








GANESHA ECOSPHERE LTD.

(FORMERLY KNOWN AS GANESH POLYTEX LTD.)

FORM-A

Pursuant of Clause 31(a) of the Listing Agreement

Sr. No.	Particulars	Compliance
1.	Name of the Company	GANESHA ECOSPHERE LTD.
2.	Annual Financial Statements for the year ended	31 st March, 2015
3.	Type of Audit Observation	Un-qualified Audit Report
4.	Frequency of observation	N.A.
5.	Signature: 1. Shri Shyam Sunder Sharma Chairman & Managing Director/ CEO 2. Shri Gopal Agarwal Chief Financial Officer 3. Shri Deepak Seth, Partner M/s. Mehrotra Rakesh Kumar & Co., Statutory Auditors 4. Shri Pradeep Kumar Goenka, Chairman of Audit Committee	  <p>For Mehrotra Rakesh Kumar & Co. Chartered Accountants</p>  Partner CA Deepak Seth M.No. 073081 19/08/2015  

DEFYING THE ODDS

GANESHA ECOSPHERE LTD.
ANNUAL REPORT 2014-15



WHEN THE
GOING GETS
TOUGH,
THE TOUGH
GET GOING...



At Ganesha Ecosphere, our business model is directed towards a simple reality.

Perform better than the others in a challenging business environment. Perform better than the others in a favourable business environment.

There is a secret to how we have succeeded in doing so over the years.

We have generally selected to invest in sectoral slowdowns. We have done so at a reasonable cost compared with the prevailing industry average. We have commissioned capacities in the shortest times. We have capitalised on sectoral upturns. We have climbed out of the commodity trap through focused value-addition. We mobilised precious resources through a strategic private equity placement. We deleveraged our Balance Sheet. We built a stronger business.

THE RESULT. In 2014-15, we grew our revenues by 24.69%; enhanced our EBIDTA by 14.88%, achieved an average capacity utilisation of 83% and recycled more than 3.76 bn PET bottles.

We have defied the odds.



GANESHA ECOSPHERE LTD.

ONE OF THE MOST ATTRACTIVE PROXIES OF THE POLYESTER AND 'GREEN' INDUSTRIES.

DEMONSTRATING THAT A FAST-GROWING BUSINESS CAN BE CLEAN BUSINESS TOO.

VALIDATING THAT WHAT IS GOOD FOR THE ECONOMY IS GOOD FOR THE ENVIRONMENT AS WELL.

Product Portfolio

RPSF (Recycled polyester staple fibre)	Dyed Texturised / Twisted Filament yarn	Recycled Spun Yarn
Capacity: 87,600 tonnes per annum	Capacity: 3,000 tonnes per annum	Capacity: 7,200 tonnes per annum

Parentage

Ganesha Ecosphere went into business in 1987. Over the years, the Company has emerged as one of the leading PET-recycled RPSF manufacturers in India, headed by Mr. Shyam Sunder Shamma, a first-generation entrepreneur who is Chairman and Managing Director of the Company.

Activity

Ganesha Ecosphere pioneered the manufacture of recycled polyester staple fibre and yarn from PET bottle scrap in India, which is consumed by downstream units engaged in the manufacture of textiles (t-shirts, body warmers, apparels),

functional textiles (non-woven air filter fabrics, geo textiles, carpets, car upholsteries) and fillings (for pillows, duvets, toys).

Location

Headquartered in Kanpur (Uttar Pradesh), Ganesha Ecosphere has manufacturing units in Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand) and Bilaspur (Uttar Pradesh) with a cumulative manufacturing capacity of 97,800 tonnes per annum for RPSF and yarn. The Company mobilises PET waste raw material through 20+ collection centres across India.

Listing

The Company is listed on the Bombay and the National Stock Exchanges and its shares are traded actively. As on 31st March 2015, the Company enjoyed a market capitalisation of ₹237 crore.



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PHILOSOPHIES

Vision

To become a global corporate citizen committed to recycle every PET bottle which is thrown into waste with world-class recycling facilities and to create wealth for our stakeholders through conducting business around social and environmental concerns

Mission

To be a high-performance organisation by making the best use of resources and empowering people.

To be the preferred choice of our customers by providing world-class customer services.

To maintain high levels of quality in our products through innovative research and technology development in our processes, products and applications.

To build relationships with stakeholders based on trust, transparency and ethical business conduct.

To contribute to the cause of making our planet a better place to live in for the present and the future generations.



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72 FINANCIAL STATEMENTS

OUR PERFORMANCE IN 2014-15

Revenues (₹ crore)

2010-11		291.29
2011-12		385.23
2012-13		435.05
2013-14		498.79
2014-15		621.95

EBIDTA (₹ crore)

2010-11		36.32
2011-12		43.38
2012-13		48.19
2013-14		56.30
2014-15		64.68

PBT (₹ crore)

2010-11		20.05
2011-12		21.37
2012-13		26.47
2013-14		26.32
2014-15		26.14

Post-tax profit (₹ crore)

2010-11		18.01
2011-12		20.69
2012-13		24.12
2013-14		24.54
2014-15		23.07

EBIDTA margin (%)

2010-11		12.46
2011-12		11.26
2012-13		11.08
2013-14		11.29
2014-15		10.40

Financial

24.69%

Growth in revenues from ₹498.79 crore in 2013-14 to ₹621.95 crore

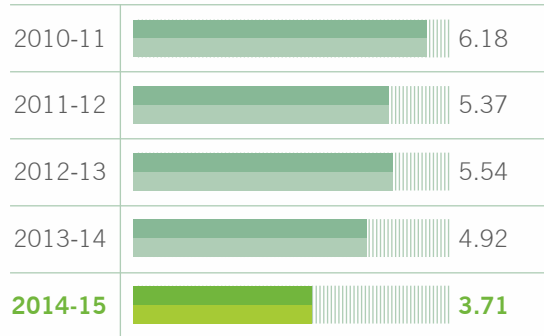
14.88%

Increase in EBIDTA from ₹56.30 crore in 2013-14 to ₹64.68 crore

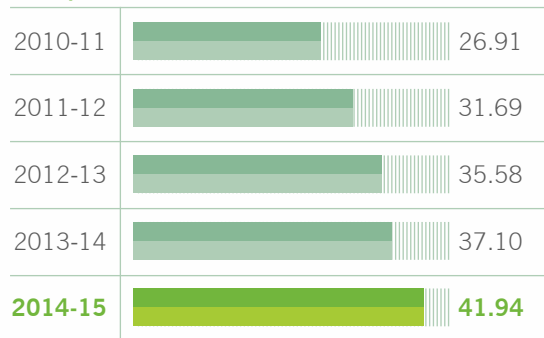
13.05%

Increase in cash profit from ₹37.10 crore in 2013-14 to ₹41.94 crore

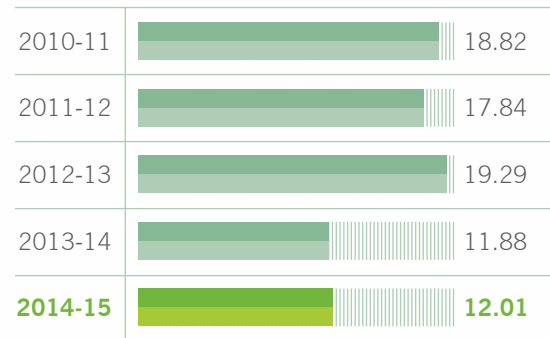
PAT margin (%)



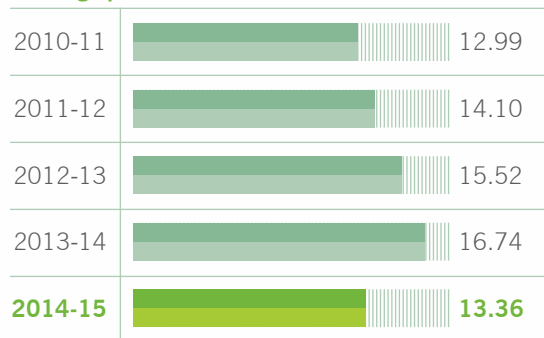
Cash profit (₹ crore)



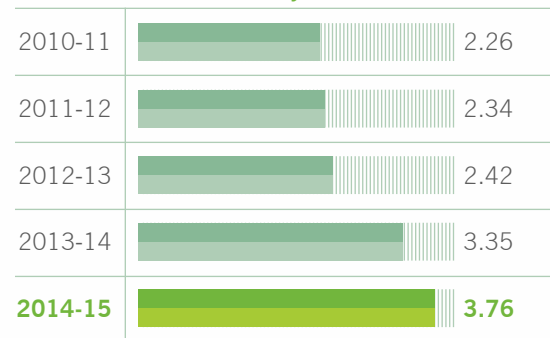
ROCE (%)



Earnings per share (₹)



Number of PET bottles recycled (billion)



13bps

Improvement in ROCE from 11.88% in 2013-14 to 12.01%

₹1.20

Declared dividend per equity share

Operational

Augmented the RPSF capacity from 66,600 tonnes in 2013-14 to 87,600 tonnes

Bolstered total production from 53,078 tonnes in 2013-14 to 71,841 tonnes

Dear fellow shareholders,
The 2014-15 fiscal was a challenging year for the global economy.

Even as global output remained flat at 3.4%, advanced economies reported a better performance which extended to the US and the UK while growth in emerging economies remained largely muted, China in particular recording a slowdown after a number of years and India gradually returned to growth.

From a commodity perspective, the year under review was eventful, marked by a sharp decline in crude oil prices owing to weakening global demand and sustained OPEC output. International cotton prices also declined sharply post correction in Chinese Cotton Policy for April 2014.

This meltdown in the price of oil as well as cotton had a corresponding impact on the man-made fibres business. In response to international prices, domestic cotton prices also corrected amidst higher domestic production than consumption and in turn impacting RPSF realisations.

Despite these evident challenges, I am pleased to report that Ganesh Ecosphere put up a contrarian performance.

A MESSAGE FROM THE CHAIRMAN

"FULL YEAR OPERATIONS OF OUR EXPANDED RECYCLING CAPACITY OF RPSF AT KANPUR AND SPUN YARN AT BILASPUR AS WELL AS STARTING UP OF NEW RPSF CAPACITY AT BILASPUR STRENGTHENED VOLUME BY 33%."

Shyam Sunder Sharma
Chairman

Despite decline in prices, we reported a 24.69% growth in revenues to cross the ₹600 crore-mark.

2014-15 was the first full year of operations of our expanded recycling capacity of RPSF at Kanpur and spun yarn capacity at Bilaspur.

We also operationalised 21,000 tonnes per annum capacity of RPSF at our Bilaspur unit in December 2014. This led to an increase in volume by 33%.

We focused on altering our raw material sourcing channel to enhance our competitiveness. We pushed down the prices

of PET bottle scrap in line with the price fall of RPSF.

We mobilised ₹31.79 cr through a successful private placement of equity shares, which helped pare high-cost debts, invest adequately in assets and strengthen our business. We improved capacity utilisation to 83%.

We reinforced relationships through various marketing initiatives, enhancing our share of customer's wallet.

The above factors helped in earning post-tax profit of ₹23.07 crore despite inventory carrying losses, post sharp decline in prices of finished products.

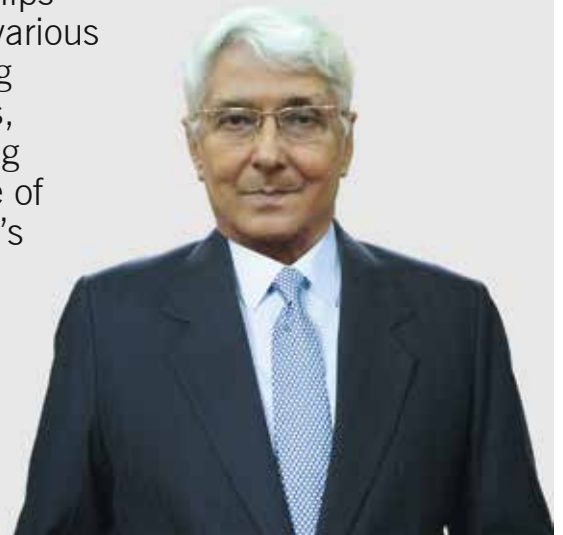
The opportunity

Plastics come in diverse forms – PET, polypropylene, low and high-density polyethylene, polyvinyl chloride and polystyrene. Among these, PET is the most valuable for its post-use implications, providing rag pickers with attractive resale incomes. Estimates indicate that around 8 lac tonnes of bottle grade PET resin were consumed in India during FY2015. As per industry sources, nearly 60-70% of the used bottles are collected for onward recycling, indicating the organised nature of the PET recycling business.

Expected increase in collection rate as a result of “Clean India” campaign presents wider opportunities in terms of increased availability of PET bottle scraps.

Ganesha Ecosphere went into business with an installed recycling capacity of a meagre 6,000 tonnes per annum. We strategically invested in capacities and emerged as one of the largest recycled PSF manufacturers, providing recycled polyester staple fibres for apparels, pillows, soft toys, insulations, paddings, carpets, dresses and many more applications.

We reinforced relationships through various marketing initiatives, enhancing our share of customer’s wallet.



We strategically invested in capacities and emerged as one of the largest recycled PSF manufacturers

Besides, the Company invested in downstream manufacturing of spun yarn to generate superior realisations.

PET consumption in the country is expected to rise on the back of downstream capacity addition, growing consumer preference for PET-packaged products and rising disposable incomes. This trend indicates a growing market for PET waste recycling, which has a long-term impact on the well-being of our environment. Our business is therefore not incidental to a cleaner India; it is integral to it.

Our competitive positioning

Ganesha Ecosphere is respected for its superior product quality, versatile product range and timely supply. Over the years, we invested in capacities that helped us address a wide range of customer needs across geographies. The addition of value-added spun yarns represents a competitive edge. This explains how, despite a decline in fibre realisations, the Company was able to maintain margins during the

PET consumption in the country is expected to rise on the back of downstream capacity addition, growing consumer preference for PET-packaged products and rising disposable incomes.

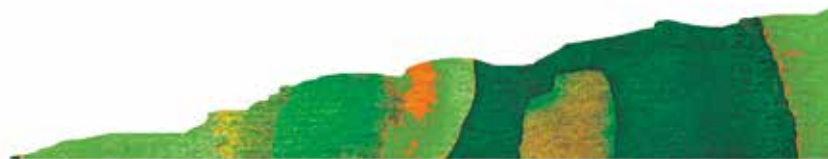
year under review. Besides, the Company continued to forge long-term relationships, developed over years with customers.

Optimism

At Ganesha Ecosphere, we expect to register a superior performance in FY2015-16 as we leverage the benefits of our capacity addition. The Company expects to moderate raw material procurement costs through engagements with institutions that facilitate better segregation of PET waste. New capacity to produce RPSF at Bilaspur was successfully commissioned and operationalised during FY15. Quality parameters of RPSF produced in this unit are encouraging and yielding better prices. Besides streamlining the expanded capacity, we intend to increase downstream production of recycled spun yarn, thereby updating the existing production lines and controlling the cost.

The Indian textile sector, which was primarily cotton-dependent, is witnessing a shift in trends as the demand for polyester fibre is gaining momentum due to cotton price volatility and increased sourcing by global brands. Man-made fibre (MMF) still today accounts for 40% of the total fibre production in the country while the ratio is 70% globally. The result is that the consumption of polyester is likely to be more than double the cotton fibre consumption by 2030. This will be manifested in an increase in demand for man-made filaments, fibres and apparel (consuming more than half the total synthetic fibre produced by the industry). Besides, manufacturers of home textiles and technical textiles are also expected to increase the consumption of synthetic fibres.

Imports of MMF and MMF-based apparel accounted for more than





US\$2 billion. Following the announcement of the ‘Make in India’ initiative, the Central Government should provide avenues to reduce duties and tariffs to make the country internationally more competitive.

During 2015-16, we expect apparel consumption to grow at a healthy pace and catalysed by increasing urbanisation, increased per capita incomes, lifestyle and fashion changes as well as a growing preference for branded products. Besides, the demand for home and technical textiles are expected to grow on the back of a projected revival of the real estate and industrial sectors.

Even as India’s per capita consumption of man-made filaments and fibres lags behind the global average, the reality is expected to improve. Synthetic fibres possess appealing attributes that make them durable, light, comfortable, stretchable and easy-to-maintain. They are also resistance to sunlight,

shrinkage and pests. In view of these realities, we are confident of our growth prospects.

There is also a significant social and economic impact of PET recycling – recycling one tonne of PET saves 3.8 barrels of crude oil, 7.4 cubic yards of landfill, 1.5 tonnes of CO₂ and two person- years of energy. During 2014-15, we recycled nearly 3.76 billion PET bottles weighing approximately 67,700 tonnes, contributing to economy as well as environment.

We are grateful to all our shareholders for retaining their confidence in our business model. We expect to sustain our growth momentum in this unique business space over the long-term, enhancing value for all those who own shares in our Company.

