,140.75	2,002.42	2,653.54
e)	Loss/(Profit) on Foreign Exchange Fluctuation (Net)	(185.86)	(401.83)	20.52	(305.14)	14.34	(314.24)
f)	Other expenses	4,554.43	4,198.11	3,601.51	12,638.43	10,753.42	14,589.34
	Total Expenses (a+b+c+d+e+f)	23,113.08	20,035.45	17,676.40	65,031.08	50,025.91	68,769.21
3	Profit/(loss) from Operation before Other Income, Finance cost and Exceptional Items (1-2)	443.22	1,155.86	(221.50)	2,179.15	1,285.45	1,188.80
4	Other Income	27.33	30.55	43.49	112.80	191.87	264.07
5	Profit / (loss) from ordinary activities before Finance cost and Exceptional Item (3+4)	470.55	1,186.41	(178.01)	2,291.95	1,477.32	1,452.87
6	Finance cost	438.17	661.59	958.51	1,980.50	2,640.87	3,549.48
7	Profit / (loss) from ordinary activities after Finance cost but before Exceptional Item (5-6)	32.38	524.82	(1,136.52)	311.45	(1,163.55)	(2,096.61)
8	Exceptional items	-	-	-	-	-	-
9	Profit / (loss) from Ordinary Activities before tax (7+8)	32.38	524.82	(1,136.52)	311.45	(1,163.55)	(2,096.61)
10	Tax expense	6.29	173.92	(348.15)	101.16	(395.02)	(704.70)
11	Net Profit / (loss) from Ordinary Activities after tax (9-10)	26.09	350.90	(788.37)	210.29	(768.53)	(1,391.91)
12	Extraordinary Item (net of tax expense)	-	-	-	-	-	-
13	Net Profit / (loss) for the period (11-12)	26.09	350.90	(788.37)	210.29	(768.53)	(1,391.91)
14	Paid-up equity share capital (Face Value of Share Rs. 5/- each)	3,144.69	3,144.69	3,144.69	3,144.69	3,144.69	3,144.69
15	Reserves (excluding Revaluation Reserves as per balance sheet of previous accounting year)	-	-	-	-	-	22,710.26
16	Earning Per Share (face value of Rs. 5 each)						
	Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualized)	0.04	0.56	(1.25)	0.33	(1.22)	(2.21)
	Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	0.04	0.56	(1.25)	0.33	(1.22)	(2.21)



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ESTER INDUSTRIES LIMITED
REGD. OFFICE : SOHAN NAGAR, P.O. CHARUBETA
KHATIMA - 262 308, DISTT. UDHAMSINGH NAGAR (UTTRAKHAND)

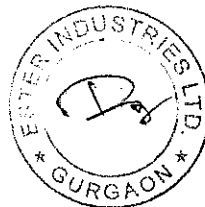
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON DECEMBER 31, 2012

(Rs. In lacs)							
Sr. no	Particulars	Three months ended	Preceding Three months ended	Corresponding Three months ended	Nine months ended	Corresponding Nine months ended	Previous Year ended
		31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	31-Mar-12
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
PART II							
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	Number of Shares	17,550,264	17,550,264	17,550,264	17,550,264	17,550,264	17,550,264
	Percentage of Shareholding	27.90%	27.90%	27.90%	27.90%	27.90%	27.90%
2	Promoters and promoter group Shareholding						
	a) Pledged/ Encumbered						
	Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	Percentage of shares (as a % of total share capital of the Company)	-	-	-	-	-	-
	b) Non - encumbered						
	Number of Shares	45,343,442	45,343,442	45,343,442	45,343,442	45,343,442	45,343,442
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	Percentage of shares (as a % of total share capital of the company)	72.10%	72.10%	72.10%	72.10%	72.10%	72.10%
B	Particulars	3 Months ended on Dec 31, 2012					
	INVESTOR COMPLAINTS						
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	24					
	Disposed of during the quarter	24					
	Remaining unresolved at the end of the quarter	Nil					

NOTES :

- The unaudited results for the quarter ended December 31, 2012 have been subjected to a limited review by the statutory auditors. These results have been reviewed by the Audit Committee and have been approved by the Board of Directors at its meeting held on February 11, 2013.
- Previous year / previous period figures have been regrouped / reclassified to confirm to current period classification.
- Pursuant to a Ministry of Company affairs clarification of Para 46A on Accounting Standard -11 relating to "The effects of changes in Foreign Exchange Rates", dated August 09, 2012, the Company has accounted for the exchange differences arising on reporting of long term foreign currency monetary items for acquisition of a depreciable capital asset as an addition to or deletion from the cost of depreciable asset w.e.f. April 01, 2012 resulting in capitalization of foreign exchange fluctuation of Rs. 824.11 lacs and depreciation of Rs. 16.40 lacs for the nine months period ended December 31, 2012.
- Subsequent to quarter end, the Board of Directors in its meeting held on January 17, 2013 accorded the approval of Scheme of amalgamation of Sriyam Impex Private Limited ("the Promoter group company") with Ester Industries Limited ("the Company") subject to regulatory and other approvals.

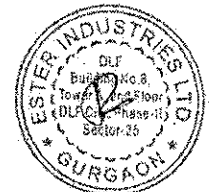
Place : New Delhi
 Date : February 11, 2013



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For ESTER INDUSTRIES LIMITED

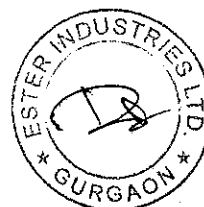
ARVIND SINGHANIA
 CHAIRMAN



**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED
FOR THE QUARTER ENDED ON DECEMBER 31, 2012**

(Rs. In laes)

Particulars	Three months ended	Preceding Three months ended	Corresponding Three months ended	Nine months ended	Corresponding Nine months ended	Previous Year ended
	31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	31-Mar-12
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
a. Polyester Chips and Film	21,056.35	18,553.01	15,850.66	59,676.83	46,028.70	62,921.17
b. Engineering Plastic	2,499.95	2,638.30	1,604.24	7,533.40	5,282.66	7,036.84
Net sales/Income From Operations	23,556.30	21,191.31	17,454.90	67,210.23	51,311.36	69,958.01
2. Segment Results (Profit / (loss) before tax and interest from each segment)						
a. Polyester Chips and Film	894.32	1,424.06	993.16	4,189.41	4,190.20	4,083.32
b. Engineering Plastic	157.42	274.37	0.42	397.66	306.77	348.96
Total	1,051.74	1,698.43	993.58	4,587.07	4,496.97	4,432.28
Less :						
i. Interest	438.17	661.59	958.51	1,980.50	2,640.87	3,549.48
ii. Other un-allocable expenditure net off from Un-allocable income	581.19	512.02	1,171.59	2,295.11	3,019.65	2,979.41
Total Profit Before Tax	32.38	524.82	(1,136.52)	311.45	(1,163.55)	(2,096.61)
3. Capital Employed (Segment assets- Segment Liabilities).						
a. Polyester Chips and Film	43,005.15	42,259.77	42,862.84	43,005.15	42,862.84	41,133.41
b. Engineering Plastic	4,900.56	4,273.72	3,508.54	4,900.56	3,508.54	3,040.09
c. Unallocated	(21,302.83)	(19,953.03)	(19,340.77)	(21,302.83)	(19,340.77)	(17,769.91)
Total	26,602.88	26,580.46	27,030.61	26,602.88	27,030.61	26,403.59



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