Regards,
Shyam Sunder Sharmma
Chairman

What drives the consumption of man-made fibres in India...

Segment	Growth drivers
Women’s western wear	Increasing participation of women in the country’s workforce
Activewear	India’s large youth population base with increasing awareness regarding fitness
Mobiltech products	India’s emergence as global automobile manufacturing hub
Workwear/Uniform	Increasing number of school going children and growing demand for corporate uniforms
Hygiene products	Enhanced awareness towards health and hygiene
Protective wear	Stricter compliance norms and increasing emphasis on health and safety

DEFYING THE ODDS



PRUDENT FINANCIAL MANAGEMENT

Raised ₹36.66 crore through private placement and conversion of equity warrants during the year under review

Repaid ₹32.82 crore worth of long-term loans

Efficient receivables management helped contain debtors' turnover at 23 days (27 days in 2013-14)



POSITIONAL IMPACT

Enhanced net worth and low gearing have ensured enough headroom for taking the growth to the next level.

MATERIAL IMPACT

Long-term debt-equity ratio was pegged at 0.64 (1.18 in 2013-14)

ROCE improved by 13 bps

Current ratio was stood at 1.04 (0.86 in 2013-14)

Book value per share stood at ₹95.54 compared to ₹81.10 in 2013-14

PROACTIVE INVESTMENTS IN CAPACITY

Set up RPSF capacity of 21,000 tonnes per annum at Bilaspur (Uttar Pradesh) during 2014-15.

Set up yarn spinning capacity of 25,920 spindles at Bilaspur (Uttar Pradesh) during 2013-14.

Enhanced the Kanpur plant's RPSF capacity to 27,000 tonnes per annum during 2013-14.

Invested around ₹200 crore in these capacity expansions

DEFYING THE
ODDS





A KEEN EMPHASIS ON VALUE-ADDITION

New capacity additions, equipped with state-of-the-art technology, shall enable us to roll out premium-priced superior products.

Increased capacity and customisation to ensure that the clients received customised deliveries, on time, every time.

FINANCIAL IMPACT

These expansions have the potential to earn revenue more than ₹300 crore at present realisation rates

POSITIONAL IMPACT

With new capacities coming on stream, the Company has emerged as the largest RPSF manufacturer in the country.

A RELIANCE ON AN ENVIRONMENT-FRIENDLY BUSINESS

PET accounts for more than 40% of the global packaging mix

Recycling a tonne of PET saves 3.8 barrels of crude oil/7.4 cubic yards of soil which would otherwise have been turned into a landfill/1.5 tonnes of CO₂

PET bottles take more than 500 years to decompose and hence it is imperative to recycle them

Recycling a plastic bottle conserves enough energy to light a 60-watt light bulb for six hours

Low Indian per capita consumption of PET is 0.3 kilograms compared to the global average of over 2 kilograms

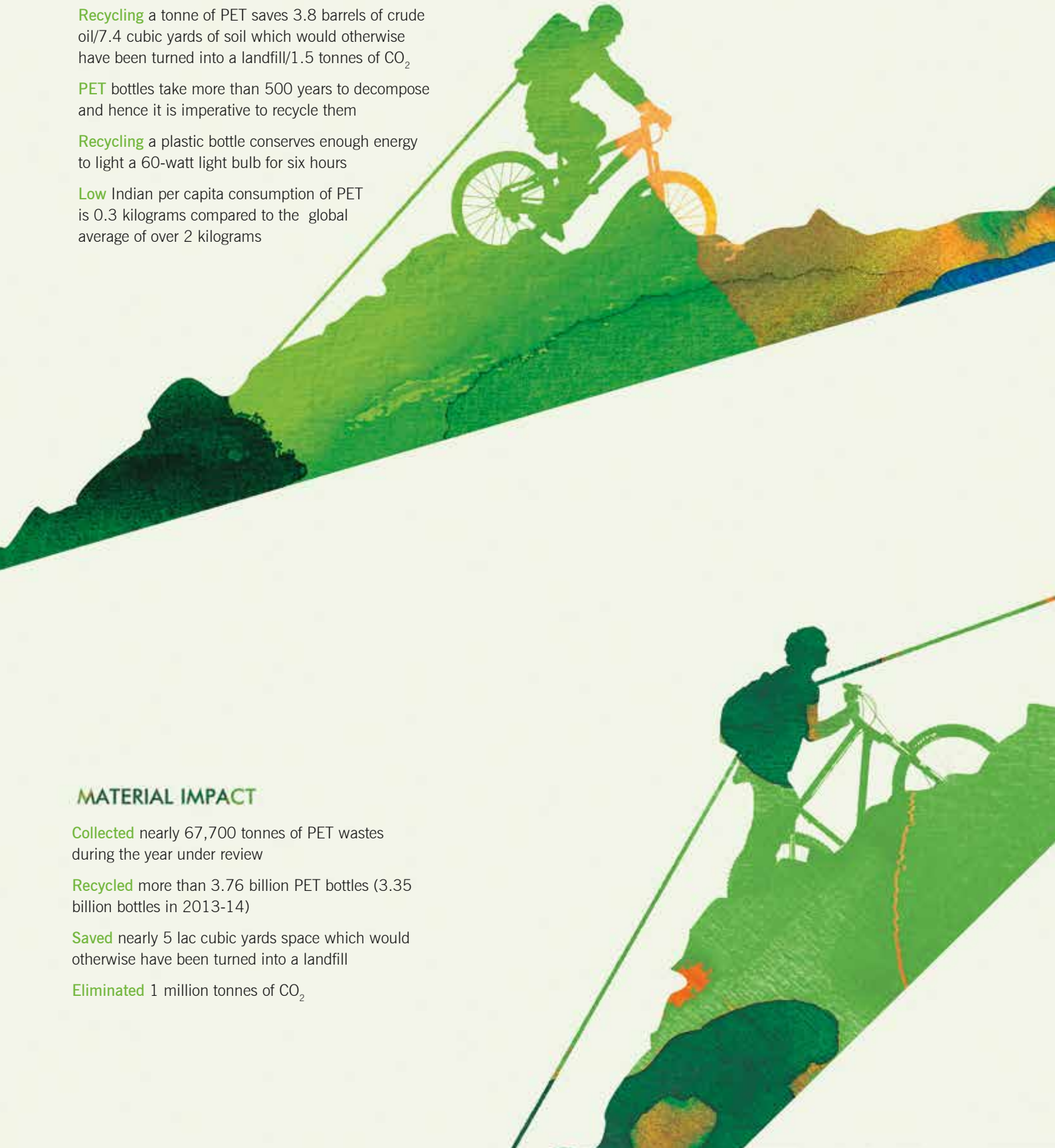
MATERIAL IMPACT

Collected nearly 67,700 tonnes of PET wastes during the year under review

Recycled more than 3.76 billion PET bottles (3.35 billion bottles in 2013-14)

Saved nearly 5 lac cubic yards space which would otherwise have been turned into a landfill

Eliminated 1 million tonnes of CO₂



DEFYING THE ODDS



A SOCIALLY RESPONSIBLE BUSINESS MODEL

Robust network of PET waste collection centres and scrap dealers across the country

Focus on institutional collection like bottlers, hotels, corporates among others for better collection efficiency

With no polluting chemicals used the recycling process itself is environment-friendly





OUR RESILIENT BUSINESS MODEL

Sustainable

GESL has invested in a business model which is centred around long-term sustainability. It invested periodically in enhancing production capacities - from a modest 6,000 tonnes per annum to 87,600 tonnes per annum today, generating revenues at a CAGR of 28% over the decade leading to 2014-15.

Scale

GESL invested in one of India's largest RPSF manufacturing capacities, translating into economies-of-scale. The capacity was segregated across staple fibres and yarns, addressing diverse customer needs.

Value-addition

GESL invested in value-addition, protecting itself from commodity price volatilities, and product customisation, translating into enduring customer engagements.



Segments

GESL widened product applications (fibre fill, spinning industry, automobile industry, geotextiles, medical and packaging, paper, textiles and various other non-woven sectors) to de-risk itself from a demand weakness in any specific segment.

Integrated

GESL's model has extended from captive PET waste collection to staple fibre manufacture to yarn manufacture thereby widening its value chain and making it possible to address the demand dynamics of each segment.

Financials

The Company moderated its debt-equity ratio from 0.96 in 2010-11 to 0.64 in 2014-15 even as it increased its gross block from ₹133.13 crore to ₹352.81 crore during this period.



Doubled realisations over the ten years leading to FY2014-15



16 times growth in profits over the ten years leading to FY2014-15



25% CAGR growth in PET bottle scrap processing over the ten years leading to FY2014-15



15 times increase in net worth over the ten years leading to FY2014-15





Widened product portfolio proactively over the past decade with a focus on value-added products



Enhanced total production capacity from 12,600 tonnes per annum in FY2005-06 to 97,800 tonnes per annum in FY2014-15



Established a strong collection network with unique blend of collection centres, scrap dealers and institutional clients.



Channelised ₹325 crore during the past ten years towards capacity building

MANAGEMENT DISCUSSION AND ANALYSIS

Review of the global economy

Global growth in 2014 stood at a modest 3.4% staying at the same level as it did in 2013, reflecting a pick-up in growth in advanced economies relative to the previous year offset by a slowdown in emerging markets and developing economies. Despite the slowdown in emerging markets and developing economies, they still accounted for three-fourths of global growth in 2014. Growth in the United States was better whereas the situation in Japan and eurozone was slower.

The major price decline in commodities occurred in the crude oil segment. Brent crude oil prices declined from \$108 per barrel on January 2, 2014 to \$57 per barrel on December 31, 2014 following weaker demand, increased U.S. production, lower supply disruptions and maintained output by OPEC.

Global economic growth is expected to improve moderately from 2015 onwards, primarily driven by the advanced economies (led by the US) and some eurozone countries performing better. Growth in emerging economies is expected to remain under pressure as China and Russia continue to report slow growth.

Review of the Indian economy

India is the seventh largest global economy in terms of nominal GDP and the third-largest in terms of purchasing power parity. Despite a weak global sentiment, the Indian economy reported a GDP growth of 7.3%, compared with 6.9% in 2013-14 and moderately lower than the

initial estimate of 7.4%.

India registered a 2.8% growth in industrial production during 2014-15. Production in mining, manufacturing and the power sectors increased by 1.4%, 2.3% and 8.4%, respectively during 2014-15.

India reported a fiscal deficit of 4%, an improvement over the initial estimates of 4.1% and 4.7% reported in 2013-14. The economy is returning gradually to the growth trajectory with the country's apex bank easing interest costs through a series of rate cuts during the year under review.

Global PET industry

PET's popularity is growing on account of its outstanding barrier characteristics, lower breakability, lower energy-intensity compared to glass and aluminium and easy transportability.

The global PET resin market reported significant growth in the past few years, a trend that is expected to sustain following a replacement of traditional packaging applications and an emphasis being laid on lowering GHG emissions.

As a result, the global PBT (polybutylene terephthalate) and PET resin markets are estimated at US\$47.4 billion by 2019, a robust growth of about 7.3% per annum 2014 onwards.

Indian PET industry

The demand for PET is expected to rise following an increase in demand from rapidly expanding consumer goods packaging and bottling industry. The PET resin market in India is pegged at around US\$1 billion and expected to grow at a CAGR of 8.6% between 2014 and 2019.

Global fibre market

The global fibre market (89.4 million tonnes) is dominated by oil-based synthetic fibres (62.6% share). Cellulosic fibres, comprising cotton among others account for approximately a 29.4% of the volume while man-made cellulosic fibres (approximately 6.7% of the volume) are coveted niche products exhibiting better properties than cotton.

Indian fibre market

India is the world's second largest producer of textiles

Opportunities

Growing PET consumption across various user segments

Increasing PET manufacturing capacities in the country

Growing concern about environment conservation

Price advantage over virgin materials

Threats

High dependence on unorganised rag pickers for sourcing raw materials

Declining crude prices

Softening prices of natural fibres

US\$1 bn

Value of the PET resin market in India which is expected to grow at a CAGR of 8.6% between 2014 and 2019.

and garments. The Indian textile and apparel industry can be divided into two segments - yarn & fibre and processed fabrics & apparel. India has the highest loom capacity (including hand looms) accounting for 63% of the world's market share. [Source: IBEF] India accounts for about 14% of the world's production of textile fibres & yarns (largest producer of jute, second largest producer of silk and cotton; third largest in cellulosic fibre).

The domestic textile and apparel industry in India is estimated at US\$ 100 billion by 2017 and US\$ 141 billion by 2021 from US\$ 67 billion in 2014. The size of India's textile market in 2014 was US\$ 99 billion; the market is expected to expand at a CAGR of 9.6% over 2014-23 to reach US\$ 226 billion, as per estimates.

The per capita consumption of man-made filaments and fibres in India lags behind the global per capita consumption. This is expected to change with the production of PFY is expected to grow by 5.3% and PSF by 4.1% in 2015-16.

Growth drivers

Low consumption: Globally, man-made fibre accounts for 70% of all fibre consumption; in India, the corresponding share is less than 30% with the per capita consumption of man-made fibres is at 3 kilograms as against the world per capita consumption of 8 kilograms, providing sufficient headroom for growth.

High recycled PET fibre demand: Hundreds of millions of plastic bottles which are non-bio degradable are thrown away each year post use without any attempt at recycling. In view of this, the manufacture of recycled yarns out of PET bottles has emerged as a game changer. The demand for high quality, 100%-recycled yarns made from 100%-post-consumer PET waste is high and is expected to grow.

Growing per capita income: The per capita net national income of India at current prices was estimated at ₹87,748 in 2014-15 compared to ₹80,388 in 2013-14, a rise of 9.2%. India's per capita income in real terms (2011 -12 prices) in 2014-15 was estimated to have been ₹74,104, a rise of 5.9% compared to ₹69,959

in 2013-14. The country's income growth is expected to drive consumption.

Recycled apparel demand: A number of international brands are increasing use of recycled PSF in apparel manufacture thereby generating a growing demand.

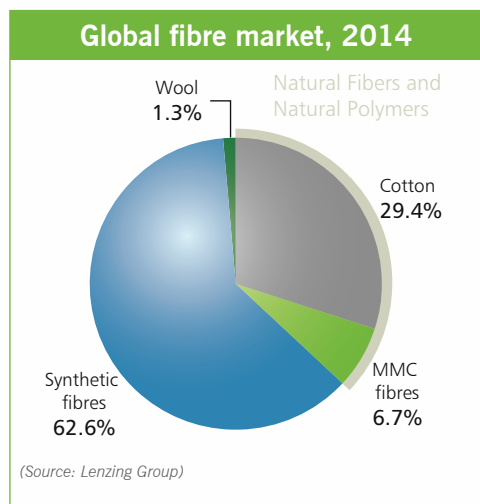
Human resource development & industrial relations

The human resource philosophy and strategy of the Company has been designed to attract and retain the best talent. Employees are the Company's most valuable assets and the Company's processes are designed to empower employees and support creative approaches in order to create enduring value.

The Company's human resource management systems and processes aim to enhance organisational performances. The Company focuses on quick grievance resolution mechanisms and maintains absolute harmony with its work force and as such it has not faced any labour trouble since inception. As on 31st March 2015, the total direct employee strength of the Company stood at 1,720.

Internal control

The Company has built a robust internal control system based on the stringent reporting of all transactions, demonstrated efficiencies in operations and rigorous compliance, with of relevant laws and statutory regulations. The Company undertakes internal audits at regular intervals to ensure that all procedures conform with all relevant regulations. The internal audit report is discussed by the senior management and the Audit Committee of the Board. The Audit Committee regularly reviews the adequacy and efficacy of the internal control systems and procedures.



01 RAW MATERIAL MANAGEMENT

The efficient mobilisation of waste material represents the Company's core competitive advantage.

This advantage is reinforced through efficient mobilisation, and consistent engagement with relevant agencies, translating into consistent cost-effective supply of raw material.

GESL enjoys a competitive raw material (post-consumer PET bottle waste) sourcing capability through a pan-Indian network of 20+ collection centres. These franchisee-driven collection centres provide about 40% of the Company's raw material requirements, the rest is mobilised through scrap dealers. Besides, the Company

has tied up with other institutions (malls, airports, hotels, colleges and other high-PET waste generation areas) to source raw material.

The Company's collection network helps mobilise nearly 225 tonnes of PET waste a day, translating into adequate raw material availability to feed the production lines.

Outlook

The Company is increasing the proportion of institutional procurement, ensuring a large material inflow accompanied by lower procurement costs. This arrangement is expected to widen operating margins, strengthening the Company's competitive advantage.

02 MANUFACTURING

GESL is engaged in the manufacture of recycled polyester staple fibre (RPSF) and spun yarn from PET waste. The Company has three staple fibre manufacturing units at Rudrapur (RPSF manufacturing capacity of 39,600 tonnes).

Kanpur (RPSF capacity of 27,000 tonnes and Bilaspur (RPSF capacity of 21,000 tonnes). Dyed texturised/

twisted filament yarn capacity of 3,000 tonnes and spun yarn manufacturing facility at Bilaspur (capacity of 7,200 tonnes).

The Company produces more than 100 RPSF varieties customised around customer needs. The in-house R&D team manages quality and product customisation. Besides, the R&D team played a pivotal role in the

manufacture of dope-dyed polyester fibres across a range of colours, generating a premium over regular variants.

The Company's manufacturing units are ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007-certified. It received the Hohenstein Institute's (Germany) authorisation to use the Oeko-Tex mark, validating the highest ecological standards.

The Company installed high-end drawing and crimping machines ensuring the production of top-quality fibres and yarns which can be dyed in a wide range of colours.

Outlook

Going forward, the Company will be stabilising its expanded capacity at Kanpur and Bilaspur to generate attractive economies-of-scale.



MANAGING RISKS AT GANESHA ECOSPHERE

Risk	Nature of impact	Risk mitigation
INDUSTRY RISK	Drop in demand from the end-user segments could adversely impact the Company's offtake.	<p>Growing demand for consumer goods and various governmental initiatives such as Make in India among others are expected to boost synthetic fibre demand in the domestic market.</p> <p>The domestic textile and apparel industry in India is estimated to reach US\$ 100 billion by 2017 and US\$ 141 billion by 2021 from US\$ 67 billion in 2014.</p> <p>In India per capita consumption of man-made fibre is pegged at ~3 kilograms as against the global per capita consumption of 8 kilograms, hinting at the adequate headroom available for growth.</p>
RAW MATERIAL RISK	Inability to procure adequate raw material could impact the seamlessness of the Company's operations.	<p>GESL has an extensive network of collection centres and scrap dealers across the country.</p> <p>The Company is focusing on institutional collection from various hotels, malls, airports to source PET waste.</p> <p>In 2014-15, the Company processed more than 3.76 billion PET bottles which helped the Company achieve a capacity utilisation of 83%.</p> <p>With continued growth in PET resin capacity and increased awareness of recycling, raw material is expected to be available in sufficient quantities.</p>
COMPETITION RISK	Growing competition could have an adverse bearing on the Company's profitability.	The Company invested in creating the largest PET recycling capacities in the country which helps it reap the benefits stemming from economies-of-scale.
FUNDING RISK	The Company may not be able to fund its growing business and expansion needs in a cost-effective manner.	<p>The Company had a debt-equity ratio of 0.64 as of 31st March 2015, which gives the Company the liberty to take on additional borrowings.</p> <p>The Company's interest cover stood at a robust 2.33x 31st March 2015, reflecting the Company's ability to efficiently service debt.</p> <p>Timely payments of financial obligations and comfortable gearing helped raising additional debt in a cost-effective manner.</p>
REALISATIONS RISK	A decline in virgin fibre prices could impact the Company's realisations.	<p>Recycled PET costs nearly 15% less than virgin fibres.</p> <p>The Company invested in a value-added product manufacturing capacity which allowed the Company to enjoy better realisations despite a sharp drop in crude prices during FY15.</p>
WORKING CAPITAL RISK	Inability to properly run the daily operations could be detrimental for the Company.	<p>The Company has strong debt monitoring system, the efficacy of which is reflected in the fact that the Company's receivables cycle has reduced from 27 to 23 days of turnover equivalent.</p> <p>The Company's average cash cycle stood at 42 days.</p> <p>Average utilisation of working capital borrowings stood at below 85% of sanctioned limits, providing enough room for further investments.</p>

Basis of preparation

The financial statements have been prepared in compliance with all material aspects notified under the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Financial statements are prepared in accordance with the generally accepted accounting principles, as adopted consistently, and are based on historical cost and items of income and expenditure are recognised on an accrual basis.

Analysis of Profit & Loss Account

Total revenues increased by 24.73% from ₹50,102.96 lac in 2013-14 to ₹62,495.38 lac in 2014-15, due to an increase in volumes, post the fibre and yarn capacity expansions. Other incomes increased by 9.87% from ₹155.27 lac in 2013-14 to ₹170.59 lac in 2014-15 owing to an increase in interest and non-operating incomes compared to the previous year. Other incomes as a proportion of the total income (from sale of core products) stood at 0.27%, reflecting the Company's focus on core businesses.

Total operating expenses for 2014-15 stood at ₹44,942.28 lac as against ₹36,537.67 lac in 2013-14, the 23% increase in total operating expenses was largely owing to increased activity levels in line with growth in production and sales volumes. Total operating expenses as a proportion of the total revenues decreased marginally to 71.91% in 2014-15 as against 72.93% in the previous year.

Owing to the Company's growing scale of business, raw material expenditure increased by 20.96% to ₹39,928.50 lac in 2014-15 as against ₹33,008.46 lac in 2013-14 but the proportion of raw material costs as a percentage

of total expenses decreased to 66.68% in 2014-15 against 69.76% in 2013-14.

Employee costs increased from ₹2,478.55 lac in 2013-14 to ₹3,366.61 lac in 2014-15, mainly owing to an increase in business volumes as well as general remunerations. Employee costs as a percentage of the total expenses increased to 5.62% in 2014-15 against 5.24% in the previous year.

Other expenses for 2014-15 stood at ₹11,084.48 lac, rising by 39.69% from ₹7,935.29 lac in 2013-14. The increase was largely due to an increase in consumption of stores and spares, power and fuel expenses and processing charges which rose

by 55.86%, 47.04% and 40.60%, respectively over the previous year owing to volume growth as well as general price increases.

The Company's power cost per unit stood at ₹6.73 per unit in 2014-15 against ₹6.44 per unit in 2013-14. Fuel cost also rose to ₹6,062.52 per tonne in 2014-15 against ₹5161.44 per tonne in 2013-14. These costs increased owing to an increase in power tariffs as well as prices of coal and rice husk.

Processing charges represent the charge paid for converting PSF into spun yarn via outside agencies and increase in processing charge is due to increased production of spun yarn through job work.

PAT decreased to ₹2,306.67 lac during 2014-15 from ₹2,454.35 lac mainly because of higher tax provisions, sliding prices of RPSF and yarn and substantial inventory carry-forward losses.

Finance costs increased by 24.04% in 2014-15 from ₹1,586.04 lac in 2013-14 to ₹1,967.25 lac in 2014-15. Increase in finance costs was mainly due to the loan taken for expansion projects. The interest coverage ratio stood at 2.33x for 2014-15 (2.66x for 2013-14).

Financial snapshot, 2014-15

Particulars	2014-15	2013-14	% growth [increase/ (decrease)]
Revenues from operations (₹ lac)	62,324.80	49,947.69	24.78
Total revenues (₹ lac)	62,495.38	50,102.96	24.73
PBT (₹ lac)	2,614.15	2,631.62	(0.67)
PAT (₹ lac)	2,306.67	2,454.35	(6.02)
Cash profit (₹ lac)	4,193.89	3,710.53	13.03
EPS (₹)	13.36	16.74	(20.19)

Taxation

The total tax outlay including deferred tax of the Company increased by 73.45% from ₹177.27 lac in 2013-14 to ₹307.48 lac in 2014-15 on account of higher deferred tax provisions.

Capital employed

The total capital employed increased by 7.45% in 2014-15 over 2013-14, largely owing to a 43% increase in net worth over the previous year. The increase in net worth was mainly due to the infusion of share capital as well as profit earned during the year. The Company's loan fund decreased by 13.27% while the return on capital employed increased from 11.88% in 2013-14 to 12.01% in 2014-15.

Loan funds

The long-term debt-equity ratio stood at 0.64 in 2014-15 against 1.18 in 2013-14, largely owing to a 22.30% decrease in long-term borrowings from ₹14,723.57 lac as on 31st March 2014 to ₹11,440.90 lac as on 31st March 2015.

Application of funds

Gross block

A 6% increase in fixed assets (tangible assets, intangible assets and capital work-in progress) from ₹33,286.57 lac as on 31st March 2014 to ₹35,281.14 lac as on 31st March 2015 was largely due to the new PSF capacity addition at Bilaspur.

Correspondingly, depreciation and amortisation increased by 50.23% from ₹1,256.18 lac in 2013-14 to ₹1,887.22 lac in 2014-15.

Long-term loans and advances

Long-term loans and advances moderately increased by 2.82% in 2014-15 to stand at ₹272.69 lac as on 31st March 2015 compared to ₹265.21 lac as on 31st March 2014 in line with increase in business activities.

Working capital management

Current assets as on 31st March 2015 stood at ₹17,120.77 lac compared to ₹12,896.46 lac as on 31st March 2014, an increase of 32.86%. Current ratio improved to 1.04 as on 31st

March 2015 against 0.86 as on 31st March 2014 with infusion of capital.

Inventories (finished and semi-finished goods along with raw materials) for 2014-15 increased by 35.55% from ₹6,074.65 lac as on 31st March 2014 to ₹8,234.28 lac as on 31st March 2015. The average inventory cycle for 2014-15 stood at 47 days of turnover compared to 41 days in 2013-14. Inventory levels increased due to the operationalisation of the Bilaspur unit as well as slowdown in the market, post the fall in crude oil prices.

Debtors as on 31st March 2015 stood at ₹4,073.54 lac against ₹3,920.43 lac as on 31st March 2014, an increase of 3.91%. The debtors' cycle decreased to 23 days of turnover equivalent in 2014-15 from 27 days in 2013-14.

Short-term loans and advances increased by 331% to stand at ₹2,797.69 lac as on 31st March 2015 compared to ₹649.75 lac as on 31st March 2014, largely due to the increase in the advance to vendors and MAT credit balances.

Current liabilities increased by 9.70% from ₹14,954.22 lac as on 31st March 2014 to ₹16,405.32 lac as on 31st March 2015, mainly due to an increase in trade payables.

Cash and bank balance

Cash and bank balance decreased by almost 17.5% to ₹1,595.25 lac as on 31st March 2015 compared to ₹1,933.74 lac as on 31st March 2014, largely due to an increase in capital expenditures.

Sources of funds

Particulars	2014-15 (₹ lac)	% of capital employed	2013-14 (₹ lac)	% of capital employed
Share capital	4,727.60	12.39	1,518.60	4.28
Reserves and surplus	12,993.14	34.05	10,803.19	30.42
Money received against share warrants	71.25	0.19	162.40	0.45
Net worth	17,791.99	46.63	12,484.19	35.15
Loan funds	19,404.11	50.85	22,372.95	63
Deferred tax liability	962.73	2.52	655.24	1.85
Capital employed	38,158.83	100	35,512.38	100

SHAREHOLDER VALUE CREATION

All strategic initiatives at Ganesha Ecosphere are directed towards enhancing value for its shareholders. The Company has survived various business cycles, good and bad, and emerged as one of the largest and strongest recycled polyester fibre manufacturers in the country.



Revenue and profitability matrix: Prudent management of costs and optimisation of revenues allowed Ganesha Ecosphere to maintain profitability and increase the scale of the business.

	2012-13	2013-14	2014-15
Revenues	435.05	498.79	621.95
EBIDTA	48.19	56.30	64.68
Net profit	24.12	24.54	23.07

Market capitalisation: The strength of the Company's business model is reflected in its growing market capitalisation

	2012-13	2013-14	2014-15
Market capitalisation	61.35	81.00	237.02

Book value: This represents the net shareholder funds per equity share of the Company. Book value provides a clear indication of the value per share of Ganesha Ecosphere.

	2012-13	2013-14	2014-15
Book value	66.46	81.14	95.54

Dividend: Uninterrupted dividend payment to shareholders indicates the healthy growth in business volumes over the years.

	2012-13	2013-14	2014-15
Dividend per share	1.2	1.2	1.2

10 YEARS AT A GLANCE

(In ₹ crore)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
KEY FINANCIALS										
Net sales	621.95	498.79	435.05	385.23	291.30	198.90	135.37	105.42	62.67	51.94
EBIDTA	64.68	56.30	48.19	43.38	36.30	24.30	17.31	12.35	7.00	5.77
PAT	23.07	24.54	24.12	20.69	18.02	9.00	4.34	3.75	1.89	1.46
EPS (₹)	13.36	16.74	15.52	14.10	12.99	8.45	4.35	3.62	2.03	1.57
Net worth	177.92	124.84	100.92	79.48	56.79	37.42	23.98	20.20	16.00	14.29
Book value per share (₹)	95.54	81.14	66.46	56.13	40.46	35.67	24.33	20.50	17.08	15.84
Net fixed assets per share (₹)	175.04	172.69	123.65	76.33	70.63	72.53	62.88	49.11	33.64	20.35
Cash accruals	41.94	37.10	35.58	31.68	26.92	15.92	10.00	7.35	3.70	2.86
KEY RATIOS										
Debt-equity ratio	0.64	1.18	1.22	0.64	0.96	0.94	1.54	1.37	0.95	0.37
Return on equity (ROE)	13.92%	20.36%	23.37%	25.11%	30.62%	22.34%	15.72%	16.78%	11.25%	9.87%
Cash cycle (days)	42	41	45	47	46	58	76	76	87	87
ENVIRONMENTAL CONSERVATION										
Bottles consumed (in billion)	3.76	3.35	2.42	2.34	2.26	1.53	1.42	0.87	0.47	0.40
Landfill space saved (in cubic yards)	500,923	445,771	322,353	311,250	301,199	203,811	189,448	116,543	62,177	53,574
CO ₂ elimination (in tonnes)	101,538	90,359	65,342	63,091	61,054	41,313	38,402	23,624	12,604	10,860

PROTECTING THE PLANET



The concept of CSR at GESL is underpinned by the idea that corporates can no longer act as isolated economic entities operating detachedly from the broader society. GESL's CSR vision is to build environmental sustainability into each business function and process. By making sustainability an integral part of the technologies, products, and solutions we offer, not only enhance value at the hands of our suppliers and customers but also protect our planet. This is how GESL makes it happen: we ensure the safe disposal of PET waste, which otherwise would have occupied large swathes of land and taken decades to decompose. The Company disposes PET waste without any corresponding negative impact on the environment through prudent waste management measures.

Striving for a greener tomorrow

What we do on a daily basis represents our stance on environmental management and the commitment to continuously strive for a greener tomorrow. In line with this approach, the Company manufactures recycled PET fibre as opposed to virgin polyester fibre. This entails 33-55% lower energy consumption resulting in a corresponding reduction in CO₂ emission. Moreover, the Company is engaged in recycling more than ten million bottles a day, thereby protecting ~500,000 cubic yards of land which would otherwise have been turned into landfills.

Don't waste, create

It's easy to make hollow promises lauding 'corporate social responsibility,' but we at GESL believe that actions do indeed speak louder than words. Our waste recycling efforts are integrated into our business model and as such it's the most visible indicator of our stance on sustainability. The Company generates employment for thousands of rag pickers across the country. The Company collects waste through various waste collection centres and multiple vendors, which are thereafter recycled and put to productive use. Thus, the Company prevents the accumulation of waste which would otherwise have taken a toll on the environment while simultaneously generating employment for a substantial number of people.

Formation of the Ganesh Memorial Trust

The Company focuses on inclusive growth to improve lives and uplift communities in the areas where it operates. To achieve its CSR objectives, the Company established the Ganesh Memorial Trust on 26th February 2015.

"COURAGE IS THE MOST IMPORTANT OF ALL THE VIRTUES BECAUSE WITHOUT COURAGE, YOU CAN'T PRACTICE ANY OTHER VIRTUE CONSISTENTLY."

MAYA ANGELOU

BOARD OF DIRECTORS

01 MR. SHYAM SUNDER SHARMMA CHAIRMAN-CUM-MANAGING DIRECTOR

Mr. Shyam Sunder Sharmma, founder of the Company, aged 72 years, is a post-graduate in commerce. He is a first generation entrepreneur and textile technocrat having management experience of over 51 years including 25 years with various Birla Group Companies in senior positions.

He is associated with the Company as Chairman-cum-Managing Director since 1989. He is responsible for looking into the overall management, strategic planning and development of the Company.

02 MR. VISHNU DUTT KHANDELWAL EXECUTIVE VICE-CHAIRMAN

Mr. Vishnu Dutt Khandelwal, aged 66 years, is post-graduate in commerce and his area of expertise includes marketing and financial management. He possesses a rich experience of over 42 years in textile yarn trading.

He has been serving the Company since inception and was appointed as Executive Vice-Chairman of the Company in 2008. He is responsible for overseeing the marketing and business development of the Company.

03 MR. SHARAD SHARMA JOINT MANAGING DIRECTOR

Mr. Sharad Sharma, aged 49 years, is a commerce graduate and having more than 28 years experience in marketing and distribution.

He has been associated with the Company since inception and was appointed to the Board in 1992 as a Director. He was appointed as Joint Managing Director of the Company in 2004. He is responsible for overseeing day-to-day management and overall operations of the Company.

04 MR. RAJESH SHARMA EXECUTIVE DIRECTOR

Mr. Rajesh Sharma, aged 46 years, is a commerce graduate and has rich experience spanning over 25 years in plant administration and operations.

He is associated with the Company since its inception and was appointed as an Executive Director of the Company in 2008. He is responsible for looking after the administration and operations of the Company's Rudrapur and Bilaspur units.

05 MR. VISHWA NATH CHANDAK NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Vishwa Nath Chandak, aged 78 years, is M.Com., LL.B. and has experience of over 39 years of working as a Senior President in Eastern Spinning Mills & Industries Ltd.

He had also been associated with Kesoram Industries Ltd. (a B.K. Birla Group Company) as a President of its divisions namely Kesoram Rayon and Hindusthan Heavy Chemicals for several years.

He was appointed to the Board of the Company in 2009.

06 MR. PRADEEP KUMAR GOENKA NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Pradeep Kumar Goenka, aged 61 years, is a member of the Institute of Chartered Accountants of India. He brings a rich professional experience of over 39 years in the field of finance and related consultancy services.

He is a practicing Chartered Accountant. Presently, he is a director of several listed and non-listed companies from various industries including manufacturing and financial consultancy.

He was appointed to the Board of the Company in 2006.

07 MR. SURENDRA KUMAR KABRA
NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Surendra Kumar Kabra, aged 71 years, is B.Com., LL.B. and is also a member of the Institute of Chartered Accountants of India. He brings rich professional experience of over 47 years in the textile industry.

He has been the Managing Director for over 11 years in Shree Manufacturing Company Ltd. and has over 25 years experience of working in various capacities in Birla Group Textile Companies. He has been running his own textile business for the past 19 years.

He was appointed to the Board of the Company in 1994.

08 MR. ANOOP GUPTA
NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Anoop Gupta aged 57 years, is Chartered Accountant and Cost Accountant, with additional qualifications in Law and Company Secretarial. He has three decades of diverse International experience in areas of Business Development, Corporate Finance, Strategy, Banking, Fund Management, Investment Product Engineering, Auditing and broad-spectrum Business Consulting. Mr. Gupta founded Concept Management Consulting Limited in 1998, and is presently the Managing Director of the company.

He was appointed to the Board in 2012.

09 MRS. POONAM GARG
NOMINEE DIRECTOR

Mrs. Poonam Garg, the Deputy General Manager of IFCI venture Capital Funds Ltd., aged 47 years, is an MBA, Associate Member of Institute of Cost & Works Accountants of India (AICWA) and Diploma in Pharmacy (Delhi University). She has 21 years of rich work experience in Private Equity /Venture Capital industry. Mrs. Garg is presently the Fund Officer of Green India Venture Fund and India Enterprises Development Fund.

She was appointed to the Board as Nominee Director of the Company in May, 2014.

10 MR. GOPAL SINGH SHEKHAVAT
DIRECTOR ADMINISTRATION

Mr. Gopal Singh Shekhavat, aged 62 years, is a bachelor in arts. He has rich experience spanning over 42 years in textile industry.

Presently, he looks after the Administration and HR of the Company. He was appointed to the Board of the Company as a Director (Administration) w.e.f. 1st June, 2013.

11 MR. ABHILASH LAL
NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Abhilash Lal, aged 50 years, is a mechanical engineer and a post-graduate in management from Indian Institute of Management (IIM), Bangalore. He has rich experience of more than 24 years in all aspects of financial services including banking, consulting, insurance, investments, advisory etc. and had worked with HSBC for more than 11 years.

He was appointed to the Board of the Company as a Non-Executive Independent Director w.e.f. 29th September, 2014.

12 MR. NARAYANAN SUBRAMANIAM
NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Narayanan Subramaniam, aged 54 years, is a graduate from Indian Institute of Management, Ahmedabad (IIMA), Chartered Accountant, Cost & Management Accountant, and Company Secretary. He has rich experience in funding start-ups as well as Control transactions in listed entities. He has served on the Board of several companies with distinction. He is also the Founder Chairman of the Venture Capital Association of India (VCAI).

He was appointed to the Board of the Company as a Non-Executive Independent Director w.e.f. 29th September, 2014.

DIRECTORS' REPORT

To the Members of
Ganesha Ecosphere Ltd.

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The summarised financial results of the Company for the year ended 31st March, 2015 as compared to the preceding year are as under:

	(₹ in crores)	
	Current Year (2014-15)	Previous Year (2013-14)
Total Revenue	624.95	501.03
Profit before Finance Costs, Depreciation and Amortization Expense	64.68	56.30
Less: Finance Costs	19.67	15.86
Less: Depreciation & Amortization Expense	18.87	12.56
Profit before Extra Ordinary Items & Tax	26.14	27.88
Extra Ordinary Item (Loss by Fire)	-	(1.56)
Profit before Tax	26.14	26.32
Tax Expense	(3.07)	(1.78)
Profit after Tax	23.07	24.54
Surplus brought forward from Previous Year	86.12	62.81
Balance available for appropriation	109.19	87.35
Less: Appropriations:		
Taxation/ MAT Credit adjustments for earlier years (Net)	0.42	(0.91)
Reserves		
- Capital Redemption	-	0.50
- Debenture Redemption	(3.38)	(1.13)
- General	-	0.61
Interim Dividend on Preference Shares (Including Dividend Distribution Tax)	-	0.03
Proposed Dividend		
- Preference Shares	1.84	0.00
- Equity Shares	1.94	1.82
Dividend Distribution Tax on Proposed Dividend	0.77	0.31
Surplus carried to Balance Sheet	107.60	86.12

FINANCIAL AND OPERATIONAL PERFORMANCE

During the Year 2014-15, your Company has recorded revenues from operations of Rs. 623.25 crores, as compared with previous year's revenues of Rs. 499.48 crores, thus registering rise of 24.78%. Earnings before Depreciation, Interest and Taxation (EBITDA) stood at Rs. 64.68 crores in the current year, as compared with 56.30 crores in the previous year, recording an increase of 14.88%. The improvement in revenues of the Company has been mainly on account of increase in sales volume due to addition in production capacity.

The Net Profits of the Company stood at Rs. 23.07 crores as against Rs. 24.54 crores in previous year. The bottom line of your Company was impacted due to pricefall of RPSF and Yarn aftermath sudden crash in crude oil prices as well as higher inventory carrying losses resulting in reduced margin.

Your directors are pleased to report that the Company's unit situated at Temra, Bilaspur, Distt. Rampur (U.P.), has started commercial production of Recycled Polyester Staple Fibre (RPSF) with an installed capacity of 21,000 TPA w.e.f. 01.12.2014 and full effect thereof will be reflected in the working of current financial year. With the commissioning of the project, the consolidated RPSF capacity of the Company has reached at 87,600 TPA.

The performance of the Company during the current year continues to be encouraging and barring unforeseen circumstances, your Directors expect your Company to achieve better results during the year.

DIVIDEND

Your Directors are pleased to recommend for approval of the members, a dividend of Rs. 1.20 per share (i.e. @ 12%) on Equity Shares of Rs. 10/- each, involving cash outflow of Rs. 2,33,98,970/- (inclusive of dividend distribution tax of Rs. 39,57,770/-) for the financial year 2014-15.

In view of conversion of 31,07,500 Compulsorily Convertible Preference Shares (CCPS) into 27,25,877 Equity Shares of the Company, during the current year, the accumulated dividend on CCPS till the date of conversion had been declared and paid as interim dividend.

SHARE CAPITAL & DEBENTURES

During the year under review, the Company has allotted 31,07,500 Compulsorily Convertible Preference Shares (CCPS) and 2,50,000 Warrants to MCAP India Fund Limited, on preferential basis. During the current year, the 31,07,500 CCPS so allotted have been converted into 27,25,877 Equity Shares of Rs. 10/- each of the Company at the price of Rs.114/- per Equity Share (including premium of Rs.104/- per share).

During the year under review, the Company has allotted 10,15,000 Equity Shares upon conversion of 10,15,000 warrants, allotted to the 'Promoter's Group & Others' on preferential basis.

The proceeds of the aforesaid issues have been utilized for the purpose for which the funds were raised.

With the aforesaid allotments of Equity Shares, the total Paid-up Equity Share Capital of the Company stood increased from Rs. 15.19 crore to Rs. 18.93 crore.

During the year under review, the Company has fully redeemed the outstanding non-convertible debentures allotted to Green India Venture Fund.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is provided in a separate section forming part of the Annual Report.

DIRECTORS

During the year under review, Shri Anoop Gupta, Shri Surendra Kumar Kabra, Shri Vishwa Nath Chandak, Shri Pradeep Kumar Goenka, Shri Abhilash Lal and Shri Narayanan Subramaniam were appointed as Independent Directors for a term of 5 (five) years with effect from 29th September, 2014.

The Board of Directors has re-appointed Shri Shyam Sunder Sharmma as Managing Director of the Company, for a further period of three years with effect from 18th September, 2015 and the matter is placed for your approval at the ensuing Annual General Meeting.

Pursuant to the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Gopal Singh Shekhawat, Director of the Company retires from the Board by rotation and being eligible, he has offered himself for re-appointment.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company had received the declarations u/s 149(7) of the Companies Act, 2013 from all the Independent directors that they meet the criteria of independence as per Section 149(6) of the Companies Act, 2013.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company comprises of six Directors, out of which five Directors are independent. The composition and other details are provided in the Corporate Governance Report of the Company. All the recommendations made by the Audit Committee were accepted by the Board.

KEY MANAGERIAL PERSONNEL

During the year under review, the Company has designated following persons as Key Managerial Personnel:

Sl. No.	Name of the person	Designation
1.	Shri Shyam Sunder Sharmma	Chairman and Managing Director
2.	Shri Sharad Sharma	Joint Managing Director
3.	Shri Gopal Agarwal	Chief Financial Officer
4.	Shri Bharat Kumar Sajnani	Company Secretary & Compliance Officer

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, in

respect of the financial year ended 31st March, 2015, confirm that:-

- in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that year;
- they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared Annual Accounts on a 'going concern' basis.
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls commensurate with the size of the Company and the nature of its business, with reference to financial statements. The Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the financial year 2014-15 are given under the Corporate Governance Report.

EXTRACTS OF ANNUAL RETURN

The extracts of the Annual Return in form MGT-9 as required under section 92 of the Companies Act, 2013, are included in this Report as "Annexure A" and form an integral part of this Report.

LISTING

Your Directors are pleased to inform you that the Company's Equity Shares were listed and admitted for trading at National Stock Exchange of India Ltd. w.e.f. 9th March, 2015. Further, Equity Shares of the Company have been voluntarily delisted from the U.P. Stock Exchange Limited, Kanpur w.e.f. 7th August, 2014. The Equity Shares of the Company are presently listed at BSE Limited and National Stock Exchange of India Ltd. and the listing fee for both the Stock Exchanges is paid upto date.

AUDITORS AND AUDITORS' REPORT

a) Statutory Auditors

M/s. Mehrotra Rakesh Kumar & Co., Chartered Accountants, Kanpur were appointed as Statutory Auditors of the Company at the 25th Annual General Meeting of the Company held on 29.09.2014, who shall hold office till the conclusion of the 28th Annual General Meeting in accordance with the provisions of the Companies Act, 2013. However, this appointment was subject to ratification by the members at every Annual General Meeting held after appointment during their tenure of office. The Auditors have confirmed their eligibility and qualification under Section 141 of Companies Act, 2013 and therefore, their ratification for appointment as Statutory Auditors for the year 2015-16 is being sought from the Members of the Company at the ensuing AGM.

As regards Auditors' remark in Para 12 to the annexure to their report in respect of fraud on the Company, it is clarified that the Company had lodged police Complaint and investigations are in progress.

b. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board has appointed M/s. S.K. Gupta & Co., Company Secretaries, as Secretarial Auditor, to conduct secretarial audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith as "Annexure B" to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

c. Cost Auditors

M/s. R. M. Bansal & Co., Cost Accountants (Firm Regn. No.:00022) and M/s. Rakesh Misra & Co., Cost Accountants (Firm Regn. No.: 00249), have been appointed as Cost

Auditors of the Company to conduct the audit of the Cost Accounts of the Company in respect of its products 'Yarn' and 'Recycled Polyester Staple Fibre' respectively, for the financial years ending 31st March, 2015 and 2016.

As required under the Companies Act, 2013, the resolutions seeking Member's ratification for the remuneration payable to Cost Auditors forms part of the Notice convening the Annual General Meeting.

d. Internal Auditors

The Company has appointed M/s. Kapoor Tandon & Co., Chartered Accountants as the Internal Auditors of the Company for the year 2014-15. The Internal Audit Report is placed before the Audit Committee of the Company, time to time.

RELATED PARTY TRANSACTION

The Company has formulated a policy on dealing with Related Party Transactions. The policy is disclosed on the website of the Company (weblink <http://www.ganeshaecosphere.com/pdf/related-party-transaction.pdf>). During the year under review, the Company has not entered into any transaction with related parties attracting provisions of Section 188 of the Companies Act, 2013. Thus, disclosure in Form AOC-2 is not required. All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/ transactions with related parties which can be considered as material in nature. The related party transactions are disclosed under Note No. 37 of the Notes to Financial Statements for the year ended 31st March, 2015.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS BY THE COMPANY

Your Company has not made any investments, given loans and guarantees attracting provisions of Section 186 of the Companies Act, 2013.

WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The details of the policy are explained in the Corporate Governance Report.

The Policy has been posted on the website of the Company and may be accessed at the link www.ganeshaecosphere.com/pdf/whistle-blower-policy.pdf.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, adopted a policy on 'Nomination, Remuneration and Board Diversity' for selection and appointment of Directors, Senior Management and their remuneration.

The detailed policy is available on the website of the Company at the link www.ganeshaecosphere.com/pdf/policy-on-nomination-remuneration-and-board-diversity.pdf and is also annexed as "Annexure C" to this report.

BOARD EVALUATION

The Board of directors at its meeting held on 31.01.2015, had evaluated its own performance including its committees along with performance of individual directors based on criteria for performance evaluation laid down under the 'Nomination, Remuneration and Board Diversity Policy' of the Company.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors also reviewed the performance of all Non-Independent Directors and the functioning of Board and its committees.

RISK MANAGEMENT

During the year, the Board has also adopted a Risk Management Policy for the Company.

The Board members are regularly informed about the potential risks, their assessment and minimization procedures. The Board frames a plan for elimination / minimization of the risk and further lays out the steps for implementing and monitoring of the risk management plan.

There are no risks which in the opinion of the Board are of the nature that can threaten the existence of the Company. However, the risks inter-se those are generally dealt in regular course of business and have to be taken care of, are fluctuations in foreign exchange rates and prices of raw material as well as finished products.

The Risk Management Policy has been uploaded on the Company's website and may be accessed at the link www.ganeshaecosphere.com/pdf/risk-management-policy.pdf.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. In line with the provisions of the Companies Act, 2013, the Company has framed its CSR policy which provides a path for its CSR activities.

The Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as "Annexure D". The CSR Policy has been uploaded on the Company's website and may be accessed at the link: www.ganeshaecosphere.com/pdf/corporate-social-responsibility-policy.pdf.

DEPOSITS

During the year under review, the Company has not accepted any deposit in terms of the provisions of Sections 73 and 76 of the Companies Act, 2013 and the rules framed there under. Further, the deposits accepted by the Company before the commencement of the Companies Act, 2013, had been repaid during the year. Accordingly, there are no unclaimed or unpaid deposits lying with the Company for the year under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year 2014-15 till the date of this Report. Further, there was no change in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required

under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure E".

PARTICULARS OF EMPLOYEES

The Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as "Annexure F".

CORPORATE GOVERNANCE

A separate section on Corporate Governance along with Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

POLICY ON SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition

and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaint has been received for sexual harassment of women at work place by the Company during the financial year 2014-15.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record appreciation for the co-operation and support extended by various departments of the Central and the State Government(s), Bankers and Business associates.

Your Directors also wish to place on record appreciation to all the employees for their sincere and dedicated services rendered to the Company and are also grateful to all the shareholders of the Company for reposing continued trust and confidence in the management of the Company.

For and on behalf of the Board

Place : Kanpur
Date : 10th August, 2015

(Shyam Sunder Sharma)
Chairman and Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L51109UP1987PLC009090
ii	Registration Date	30th October, 1987
iii	Name of the Company	Ganesha Ecosphere Ltd.
iv	Category/Sub-category of the Company	Manufacturing
v	Address of the Registered office & contact details	Raipur, (Rania), Kalpi Road, Distt. Kanpur Dehat, Uttar Pradesh E-mail: gesl@ganeshaecosphere.com, Website: www.ganeshaecosphere.com Tel. No. 0512-2555504-06, 2154183 Fax No. 0512-2555293
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Pvt. Ltd. D- 153/A, First Floor, Okhla Industrial Area, Phase- I, New Delhi- 110020 Tel. No. 011-26812682-83 Email: admin@skylinerta.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given hereunder:

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Polyester Staple Fiber	20302	67.81
2	Spun Yarn	13114	22.45

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	NAME & ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N.A	N.A	N.A	N.A	N.A

IV SHAREHOLDING PATTERN (Equity Share capital Break up as Percentage to total Equity)
(i) Category wise Share Holding

Category of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	6057056	-	6057056	39.89	6768935	-	6768935	41.78	1.89
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	2552001	-	2552001	16.80	2552001	-	2552001	15.75	(1.05)
e) Bank/Fl	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1):-									
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2):-									
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	8609057	-	8609057	56.69	9320936	-	9320936	57.53	0.84
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	100	5400	5500	0.04	100	5400	5500	0.03	(0.01)
b) Banks/Fl	-	100	100	-	-	100	100	-	-
C) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	30000	-	30000	0.19	0.19
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):-	100	5500	5600	0.04	30100	5500	35600	0.22	0.18
(2) Non Institutions									
a) Bodies Corporates									
i) Indian	2139657	7400	2147057	14.14	2247031	7400	2254431	13.92	(0.22)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1365827	1255101	2620928	17.26	1268468	1217496	2485964	15.34	(1.92)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	1644785	-	1644785	10.83	1815228	-	1815228	11.20	0.37
c) Others (specify)									
i) NRI	72571	4000	76571	0.50	70637	4000	74637	0.46	(0.04)
ii) Hindu Undivided Family	68788	-	68788	0.45	204071	-	204071	1.26	0.81
iii) Clearing Members/ House	13214	-	13214	0.09	10133	-	10133	0.06	(0.03)

SUB TOTAL (B)(2):	5304842	1266501	6571343	43.27	5615568	1228896	6844464	42.25	(1.02)
Total Public Shareholding (B)= (B)(1)+(B)(2)	5304942	1272001	6576943	43.31	5645668	1234396	6880064	42.47	(0.84)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13913999	1272001	15186000	100	14966604	1234396	16201000	100	-

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares*	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares*	
1	SHYAM SUNDER SHARMMA	2163927	14.25	11.52	2163927	13.36	9.88	(0.89)
2	VISHNU DUTT KHANDELWAL	920200	6.06	3.29	920200	5.68	0.00	(0.38)
3	SHARAD SHARMA	1075583	7.08	4.18	1075583	6.64	2.24	(0.44)
4	RAJESH SHARMA	1095525	7.21	5.11	1095529	6.76	0.00	(0.45)
5	SEEMA SHARMA	237965	1.57	0.00	269215	1.66	0.00	0.09
6	SANDEEP KHANDELWAL	20550	0.14	0.00	106050	0.65	0.00	0.51
7	VIMAL SHARMA	315000	2.07	0.00	471250	2.91	1.94	0.84
8	RATNA SHARMA	204700	1.35	0.00	257825	1.59	0.00	0.24
9	SHYAM SUNDER SHARMMA HUF	7000	0.05	0.00	107000	0.66	0.00	0.61
10	SHARAD SHARMA HUF	16606	0.11	0.00	94731	0.58	0.00	0.47
11	GPL FINANCE LTD.	2123201	13.98	13.32	2123201	13.11	7.64	(0.87)
12	SANDEEP YARNS PVT. LTD.	428800	2.82	2.82	428800	2.64	0.00	(0.18)
13	VISHNU DUTT KHANDELWAL HUF	0.00	0.00	0.00	37500	0.23	0.00	0.23
14	RAJESH SHARMA HUF	0.00	0.00	0.00	23250	0.14	0.00	0.14
15	NIRMAL KHANDELWAL	0.00	0.00	0.00	46875	0.29	0.00	0.29
16	YASH SHARMA	0.00	0.00	0.00	100000	0.62	0.00	0.62
	Total	8609057	56.69	40.24	9320936	57.53	21.70	0.83

* The % of shares pledged/ encumbered represents % of shares pledged/ encumbered as % of the total shares of the Company.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name of the Promoter/ Promoter Group	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding*	Reason	Cumulative Shareholding during the year		Shareholding at end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SHYAM SUNDER SHARMMA	2163927	14.25	-	-	-	-	-	2163927	13.36
2	VISHNU DUTT KHANDELWAL	920200	6.06	-	-	-	-	-	920200	5.68
3	SHARAD SHARMA	1075583	7.08	-	-	-	-	-	1075583	6.64
4	RAJESH SHARMA	1095525	7.21	-	-	-	-	-	1095529	6.76
5	SEEMA SHARMA	237965	1.57	21.02.2015	31,250	Allotment	269215	1.66	269215	1.66
6	SANDEEP KHANDELWAL	20550	0.14	21.02.2015	85,500	Allotment	106050	0.65	106050	0.65
7	VIMAL SHARMA	315000	2.07	21.02.2015	156,250	Allotment	471250	2.91	471250	2.91
8	RATNA SHARMA	204700	1.35	21.02.2015	53,125	Allotment	257825	1.59	257825	1.59
9	SHYAM SUNDER SHARMMA HUF	7000	0.05	21.02.2015	100,000	Allotment	107000	0.66	107000	0.66
10	SHARAD SHARMA HUF	16606	0.11	21.02.2015	78,125	Allotment	94731	0.58	94731	0.58
11	GPL FINANCE LTD.	2123201	13.98	-	-	-	-	-	2123201	13.11

12	SANDEEP YARNS PVT. LTD.	428800	2.82	-	-	-	-	-	428800	2.64
13	VISHNU DUTT KHANDELWAL HUF	-	-	21.02.2015	37,500	Allotment	37500	0.23	37500	0.23
14	RAJESH SHARMA HUF	-	-	21.02.2015	23,250	Allotment	23250	0.14	23250	0.14
15	NIRMAL KHANDELWAL	-	-	21.02.2015	46,875	Allotment	46875	0.29	46875	0.29
16	YASH SHARMA	-	-	21.02.2015	100,000	Allotment	100000	0.62	100000	0.62

(iv) Shareholding Pattern of top ten Shareholders as on 31-03-2015 (other than Directors, Promoters & Holders of GDRs & ADRs)

S.No	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company				No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	ESSEL INDUSTRIES PRIVATE LIMITED	300453	1.98	21/02/2015	303125	Allotment	603578	3.73	603578	3.73
2	SANGEETA PAREEKH	0	0.00	13/02/2015	502538	Purchase	502538	3.10	502538	3.10
3	COMMERCIAL ADVERTISING AND MARKETING PRIVATE LIMITED	300000	1.98	-	-	-	300000	1.85	300000	1.85
4	SHARE INDIA SECURITIES LIMITED	326411	2.15	04/04/2014	-5578	Sale	320833	1.98		
				11/04/2014	80	Purchase	320913	1.98		
				18/04/2014	-9812	Sale	311101	1.92		
				25/04/2014	-592	Sale	310509	1.92		
				02/05/2014	-8560	Sale	301949	1.86		
				09/05/2014	-471	Sale	301478	1.86		
				16/05/2014	899	Purchase	302377	1.87		
				23/05/2014	-17192	Sale	285185	1.76		
				30/05/2014	-6650	Sale	278535	1.72		
				06/06/2014	11784	Purchase	290319	1.79		
				13/06/2014	-53	Sale	290266	1.79		
				20/06/2014	1035	Purchase	291301	1.80		
				30/06/2014	-184387	Sale	106914	0.66		
				04/07/2014	-10758	Sale	96156	0.59		
				11/07/2014	1807	Purchase	97963	0.60		
				18/07/2014	10807	Purchase	108770	0.67		
				25/07/2014	12880	Purchase	121650	0.75		
				01/08/2014	15196	Purchase	136846	0.84		
				08/08/2014	-78371	Sale	58475	0.36		
				15/08/2014	42861	Purchase	101336	0.63		
				22/08/2014	86585	Purchase	187921	1.16		
				29/08/2014	-187921	Sale	0	0.00		
				05/09/2014	116344	Purchase	116344	0.72		
				12/09/2014	12118	Purchase	128462	0.79		
				19/09/2014	-47793	Sale	80669	0.50		
				30/09/2014	27833	Purchase	108502	0.67		
				03/10/2014	1073	Purchase	109575	0.68		
				10/10/2014	1964	Purchase	111539	0.69		
				17/10/2014	9633	Purchase	121172	0.75		
				24/10/2014	21448	Purchase	142620	0.88		
				31/10/2014	-49293	Sale	93327	0.58		
				07/11/2014	1489	Purchase	94816	0.59		
				14/11/2014	29010	Purchase	123826	0.76		
				21/11/2014	1051	Purchase	124877	0.77		

				28/11/2014	3207	Purchase	128084	0.79		
				05/12/2014	10159	Purchase	138243	0.85		
				12/12/2014	42030	Purchase	180273	1.11		
				19/12/2014	773	Purchase	181046	1.12		
				31/12/2014	-17564	Sale	163482	1.01		
				02/01/2015	424	Purchase	163906	1.01		
				09/01/2015	23248	Purchase	187154	1.16		
				16/01/2015	22165	Purchase	209319	1.29		
				23/01/2015	8465	Purchase	217784	1.34		
				30/01/2015	5736	Purchase	223520	1.38		
				06/02/2015	69217	Purchase	292737	1.81		
				13/02/2015	5068	Purchase	297805	1.84		
				20/02/2015	-52610	Sale	245195	1.51		
				27/02/2015	-11592	Sale	233603	1.44		
				06/03/2015	-12642	Sale	220961	1.36		
				13/03/2015	17533	Purchase	238494	1.47		
				20/03/2015	19803	Purchase	258297	1.59		
				27/03/2015	10714	Purchase	269011	1.66		
				31/03/2015	132	Purchase	269143	1.66	269143	1.66
5	NARIPPEN OBHRAI	123036	0.81	-	-	-	123036	0.76	123036	0.76
6	PACE STOCK BROKING SERVICES PVT LTD	121729	0.80	30/05/2014	-1952	Sale	119777	0.74		
				25/07/2014	1300	Purchase	121077	0.75		
				01/08/2014	-3060	Sale	118017	0.73		
				08/08/2014	-4290	Sale	113727	0.70		
				15/08/2014	-250	Sale	113477	0.70		
				22/08/2014	2150	Purchase	115627	0.71		
				29/08/2014	200	Purchase	115827	0.71		
				12/09/2014	-200	Sale	115627	0.71		
				19/09/2014	-12500	Sale	103127	0.64		
				03/10/2014	100	Purchase	103227	0.64		
				10/10/2014	45	Purchase	103272	0.64		
				05/12/2014	3000	Purchase	106272	0.66		
				12/12/2014	982	Purchase	107254	0.66		
				19/12/2014	9268	Purchase	116522	0.72		
				31/12/2014	500	Purchase	117022	0.72		
				20/02/2015	-3000	Sale	114022	0.70		
				27/02/2015	-450	Sale	113572	0.70		
				06/03/2015	2202	Purchase	115774	0.71		
				13/03/2015	4000	Purchase	119774	0.74		
				20/03/2015	1500	Purchase	121274	0.75		
				27/03/2015	-500	Sale	120774	0.75	120774	0.75
7	AJAY DILKUSH SARUPRIA	0	0.00	19/09/2014	18000	Purchase	18000	0.11		
				30/09/2014	51000	Purchase	69000	0.43		
				24/10/2014	-50	Sale	68950	0.43		
				07/11/2014	131000	Purchase	199950	1.23		
				27/02/2015	-9950	Sale	190000	1.17		
				13/03/2015	-74000	Sale	116000	0.72		
				20/03/2015	-4500	Sale	111500	0.69	111500	0.69
8	SECUROCROP SECURITIES INDIA PRIVATE LTD	0	0.00	11/07/2014	110000	Purchase	110000	0.68	110000	0.68
9	COMMERCIAL ADVERTISING & MARKETING PVT. LTD.	0	0.00	31/03/2015	108000	Purchase	108000	0.67	108000	0.67
10	DEEPINDER SINGH POONIAN	104465	0.69	-	-	-	104465	0.64	104465	0.64

(v) Shareholding of Directors and Key Managerial Personnel

S.No	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in Shareholding	Reason	Shareholding at the end of the year	
		No. of shares	% of total shares of the company				No of Shares	% of total shares of the Company
A.	Directors							
1	MR. SHYAM SUNDER SHARMMA (Chairman & Managing Director)	2163927	14.25	-	-	-	2163927	13.36
2	MR.VISHNU DUTT KHANDELWAL (Executive Vice Chairman)	920200	6.06	-	-	-	920200	5.68
3	MR. SHARAD SHARMA (Joint Managing Director)	1075583	7.08	-	-	-	1075583	6.64
4	MR. RAJESH SHARMA (Executive Director)	1095525	7.21	24/06/2014	4	Transfer	1095529	6.76
5	MR. GOPAL SINGH SHEKHAVAT (Director-Administration)	46130	0.30	-	-	-	46130	0.28
6	MR. SURENDRA KUMAR KABRA (Non-Executive Independent Director)	-	-	-	-	-	-	-
7	MR. VISHWA NATH CHANDAK (Non-Executive Independent Director)	-	-	-	-	-	-	-
8	MR. PRADEEP KUMAR GOENKA (Non-Executive Independent Director)	-	-	-	-	-	-	-
9	MR. ANOOP GUPTA (Non-Executive Independent Director)	-	-	-	-	-	-	-
10	MRS. POONAM GARG (Nominee Director)	-	-	-	-	-	-	-
11	MR. ABHILASH LAL (Non-Executive Independent Director)	-	-	-	-	-	-	-
12	MR. SHRI NARAYANAN SUBRAMANIAM (Non-Executive Independent Director)	-	-	-	-	-	-	-
B.	Key Managerial Personnel (KMPs)							
1	MR. GOPAL AGARWAL (Chief Financial Officer)	57766	0.38	-	-	-	57766	0.36
2	MR. BHARAT KUMAR SAJNANI (Company Secretary)	100	0.00	-	-	-	100	0.00

V. INDEBTEDNESS

(₹ in crores)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	206.74	13.09	3.90	223.73
ii) Interest due but not paid	0.97	0.13	-	1.10
iii) Interest accrued but not due	0.28	2.80	-	3.08
Total (i+ii+iii)	207.99	16.02	3.90	227.91
Change in Indebtedness during the financial year				
Additions	5.08	1.24	-	6.32
Reduction	21.67	13.57	3.90	39.14
Net Change	(16.59)	(12.33)	(3.90)	(32.82)
Indebtedness at the end of the financial year				
i) Principal Amount	190.39	3.65	-	194.04
ii) Interest due but not paid	0.57	0.04	-	0.61
iii) Interest accrued but not due	0.44	0.00	-	0.44
Total (i+ii+iii)	191.40	3.69	-	195.09

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time director and/or Manager:

(Amount in ₹)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
		Shyam Sunder Shamma	Sharad Sharma	Vishnu Dutt Khandelwal	Rajesh Sharma	Gopal Singh Shekhavat	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	20,40,000	12,00,000	12,00,000	16,20,000	14,22,500	74,82,500
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0	87,157	87,157
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0
2	Stock option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission						
	- as % of profit	60,67,500	46,50,000	46,50,000	51,50,000	0	2,05,17,500
	- others (specify)	0	0	0	0	0	0
5	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (A)	81,07,500	58,50,000	58,50,000	67,70,000	15,09,657	2,80,87,157
	Ceiling as per the Act						2,82,45,496

B. Remuneration to other directors:

(Amount in ₹)

Sl.No	Particulars of Remuneration	Name of the Directors						Total Amount
		Shri Pradeep Kumar Goenka	Shri Surendra Kumar Kabra	Shri Vishwa Nath Chandak	Shri Anoop Gupta	Shri Abhilash Lal	Shri Narayanan Subramaniam	
1	Independent Directors							
	(a) Fee for attending board committee meetings	60000	40000	30000	30000	15000	10000	185,000
	(b) Commission	500000	333333	250000	250000	125000	125000	15,83,333
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	560000	373333	280000	280000	140000	135000	17,68,333
2	Other Non Executive Directors	Smt. Poonam Garg						
	(a) Fee for attending board committee meetings	5000						5,000
	(b) Commission	62500						62,500
	(c) Others, please specify.	NIL						
	Total (2)	67500						67,500
	Total (B)=(1+2)							18,35,833
	Total Managerial Remuneration							2,99,22,990
	Overall Ceiling as per the Act							3,10,70,046

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1428500	573000	2001500
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	as % of profit	0	0	0
	others, specify	0	0	0
5	Others, please specify	0	0	0
Total		1428500	573000	2001500

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE 'B' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ganesha Ecosphere Limited,
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has during the Financial year ended on 31st March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 (**Not applicable to the Company during the Audit Period**);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

We have also examined compliance with the applicable Clauses of the following:

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'
(**Secretarial Standards notified effective from 1st July, 2015, hence not applicable to the Company during the Audit period**).
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We have relied upon the representation made by the Company and its Officers for compliances under the laws and regulations

as applicable to the Company and are of the opinion that there are no sectoral laws applicable specifically to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance except where the meeting was called at a shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of Audit and review of Internal Auditor's Report, periodical Compliance Reports submitted by respective Departmental heads and taken on record by the Audit Committee / Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines. However, the same need to be streamlined.

We further report that during the Audit Period:

(a) The Company has issued 31,07,500 Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each at par value, convertible into 27,25,877 Equity Shares of the face value of Rs. 10/- each at a price of Rs. 114/- per Equity Share (inclusive of premium of Rs.104/- per share) and 2,50,000 Warrants each warrant convertible into one Equity Share of the face value of Rs. 10/- each at a price of Rs. 114/- per Equity Share (inclusive of premium

of Rs.104/- per share) to MCAP India Fund Limited on preferential allotment basis vide Offer Letter dated 30th September, 2014.

- (b) The Members at the 25th Annual General Meeting of the Company held on 29th September, 2014 by a Special Resolution passed under Section 180 (1) (c) of the Companies Act, 2013, authorized the Board of Directors of the Company to exercise borrowings in excess of the aggregate of the Paid-up Share Capital and free reserves of the Company up to an amount not exceeding Rs. 750.00 Crores at any point of time.
- (c) The Members at the 25th Annual General Meeting of the Company held on 29th September, 2014 by a Special Resolution passed under Section 180 (1) (a) of the Companies Act, 2013 authorized the Board of Directors of the Company to create charge by way of mortgage, hypothecation or in any other manner on the assets of the Company to secure the borrowings made by the Company up to an amount not exceeding Rs. 750.00 Crores.
- (d) The Company has made allotment of 10,15,000 Equity Shares of the face value of Rs. 10/- each at a price of Rs. 64/- per Equity Share (inclusive of premium of Rs.54/- per share) to the Promoter Group and others against conversion of 10,15,000 Warrants on 21st February, 2015.
- (e) The Company has redeemed 3,75,000 Non-Convertible Debentures (NCDs) of the face value of Rs. 90/- each issued to Green India Venture Fund.
- (f) 1,51,86,000 Equity Shares of the face value of Rs. 10/- each were listed at National Stock Exchange of India Limited (NSE) with effect from 9th March, 2015.
- (g) The Company has obtained approval of U.P. Stock Exchange Limited, Kanpur for voluntary delisting of 1,51,86,000 Equity Shares of the face value of Rs. 10/- each with effect from 7th August, 2014.

For S.K. Gupta & Co.
Company Secretaries

(S.K. GUPTA)
Managing Partner
F.C.S -2589
CP-1920

Place: Kanpur
Date: 10th August, 2015

ANNEXURE 'C' TO THE DIRECTORS' REPORT

POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY

1. PREAMBLE

The Board of Directors (the "Board") on the recommendation of the Nomination & Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreements with the stock exchanges.

2. OBJECTIVES

The main objectives of this Policy are:

- To lay down criteria for determining qualifications, attributes and independence of a director.
- To lay down criteria with regard to remuneration of directors, KMPs and other employees.
- To lay down criteria for evaluation of directors (executive and non-executive including Independent directors), the Board and its committees.
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (executive and non-executive including Independent directors), Key Managerial Personnel ("KMP") and persons who may be appointed in senior management positions.

3. ATTRIBUTES, QUALIFICATIONS AND DIVERSITY POLICY

3.1 Directors

The Committee shall be responsible for identifying a suitable candidate for appointment as director of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Ganesha Ecosphere Ltd. ('GESL'), subject to a minimum of 3 and maximum of 15, including woman Directors. The Board shall have an appropriate combination of Executive, Non-Executive and Independent Directors.

While making appointment / re-appointment of directors, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, professional experience & functional expertise, educational and professional background, personal accomplishment, age, experience,

understanding of the industry and the related field viz. manufacturing, marketing, technology, finance, taxation, law, governance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the proposed director satisfies the following additional criteria:

- Eligible for appointment as a director on the board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act 2013 and the listing agreements.
- Does not hold directorship in more than 20 companies (Including private and public limited companies) or 10 public limited companies.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.
- Completed the age of 21 years and has not attained the age of 70 years.

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

3.2 Independent Directors

While evaluating a person for appointment/re-appointment as an independent director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the companies Act, 2013 and Clause 49 of the Listing Agreements and other applicable laws.
- Should not hold the position of independent director in more than seven listed companies and if serving as whole-time director in any listed company then in not more than three listed companies.
- Should not hold any board/employment position with a competitor in the geographies where the company is operating. However, the Board may in special circumstances waive this requirement.

The reappointment / extension of term of any board members shall be on the basis of their performance evaluation report.

3.3 KMP & Senior Management

While evaluating a person for appointment/re-appointment as KMP or in a senior management position, the management shall consider various factors including individual's background, competency, skills, educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. manufacturing, marketing, technology, finance, taxation, law, governance or such other discipline relevant to present and prospective operations of the Company.

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the executive directors, including all functional heads.

4. REMUNERATION POLICY

4.1 Board Members:

The overall limits of remuneration of the board members including executive board members are governed by the provisions of Section 197 of the Companies Act, 2013, rules made there under and shall be approved by the shareholders of the Company and shall be subject to availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different directors on the basis of their role, responsibilities, duties, time involvement etc.

4.2 Non-executive directors including independent directors:

- A Non executive director shall be entitled to receive sitting fees for each meeting of the Board or committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- A Non Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Nomination and remuneration Committee;
- The Total commission payable to the Directors shall not exceed 1% of the net profits of the Company.
- The Non executive Directors shall be entitled to reimbursement of travel, hotel and other incidental expenses incurred by them in performance of their role and duties.

4.3 Executive Board Members:

- The remuneration (Including revision in the remuneration) of executive board members shall be approved by the Board on the basis of the recommendation of the Nomination & Remuneration committee.
- The remuneration payable to executive directors shall consist of (a) fixed pay, which is payable monthly, and shall include basic pay, contributions to retirement benefits, house rent allowance or company leased accommodation, other allowances and perquisites as per the Company's policy (b) Variable pay directly linked to the performance of the individual Director, his respective Business unit and the overall company's performance (c) long term incentive/ ESOPs as may be decided by the Nomination & Remuneration Committee from time to time.

4.4 Remuneration to Key Managerial Personnel (Other than Managing Director and Whole-Time director), Senior Management and other employees

- The remuneration of Key Managerial Personnel (other than managing director and whole time director), Senior Management and other employees, shall be as per compensation and appraisal policy of the Company.
- The remuneration payable to key managerial personnel (Other than managing director and whole time director) senior management and other employees may consist of (a) Fixed Pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per company's policy (b) Variable pay (paid at the end of Financial year) directly linked to the performance of the individual employee, his/her respective business unit and the overall company performance (c) long term incentive/ESOPs, as may be decided by the Committee from time to time.
- The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

5. PERFORMANCE EVALUATION:

The performance of the Board as a whole, of its committees and of its members shall be evaluated at least once a year keeping in view the objectives of the Company.

It is the responsibility of the Chairman who shall be supported by the Company Secretary to organize the evaluation process and act on its outcome.

The results of board evaluation shall remain confidential between the Chairman, Directors concerned & the Company Secretary.

To carry out performance evaluation of Board, Committees and Directors, criteria to be considered would, inter alia, include following:

5.1 Evaluation of the Board

- Frequency of meetings and procedures;
- Development of suitable strategies and business plans at appropriate time and its effectiveness;
- Implementation of robust policies and procedures ;
- Willingness to spend time and effort to learn about the Company and its business; and
- Awareness about the latest developments in the areas such as corporate governance framework, financial reporting, industry and market conditions.

5.2 Evaluation of Committees

- Discharge of its functions and duties as per its terms of reference;
- Process and procedures followed for discharging its functions;
- Effectiveness of suggestions and recommendations received;
- Size, structure and expertise of the Committee; and
- Conduct of its meetings and procedures followed in this regard.

5.3 Evaluation of Executive Director(s)

- Achievement of financial / business targets prescribed by the Board;
- Developing and managing / executing business plans, operational plans , risk management and financial affairs of the organization;

- Display of leadership qualities i.e. correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations;
- Development of policies and strategic plans aligned with the vision and mission of the Company and which harmoniously balance the needs of shareholders, clients, employees and other stakeholders;
- Managing relationships with the Board, management team, regulators, bankers, industry representatives and other stakeholders.
- Adherence to the code of conduct of the Company.

5.4 Evaluation of Non-Executive Directors

- Participation at the Board / Committee meetings;
- Commitment (including guidance provided to senior management outside of Board / Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behaviour and judgement;
- Impact and Influence;
- Adherence to the code of conduct of the Company.

6. DISCLOSURES BY THE COMPANY

This Policy shall be disclosed in the Company's annual report as well as on the Company's website.

7. POLICY REVIEW

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in the provisions of Companies Act, 2013 or any other regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Report on Corporate Social Responsibility (CSR) Activities/Initiatives

(Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Corporate Social Responsibility (CSR) Policy as approved by the Board has been uploaded on the Company's website and may be accessed at the link: www.ganeshaecosphere.com/pdf/corporate-social-responsibility-policy.pdf. In terms of the CSR Policy of the Company, the following areas have been identified:

1. Promotion of Education at pre-school and school level.
2. Providing environmentally sustainable social infrastructure.
3. Providing better health facilities and combating disease.
4. Eradicating hunger, poverty and malnutrition.

2. Composition of CSR Committee:

The Corporate Social Responsibility committee of the Company comprises four Directors, out of which two Directors are independent. The Composition of CSR committee is as under:

Name of the Director	Category
Shri Abhilash Lal (Chairman)	Non- Executive Independent Director
Shri Pradeep Kumar Goenka	Non- Executive Independent Director
Shri Vishnu Dutt Khandelwal	Promoter Executive Director
Shri Sharad Sharma	Promoter Executive Director

3. Average net profit of the Company for last three financial years: Rs. 27,69,42,400/-
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 55,38,848/-
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year: Rs. 55,40, 000/-
 - (b) Amount unspent, if any: - Rs. 49,08,000/-
 - (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programmes wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Over-heads	Cumulative expenditure up to the reporting period (Rs.)	Amount Spent: Direct or through implementing agency
1.	Initial contribution to the corpus of Ganesh Memorial Trust	-	Kanpur(U.P)	49,28,000	Direct Expenditure	20,000	Direct
2..	'Importance of hand washing project' of UNICEF, India	Promoting preventive healthcare	New Delhi	10,000	Direct Expenditure	10,000	Direct
3.	'School for deaf and dumb children' run by Jyoti Bal Vikas Sanstha	Promoting Education among differently abled	Bithoor, Kanpur (U.P)	1,02,000	Direct Expenditure	1,02,000	Direct
4.	'Blood Components Separation Unit' of Lions Club of Hyderabad East Seva Trust	Promoting preventive healthcare	Hyderabad	5,00,000	Direct Expenditure	5,00,000	Direct
	Total			55,40,000		6,32,000	

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

Your Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. For achieving its CSR objectives, the Company had decided to form a trust in the name of "Ganesh Memorial Trust", which could be established on 26th February, 2015 and the Company will spend its CSR budget through this Trust.

7. Responsibility Statement: The CSR committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

(Shyam Sunder Sharma)
Chairman and Managing Director

(Abhilash Lal)
Chairman of CSR Committee

ANNEXURE 'E' TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2015:

I. CONSERVATION OF ENERGY

(a) *Energy conservation measures taken:*

In its endeavour to efficiently conduct its business operations, the Company during the financial year has taken following specific measures to optimize energy generation and consumption at its manufacturing facilities-

- i) Installation of Condensate Recovery System for utilizing condensate of steam.
- ii) Installation of capacitor banks for optimum power factor.
- iii) Installation of LED lights and energy saving lamps in replacement of traditional lights and high voltage zeta lights.
- iv) Replacing old pumps and motors by high efficiency pumps and low power consumption motors.
- v) Improved efficiency of own generation by usage of diesel generator only for emergencies and as stand by.
- vi) Use of natural lighting and ventilation by creating awareness in the employees for energy saving.
- vii) Regular monitoring and maintenance of major energy consuming machines to increase productivity and efficiency of equipments resulting in power saving.
- viii) Equipment efficiencies evaluated and optimised.
- ix) Optimisation of fuel viscosity and other related parameters of D.G. set.

b) *Steps taken by company for using alternate sources of energy:*

All new projects and line extensions in factories are equipped with high efficiency motors, variable frequency drives, LED lights, roof mounted self-driven ventilators and maximized use of natural illumination. These are also being retrofitted in existing factories after feasibility evaluation.

c) *Capital investment on energy conservation equipments:* Not Significant

II. TECHNOLOGY ABSORPTION

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

1. Introduction of additional deniers in PSF.
2. Process optimization for improved quality of PSF and Yarn.
3. Shortening of process route keeping product quality intact.

2. *Benefit derived as a result of the above efforts:*

1. Introduction of new products in the market.
2. Increased volume of value added products.
3. Productivity improvement due to machine speed & process improvement.
4. Improvement in product quality meeting customer stringent requirements.

3. *In case of Imported Technology (imported during the last three years reckoned from the beginning of Financial Year):*

The company has not imported any technology during the preceding three years.

4. *Expenses incurred on Research and Development:*

The expenses involved in in-house research and development carried out in a routine manner are insignificant; therefore the same have not been accounted for separately.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details with regard to Foreign Exchange earnings and outgo are as under:

(₹ in crores)

	Current Year (2014-15)	Previous Year (2013-14)
A) Foreign Exchange earnings (F.O.B. Value)	30.56	41.32
B) Foreign Exchange outgo	37.53	94.76

Note: For details, please refer note no. 32, 33 and 34 to the financial statements.

ANNEXURE 'F' TO THE DIRECTORS' REPORT

A) The information as required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name	Designation	Remuneration in F.Y. 2014-15 (Rs. in lacs)	Remuneration in F.Y. 2013-14 (Rs. in lacs)	% increase in remuneration	Ratio of remuneration of each Director to the median remuneration of employees	Comparison of remuneration of KMPs against the performance of the Company
1.	Shri Shyam Sunder Sharmma	Chairman cum Managing Director	81.08	29.40	175.78% (Refer Note)	79.49	Total Revenues of the Company increased by 24.73% and EBITDA increased by 14.88% in the financial year 2014-15.
2.	Shri Sharad Sharma	Joint Managing Director	58.50	37.00	58.11% (Refer Note)	57.35	
3.	Shri Vishnu Dutt Khandelwal	Executive Vice-Chairman	58.50	37.00	58.11% (Refer Note)	57.35	
4.	Shri Rajesh Sharma	Executive Director	67.70	41.20	64.32% (Refer Note)	66.37	
5.	Shri Surendra Kumar Kabra*	Independent Director	3.73	3.73	-	3.66	
6.	Shri Vishwa Nath Chandak*	Independent Director	2.80	1.87	49.73%	2.75	
7.	Shri Pradeep Kumar Goenka*	Independent Director	5.60	5.50	1.82%	5.49	
8.	Shri Anoop Gupta*	Independent Director	2.80	1.82	53.85%	2.75	
9.	Shri Gopal Singh Shekhawat	Director (Administration)	15.10	10.60	42.45%	14.80	
10.	Smt. Poonam Garg	Nominee Director	0.68	**	N.A.	0.67	
11.	Shri Abhilash Lal*	Independent Director	1.40	**	N.A.	1.37	
12.	Shri Narayanan Subramaniam*	Independent Director	1.35	**	N.A.	1.32	
13.	Shri Gopal Agarwal	Chief Financial Officer	14.29	13.09	9.17%	N.A.	Total Revenues of the Company increased by 24.73% and EBITDA increased by 14.88% in the financial year 2014-15.
14.	Shri Bharat Kumar Sajjani	Company Secretary	5.73	4.96	15.52%	N.A.	

Note: Since during the previous year 2013-14, Shri Shyam Sunder Sharmma, Shri Vishnu Dutt Khandelwal, Shri Sharad Sharma and Shri Rajesh Sharma, Managerial Personnel of the Company, had voluntarily forgone their Performance Linked Remuneration, aggregating to Rs. 125.17 lacs, therefore the managerial remuneration for the financial year 2014-15 reflects higher increase in comparison to the previous year.

*The Non-Executive Directors of the Company are paid remuneration by way of sitting fees at the rate of Rs. 5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting and commission upto 1% on the net profits of the Company, as approved by the shareholders.

** Details not given as Mrs. Poonam Garg, Mr. Abhilash Lal and Mr. Narayanan Subramaniam were not Directors in the financial year 2013-14.

- ii. During the year 2014-15, there was an increase of 11.41% in median remuneration of employees.
- iii. There were 1720 permanent employees on the roll of the Company as on 31st March, 2015.
- iv. Relationship between average increase in the remuneration and performance of the Company: In the financial year 2014-15, total Revenues of the Company increased by 24.73% and EBITDA increased by 14.88%, whereas the increase in median remuneration was 11.41%. The average increase in median remuneration was in line with the performance of the Company and partly on individual employee's performance.

- v. Comparison of remuneration of the Key Managerial Personnel against the performance of the Company: - The total remuneration of Key Managerial personnel increased by 88.99% from Rs. 84.45 lacs in 2013-14 to Rs. 159.60 lacs in 2014-15, whereas total revenues of the Company increased by 24.73% from Rs. 501.03 crore in 2013-14 to Rs. 624.95 crore in 2014-15 and EBITDA increased by 14.88% from Rs. 56.30 crore in 2013-14 to Rs. 64.68 crore in 2014-15. (Refer Note above)
- vi. Variations in the market capitalization of the Company, Price Earnings Ratio as at the closing date of the current financial year and previous year and percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:

	Closing Market Price per share (Rs.)		Percentage increase in the market price of the shares in comparison with the last public offer price#	Price Earnings Ratio		Market Capitalization (Rs. in Crores)	
	As on 31.03.2015	As on 31.03.2014		As on 31.03.2015	As on 31.03.2014	As on 31.03.2015	As on 31.03.2014
NSE*	145.15	-	867.67%	10.86	-	235.16	-
BSE	146.30	50.00	875.33%	10.95	2.99	237.02	75.93

*The Equity Shares of the Company have been listed on National Stock Exchange of India Limited w.e.f. 09.03.2015.

#The Company had made last public offer in the form of rights issue in 1993 (offer price was ₹15/- per equity share).

- vii. Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year 2014-15 was 20.67%, whereas the increase in the managerial remuneration for the same financial year was 80.98%. There were no exceptional circumstances for increase in Managerial Remuneration except as mentioned hereinabove. (Refer Note above)
- viii. The Key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the remuneration policy of the Company.
- ix. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: - Not Applicable.
- x. It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2015 is as per the remuneration policy of the Company.
- B) Statement Showing particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.**

Name	Qualification and Experience	Designation	Nature of Employment	Total Remuneration (Rs.)	Age	Date of commencement of employment	Last Employment with designation
Shri Shyam Sunder Sharmma	M. Com. Having management experience of over 51 years	Chairman Cum Managing Director	Looking after the overall management, strategic planning and development of the Company.	81,07,500/-	72 years	19th June, 1989	Vardhan Syntex (Sr. Vice President)
Shri Rajesh Sharma	B. Com. Having experience of over 25 years	Executive Director	Looking after the administration and operations of Company's Rudrapur and Bilaspur units.	67,70,000/-	46 years	19th June, 2008	Present employment is the first employment.

Notes:

1. Remuneration includes basic salary, allowances and performance linked remuneration.
2. Nature of employment is contractual.
3. Mr. Shyam Sunder Sharmma and Mr. Rajesh Sharma are related to each other. Mr. Shyam Sunder Sharmma is the father of Mr. Rajesh Sharma and Mr. Sharad Sharma, as well as is the brother of Mr. Vishnu Dutt Khandelwal, the directors of the Company.

CORPORATE GOVERNANCE REPORT 2014-15

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At GESL, we believe that as we move towards achieving our growth targets, our Corporate Governance processes must adhere to the globally benchmarked standards. Corporate Governance is an integral element of the Company's value system, management ethos and business practices. Our Corporate Governance practices are driven by timely disclosures, transparent accounting policies and high levels of integrity in decision-making. The Company believes that the governance process should ensure that the resources employed must be utilised optimally so as to meet the stakeholders' aspirations and expectations. This is demonstrated in improving shareholder returns and performance focused work environment. Our customers have benefited from the high quality

products made available to them at reasonable prices. Our employee satisfaction is reflected in the stability of our senior management and substantially high productivity. The Company is committed to contribute to the "Triple Bottom Line" i.e. ensuring the conduct of business around social, environmental and economic concerns and this is apparently reflected in the Company's area of business. GESL's governance philosophy revolves around trusteeship, transparency, control, accountability and ethical business conduct. The practice of each of these enables the management to direct and control the affairs of the Company in an efficient manner and in creating the right corporate culture towards emerging as a socially responsible corporate citizen.

2. BOARD OF DIRECTORS

A. Composition of Board of Directors, attendance at Board Meetings, at last Annual General Meeting and details of Membership of other Boards / Committees:

The Board has an optimum combination of Executive and Non-Executive Directors as per the Corporate Governance requirements. The composition of the Board of Directors and other relevant details as on 31st March, 2015 are as under:

Name of Director	Category	No. of Board Meetings during tenure		Whether present at the last Annual General Meeting held on 29.09.2014	No. of Boards/Committees of Public Limited Companies (including Ganesha Ecosphere Ltd.)		
		Held	Attended		Directorship	Committee (only Audit committee & Stakeholders Relationship committee)	
						Member	Chairman
Mr. Shyam Sunder Sharma	Promoter Executive Director	8	8	Yes	1	1	Nil
Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	8	7	Yes	1	2	Nil
Mr. Sharad Sharma	Promoter Executive Director	8	8	Yes	1	1	Nil
Mr. Rajesh Sharma	Promoter Executive Director	8	6	No	1	Nil	Nil
Mr. Gopal Singh Shekhavat	Executive Director	8	5	No	1	Nil	Nil
Mr. Surendra Kumar Kabra	Non-Executive/ Independent Director	8	4	No	3	1	Nil
Mr. Pradeep Kumar Goenka	Non-Executive/ Independent Director	8	8	Yes	4	2	4
Mr. Vishwa Nath Chandak	Non-Executive/ Independent Director	8	3	No	1	1	Nil
Mr. Anoop Gupta	Non-Executive/ Independent Director	8	3	No	5	1	Nil
Mrs. Poonam Garg#	Nominee Director	7	1	No	6	3	Nil
Mr. Abhilash Lal*	Non- Executive/ Independent Director	4	2	N.A.	3	3	Nil
Mr. Narayanan Subramaniam*	Non- Executive/ Independent Director	4	2	N.A.	4	Nil	1

Mrs. Poonam Garg inducted as a Nominee Director on the Board w.e.f. 30.05.2014 to represent IFCI Venture Capital Funds Ltd. as its nominee, in place of Mrs. Indu Gupta, who ceased to be Director of the Company w.e.f. 24.04.2014, due to withdrawal of nomination.

* Mr. Abhilash Lal and Mr. Narayanan Subramaniam inducted as an Independent Director on the Board w.e.f. 29.09.2014.

Mr. Sharad Sharma and Mr. Rajesh Sharma are sons of Mr. Shyam Sunder Sharma and Mr. Vishnu Dutt Khandelwal is the brother of Mr. Shyam Sunder Sharma.

B. Details of Board Meetings held during the year:

The Board met eight times during the year. The details of the Board Meetings are as under:

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	30.05.2014	9	8
2.	09.07.2014	10	5
3.	14.08.2014	10	9
4.	30.08.2014	10	6
5.	03.10.2014	12	6
6.	13.11.2014	12	9
7.	31.01.2015	12	8
8.	21.02.2015	12	6

3. AUDIT COMMITTEE

Composition:

The Company has an Audit Committee which was reconstituted in the Board Meeting held on 13.11.2014. As on 31.03.2015, the committee consisted of six Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Surendra Kumar Kabra, Mr. Vishnu Dutt Khandelwal, Mr. Vishwa Nath Chandak, Mr. Anoop Gupta and Mr. Abhilash Lal.

Mr. Pradeep Kumar Goenka, Mr. Surendra Kumar Kabra and Mr. Anoop Gupta are Chartered Accountants. Mr. Vishnu Dutt Khandelwal is Post Graduate in Commerce and has also rich experience in the field of Accounting and Financial Management. Mr. Vishwa Nath Chandak is M. Com., L.L.B. and has rich experience in the Textile Industry. Mr. Abhilash Lal is Post Graduate in Management from IIM, Bangalore and has also rich experience in all aspects of financial services.

Mr. Bharat Kumar Sajnani, Company Secretary of the Company also acts as Secretary to the Committee.

Terms of Reference:

The terms of reference of the Audit Committee are in conformity with the requirements specified in Clause 49 of the Listing Agreement with Stock Exchanges and also comply with the requirements of Section 177 of the Companies Act, 2013.

Brief description of terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of statutory auditors including cost

auditors of the Company.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement by the management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter- corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the reports of the Company's Cost Auditors.
21. Reviewing the following information:
 - Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions, submitted by management;
 - Management letter(s) of internal control weaknesses, if any, issued by statutory auditors;
 - Internal Audit Reports relating to internal control weaknesses; and
 - Appointment, removal and terms of remuneration of internal auditor.
22. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors of the Company.

Meetings:

During the financial year ended 31st March, 2015, four Audit Committee Meetings were held on 30.05.2014, 14.08.2014, 13.11.2014 and 31.01.2015. Chief Financial Officer, Internal Auditors and the Statutory Auditors were invited to be present at the Audit Committee Meetings.

Details of the Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meeting during the tenure	
			Held	Attended
1.	Mr. Pradeep Kumar Goenka, Chairman	Non- Executive/ Independent Director	4	4
2.	Mr. Surendra Kumar Kabra	Non- Executive/ Independent Director	4	4
3.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	4	4
4.	Mr. Vishwa Nath Chandak	Non- Executive/ Independent Director	4	3
5.	Mr. Anoop Gupta	Non- Executive/ Independent Director	4	3
6.	Mr. Abhilash Lal*	Non- Executive/ Independent Director	1	1

*Mr. Abhilash Lal was appointed as Member of the Committee w.e.f. 13.11.2014.

Mr. Pradeep Kumar Goenka, Chairman of the Audit Committee was present at the last Annual General Meeting held on 29th September, 2014.

4. NOMINATION AND REMUNERATION COMMITTEE

Composition:

In compliance with the provisions of Section 178 of the Companies Act, 2013 the Board has changed the nomenclature of the "Remuneration Committee" to "Nomination and Remuneration Committee" at its meeting held on 13.11.2014. The Nomination and Remuneration Committee of the Board consists of three Directors namely, Mr. Surendra Kumar Kabra (Chairman), Mr. Pradeep Kumar Goenka and Mr. Vishwa Nath Chandak.

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in conformity with the requirements specified in Clause 49 of the Listing Agreement with Stock Exchanges and also comply with the requirements of Section 178 of the Companies Act, 2013.

Brief description of terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Meetings:

During the year ended 31st March, 2015, one Nomination and Remuneration Committee Meeting was held on 13.11.2014.

Details of Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	Status	No. of Committee meeting during the tenure	
				Held	Attended
1.	Mr. Surendra Kumar Kabra	Non- Executive/ Independent Director	Chairman	1	1
2.	Mr. Pradeep Kumar Goenka	Non- Executive/ Independent Director	Member	1	1
3.	Mr. Vishwa Nath Chandak	Non- Executive/ Independent Director	Member	1	1

Remuneration Policy:

In compliance of Section 178(3) of the Companies Act, 2013 and Clause 49 of listing agreement, the Company has adopted Policy on Nomination, Remuneration and Board Diversity which is forming part of this annual report.

Details of Remuneration of the Directors for the financial year 2014-15:

i. Executive Directors:

The Company pays remuneration to the Executive Directors by way of salary, perquisites and allowances (fixed component) and performance linked remuneration (variable component). The amount of performance linked remuneration payable to such Directors is determined by the Board.

The Details of Remuneration are as follows:

Name of Director	Status	Salary & Allowances	Performance linked remuneration	Tenure
Mr. Shyam Sunder Sharmma	Chairman & Managing Director	₹20,40,000/-	₹60,67,500/-	5 years (from 18th September, 2010)
Mr. Vishnu Dutt Khandelwal	Executive Vice Chairman	₹12,00,000/-	₹46,50,000/-	5 years (from 19th June, 2013)
Mr. Sharad Sharma	Joint Managing Director	₹12,00,000/-	₹46,50,000/-	5 years (from 1st February, 2014)
Mr. Rajesh Sharma	Executive Director	₹16,20,000/-	₹51,50,000/-	5 years (from 19th June, 2013)
Mr. Gopal Singh Shekhavat	Director (Administration)	₹14,22,500/-	-	5 years (from 1st June, 2013)

ii. Non-Executive Directors:

Non-Executive Directors (NEDs) of the Company play a crucial role to the independent functioning of the board. They bring in external and wider perspective to the decision-making by the board. They provide leadership and strategic guidance, while maintaining objective judgement.

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees and Commission. They are paid sitting fees at the rate of ₹5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting. In the light of the services rendered by the NEDs to the Company, the Members, at the 23rd Annual General Meeting of the Company approved payment of remuneration to NEDs of the Company, by way of commission upto 1% on the net profit of the Company. The distribution of commission amongst the NEDs is determined by the Board. The Board decided that such commission shall be distributed in following manner for the year 2014-15 amongst the Non-Executive Directors on the basis of their attendance and contribution at the Board and Audit Committee Meetings (subject to maximum limit of ₹5,00,000/- for each such Director, as decided by the Board at its meeting held on 14.02.2013).

The Details of Sitting Fees Paid and Commission payable to such directors for the year 2014-15 are as follows:

Name of Director	Sitting Fees	Commission
Mr. Surendra Kumar Kabra	₹40,000/-	₹3,33,333/-
Mr. Pradeep Kumar Goenka	₹60,000/-	₹5,00,000/-
Mr. Vishwa Nath Chandak	₹30,000/-	₹2,50,000/-
Mrs. Poonam Garg*	₹5,000/-	₹62,500/-
Mr. Anoop Gupta	₹30,000/-	₹2,50,000/-
Mr. Abhilash Lal	₹15,000/-	₹1,25,000/-
Mr. Narayanan Subramaniam	₹10,000/-	₹1,25,000/-

*Sitting Fees and Commission is paid/ payable to nominating institution, M/s. IFCI Venture Capital Funds Ltd.

The Shareholding of Non-Executive Directors in the Company as on 31.03.2015 is Nil.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement the Board has changed the nomenclature of the "Share Transfer and Investor Grievances Committee" to "Stakeholders Relationship Committee" at its meeting held on 13.11.2014.

The Stakeholders Relationship Committee of the Board comprises of four Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Shyam Sunder Sharmma, Mr. Vishnu Dutt Khandelwal and Mr. Sharad Sharma.

Terms of Reference:

The Stakeholders Relationship Committee looks into all the matters relating to transfer/transmission of shares and redressal of investors' grievances like non-receipt of annual reports, non-receipt of dividend warrants, etc. The Committee also oversees the working of Registrar and Transfer Agents of the Company.

Meetings:

The Committee has been holding regular meetings to ensure compliance with the provisions of the Companies Act, 2013 and the Listing Guidelines and to ensure proper service to investors.

Details of the Attendance at the Meetings are as follows:

S. No.	Name of Director	Category	Meetings Held	Meetings Attended
1.	Mr. Pradeep Kumar Goenka, Chairman	Non- Executive/Independent Director	40	40
2.	Mr. Shyam Sunder Sharmma	Promoter Executive Director	40	29
3.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	40	34
4.	Mr. Sharad Sharma	Promoter Executive Director	40	36

Investor Grievance Redressal:

Number of complaints received and resolved to the satisfaction of investors during the financial year ended 31st March, 2015, are as under:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	6	6	Nil

As on 31st March, 2015, no request for transfer / transmission was pending for approval.

Compliance Officer:

Compliance Officer of the Company: Mr. Bharat Kumar Sajnani, Company Secretary.

6. SECURITIES ALLOTMENT AND CERTIFICATE ISSUANCE COMMITTEE

Composition:

The Securities Allotment and Certificate Issuance Committee of the Board consists of three Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Surendra Kumar Kabra and Mr. Shyam Sunder Sharmma.

Terms of Reference:

The Committee looks into all matters relating to allotment of securities, issuance of certificates of shares/ debentures/ bonds and other securities upon allotment/ split/ consolidation/ renewal thereof and issuance of duplicate certificates of securities.

Meetings:

During the financial year ended 31st March, 2015, two Securities Allotment and Certificate Issuance Committee meetings were held on 29.11.2014 and 23.02.2015.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition:

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee was constituted on 13.11.2014 which consists of four Directors namely, Mr. Abhilash Lal (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma and Mr. Pradeep Kumar Goenka.

Terms of Reference:

The Committee has been constituted with the following terms of reference:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
2. To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.
3. To monitor the CSR policy of the Company from time to time.
4. To institute a transparent monitoring mechanism for implementation of the CSR projects/programs/ activities undertaken by the Company.
5. Any other matter as the committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

Meetings:

During the year ended 31st March, 2015, one Corporate Social Responsibility (CSR) Committee Meeting was held on 13.11.2014.

CSR Policy:

In compliance of Section 135 of the Companies Act, 2013 read with CSR Policy Rules, 2014, the Board has formulated Policy on Corporate Social Responsibility, which is uploaded on the website of the Company.

8. GENERAL BODY MEETINGS

The details regarding the General Body Meetings of the Company held during the last three years are as follows:

Annual General Meetings:

Year	Date of Meeting	Time	Place
2014	29th September, 2014	3:00 P.M.	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.
2013	11th September, 2013	5:30 P.M.	
2012	29th September, 2012	2:15 P.M.	

Extraordinary General Meetings:

Year	Date of Meeting	Time	Place
2014	22nd February, 2014	2:30 P.M.	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.

Details of Special Resolutions passed at the General Meetings of the Company held during the last three years are as follows:

Annual General Meetings:

Year	Date of Meeting	Particulars of Special Resolutions passed at the Meeting
2014	29th September, 2014	<ol style="list-style-type: none"> 1) Consent for Continuation of tenure of Shri Shyam Sunder Sharmma (DIN: 00530921), as Managing Director of the Company, for the remaining period of his tenure. 2) Consent for re-appointment of Shri Sharad Sharma (DIN: 00383178) as Joint Managing Director of the Company. 3) Consent to borrow money upto ₹750 crores under section 180(1)(c) of the Companies Act, 2013. 4) Consent for mortgaging/ charging Company's properties/ assets against borrowing under section 180(1)(a) of the Companies Act,2013. 5) Consent for the issue of 31,07,500 Compulsorily Convertible Preference Shares of ₹100/- each on preferential basis under section 42, 55 & 62 of the Companies Act,2013. 6) Consent for the issue of 2,50,000 Warrants on preferential basis under section 42 & 62 of the Companies Act,2013. 7) Consent to issue further share capital by way of Private Placement/ QIP etc. 8) Consent to increase the Authorised Share Capital of the Company. 9) Consent for alteration in Capital Clause of the Memorandum of Association of the Company. 10) Consent to adopt new Articles of Association of the Company.
2013	11th September, 2013	<ol style="list-style-type: none"> 1) Consent to voluntarily delist the Equity Shares of the Company from U.P. Stock Exchange Limited, Kanpur, subject to the condition that the Equity Shares of the Company shall continue to remain listed at BSE Limited, Mumbai.
2012	29th September, 2012	<ol style="list-style-type: none"> 1) Consent for payment of remuneration to the Non-Executive Directors of the Company by way of Commission upto 1% of Net Profits of the Company u/s 309 of the Companies Act, 1956.

Extraordinary General Meetings:

Year	Date of Meeting	Particulars of Special Resolutions passed at the Meeting
2014	22nd February, 2014	<ol style="list-style-type: none"> 1) Consent and approval to create, offer, issue and allot upto 16,25,000 convertible warrants on Preferential basis u/s 81 (1A) of Companies Act, 1956.

Postal Ballot

At the last Annual General Meeting no resolution was passed by way of Postal Ballot.

At the ensuing Annual General Meeting there is no resolution proposed to be passed by way of Postal Ballot.

9. DISCLOSURES

- a) Disclosures on materially significant related party transactions of the Company of material nature, with its promoters, directors or with its management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authorities on matters relating to Capital Markets during the last three years:

None.

10. WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, actual or suspected fraud, violation of Code of Conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. The vigil mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. No complaint has been received during the year as affirmed by the Chairman of Audit Committee & Whistle and Ethics Officer of the Company.

11. INDEPENDENT DIRECTORS MEETING

During the year ended 31st March, 2015, one Independent Directors Meeting was held on 31.01.2015. At the meeting, the Independent Directors inter-alia:

1. Reviewed the performance of non-independent directors and the Board as a whole;
2. Reviewed the performance of the Chairperson of the Company; and
3. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Surendra Kumar Kabra, Mr. Pradeep Kumar Goenka, Mr. Vishwa Nath Chandak, Mr. Abhilash Lal and Mr. Narayanan Subramaniam were present at the meeting.

12. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Board members are provided with necessary documents and reports to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, business strategy and risks involved.

Quarterly updates on relevant statutory changes encompassing important laws are regularly informed to the Directors.

The details of Familiarization Programme for Independent Directors are posted on the Company's website at the following web link: www.ganeshaecosphere.com/pdf/familiarization-programme-independent-director.pdf.

13. MEANS OF COMMUNICATION

The quarterly and annual financial results of the Company are submitted to the Stock Exchanges and published in '*Business Standard*' (in English and Hindi) newspaper in terms of the requirements of Clause 41 of the Listing Agreement.

The Financial results are also available on the official website of the BSE Limited and National Stock Exchange of India Limited, Mumbai i.e. www.bseindia.com & www.nseindia.com, respectively.

The Financial results and Annual Report of the Company along with official news releases and presentations made to Institutional Investors and Analysts are posted on the Company's official website i.e. www.ganeshaecosphere.com, from time to time.

The 'Management Discussion and Analysis Report' is given separately forming part of the Annual Report.

14. GENERAL SHAREHOLDERS' INFORMATION

A. Annual General Meeting:

Date	: 19th September, 2015
Time	: 1:00 p.m.
Venue	: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.

B. Financial Year/Calendar:

Particulars of Quarter	On or before
First Quarter	14.08.2015
Second Quarter	14.11.2015
Third Quarter	14.02.2016
Fourth Quarter & Annual Results	30.05.2016

C. Date of Book Closure:

From Sunday, 13th September, 2015 to Saturday, 19th September, 2015 (both days inclusive).

D. Dividend Payment Date:

On and after 24th September, 2015.

E. Listing on Stock Exchanges:

The Company's Equity Shares are listed at following Stock Exchanges:

- BSE Limited, Mumbai and
- National Stock Exchange of India Limited, Mumbai (w.e.f. 09.03.2015).

The annual listing fee to these stock exchanges has been paid up-to-date.

F. Stock Codes – Equity Shares:

- BSE Limited, Mumbai : 514167
- National Stock Exchange of India Limited: GANECOS

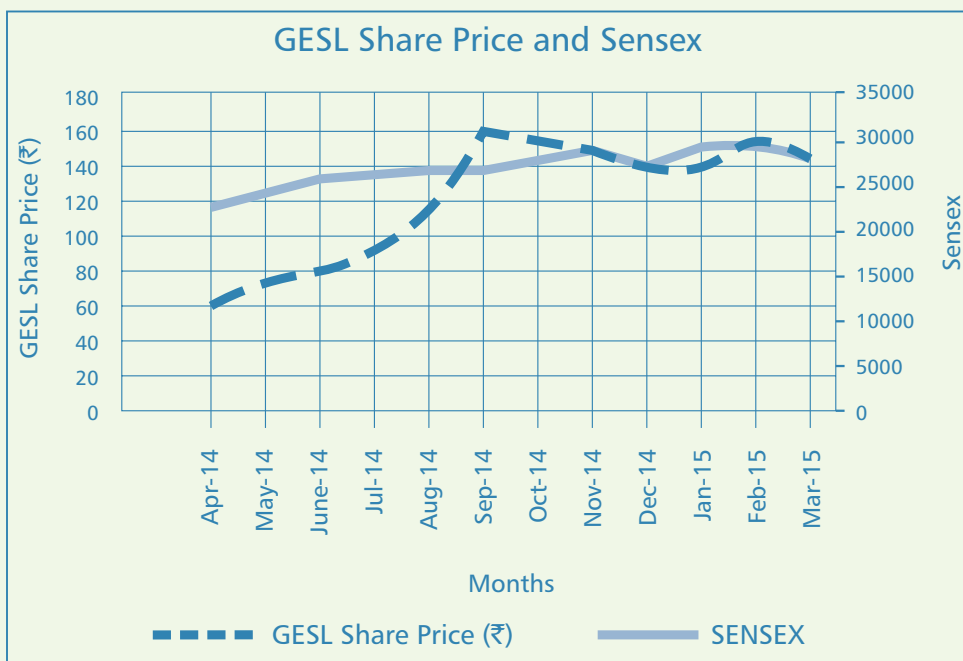
G. Stock Market Price Data for the year 2014-15:

Month	BSE PRICES				NSE PRICES*			
	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded
April, 2014	64.40	45.00	59.05	3,05,008	-	-	-	-
May, 2014	74.30	52.20	71.70	5,49,670	-	-	-	-
June, 2014	80.00	68.00	77.45	2,68,956	-	-	-	-
July, 2014	94.40	69.80	90.25	7,36,055	-	-	-	-
August, 2014	125.85	90.30	110.05	24,03,916	-	-	-	-
September, 2014	188.90	113.00	159.10	20,90,962	-	-	-	-
October, 2014	163.90	140.00	155.10	7,02,347	-	-	-	-
November, 2014	173.80	148.00	150.65	7,62,323	-	-	-	-
December, 2014	172.75	136.10	139.85	5,61,665	-	-	-	-
January, 2015	154.00	136.00	138.00	2,95,006	-	-	-	-
February, 2015	164.40	124.00	156.70	7,95,163	-	-	-	-
March, 2015	171.00	128.50	146.30	7,51,921	180.00	132.00	145.15	3,50,540

*The Company's Equity Shares listed at National Stock Exchange of India Limited w.e.f. 09.03.2015.

The information is downloaded from official website of the BSE Limited & National Stock Exchange of India Limited.

Performance of the Share Price of the Company in comparison to the BSE Sensex:



H. Registrar and Share Transfer Agents:

Skyline Financial Services Pvt. Ltd.

D-153/A, First Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110020

Tel: 011- 26812682-83

E-mail: admin@skylinerta.com

I. Share Transfer System:

Applications for transfer of shares in physical form are processed by the Company's Registrar and Transfer Agent, M/s. Skyline Financial Services Pvt. Ltd. The Stakeholders Relationship Committee, constituted for transfer/ transmission of shares and allied matters, considers and approves the share transfers within the time limit stipulated by the Listing Agreement, subject to transfer instrument being valid and complete in all respects.

J. Distribution of Share Holding as on 31st March, 2015:

No. of Shares	Shareholders		Shareholding	
	Number	% of total	Number	% of total
Upto 500	11004	93.55	1617146	9.98
501 - 1000	398	3.38	337326	2.08
1001 - 2000	152	1.29	233053	1.44
2001 - 3000	53	0.45	136152	0.84
3001 - 4000	25	0.21	89881	0.56
4001 - 5000	25	0.21	119959	0.74
5001 - 10000	22	0.19	162150	1.00
10001 & above	84	0.72	13505333	83.36
Total	11763	100.00	16201000	100.00

Shareholding Pattern as on 31st March, 2015:

S. No.	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	16	9320936	57.53
(2)	Foreign	0	0	0.00
	Total Shareholding of Promoter and Promoter Group	16	9320936	57.53
(B)	Public Shareholding			
(1)	Institutions	9	35600	0.22
(2)	Non-Institutions	11738	6844464	42.25
	Total Public Shareholding	11747	6880064	42.47
	Total (A+B)	11763	16201000	100.00

K. Dematerialisation of shares and liquidity:

ISIN Code- Equity Shares: INE 845 D01014

As on 31st March, 2015, 86.12% of the total Equity Shares of the Company have been dematerialised. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 1st January, 2002 as per the notification issued by Securities and Exchange Board of India (SEBI).

L. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:

GDRs/ADRs:

There were no outstanding GDRs/ ADRs as on 31st March, 2015.

Compulsorily Convertible Preference Shares and Warrants:

During the year, the Company has allotted 31,07,500 Compulsorily Convertible Preference Shares of ₹100/- each, convertible into 27,25,877 Equity Shares of ₹10/- each of the Company at the price of ₹114/- per Equity Share (including premium of ₹104/- per share), on or before 2nd October, 2015.

During the year, 2,50,000 Warrants were issued convertible into equal number of Equity Shares of ₹10/- each at a premium of ₹104/- per share, at any time, in one or more tranches, on or before 2nd April, 2016.

As on 31st March, 2015, entire 31,07,500 Compulsorily Convertible Preference Shares and 2,50,000 Warrants were outstanding for conversion.

M. Plant Location:

1. Kanpur Unit:

Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.

2. Rudrapur Unit:

Plot No. 6, Sector -2, Integrated Industrial Estate, Pantnagar, Uttarakhand.

3. Bilaspur Units:

a) Khata No. 96 and 97, Arazi Village Kotha, Ali Nagar, Pargana and Tehsil Bilaspur, Distt. Rampur, U.P.

b) Gata No. 112, Village Temra, Tehsil Bilaspur, Distt. Rampur (U.P.)

N. Address for Correspondence:

With the Registrar and Transfer Agents: Skyline Financial Services Pvt. Ltd. D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel: 011- 26812682-83, E-mail: admin@skylinerta.com	With the Company: The Company Secretary, Ganesha Ecosphere Ltd. 113/216-B, First Floor, Swaroop Nagar, Kanpur- 208002. Tel: 0512-2555504-06 Fax: 0512-2555293 E-mail: shrdept@gmail.com bharat@ganeshaecosphere.com
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O. Corporate Identification Number (CIN No.): L51109UP1987PLC009090

P. E-mail for Investors:

The Company has designated complaints@ganeshaecosphere.com as email address especially for investor grievance(s).

Q. Code of Conduct:

The Company's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. All Board members and designated senior management personnel have affirmed compliance with this Code of Conduct. A declaration to this effect, signed by Shri Shyam Sunder Sharmma, Chairman and Managing Director of the Company, is enclosed at the end of this report. Code of Conduct of the Company is available on the official website of the Company www.ganeshaecosphere.com.

R. Adoption of Mandatory and Non-mandatory Requirements of Clause 49:

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. However, the Company has not adopted the non-mandatory requirements.

S. CEO and CFO Certification:

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

T. Nomination Facility:

Shareholders holding Shares in physical form and desirous of making a nomination in respect of their Shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit their request to the Company's Registrar and Transfer Agents, M/s. Skyline Financial Services Private Limited, in the prescribed Form SH-13 which will be sent by the Company upon such request.

DECLARATION

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Shyam Sunder Sharmma, Chairman and Managing Director of Ganesha Ecosphere Ltd., declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct for the financial year 2014-15.

Place : Kanpur

Date : 10th August, 2015

(Shyam Sunder Sharmma)

Chairman and Managing Director

AUDITORS' CERTIFICATE

To the Members of
Ganesha Ecosphere Ltd.

We have examined the compliance of conditions of Corporate Governance by Ganesha Ecosphere Ltd. for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

FOR MEHROTRA RAKESH KUMAR & CO.
Chartered Accountants
Registration No. 002978C

Place: Kanpur
Date : 10th August, 2015

Deepak Seth
Partner
Membership No. 073081

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
GANESHA ECOSPHERE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Ganesha Ecosphere Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ('the order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- As required by section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of written representations received from the directors as on 31st March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us:
 - The Company has disclosed the impact of pending litigations as at 31st March 2015 on its financial position in its financial statements - Refer Note 38 to the financial statements.
 - In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2015.

FOR MEHROTRA RAKESH KUMAR & CO.,
Chartered Accountants
(Registration No. 002978C)

(Deepak Seth)
Partner

Place: Kanpur
Dated: 30th May, 2015

Membership No. 073081

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Ganesha Ecosphere Limited on the standalone financial statements as of and for the year ended 31st March 2015.

- (1) (i) The Company is maintaining proper records showing full particulars including quantitative details & situation of fixed assets on the basis of available information.
- (ii) As explained to us, the fixed assets are physically verified by the management, according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable, having regard to the size of the Company & nature of its assets. Pursuant to the programme, a portion of fixed assets has been physically verified by the management during the year and as informed to us, no material discrepancies were noticed on such physical verification.
- (2) (i) As explained to us, inventory except for goods in transit has been physically verified by the management at reasonable intervals during the year.
- (ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (iii) On the basis of our examination of inventory records, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (3) (i) According to the information and explanations given to us, the Company had granted unsecured loan to a Director covered in the register maintained under section 189 of the Companies Act, 2013 prior to his appointment as a director in the Company.
- (ii) The principal amount as well as interest has, regularly, been repaid and there is no balance outstanding as on 31st March 2015.
- (4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (5) According to the information and explanations given to us, the Company has not accepted any deposit, in terms of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under. Further, the deposits accepted by the Company before the commencement of the Companies Act, 2013, had been repaid during the Year.
- (6) In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (7) (i) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, Value Added Tax and other material statutory dues have been generally regularly deposited with the appropriate authorities. There are no outstanding Statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- (ii) According to the records of the Company and as per the information and explanations given to us, the disputed statutory dues as at 31st March 2015 that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the Dues	Amount (₹)	Forum where dispute is pending
U. P. Trade Tax Act, 1948	Entry Tax	156030*	Supreme Court
U. P. Trade Tax Act, 1948	Entry Tax	666061*	Supreme Court
U. P. Trade Tax Act, 1948	Entry Tax	571833*	Supreme Court
Central Excise Act, 1944	Service tax & Penalty	285007*	Commissioner (Appeals), Central Excise & Service Tax Allahabad
Income Tax Act, 1961	Income Tax Deducted at Source	2818417	Commissioner of Income Tax (Appeals), Kanpur

* Net of amount deposited under dispute.

- (iii) According to the information and explanation given to us, there is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (8) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (9) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, banks and debenture holders.
- (10) In our opinion and according to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or financial institutions. Therefore clause 3(x) of the Companies (Auditor's Report) Order 2015 is not applicable to the Company.
- (11) In our opinion, and according to the information and explanations given to us by the management, the term loans have been applied for the purposes for which they were obtained.
- (12) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and according to the information and explanations given to us by the management, in our opinion, no fraud by the Company has been noticed or reported during the course of our audit *but in respect of fraud on the Company we have been informed that the company imported Pet bottle Scrap (raw material) from an overseas supplier but later on during Inspection of sealed Containers jointly with custom authorities, Gravels were found instead of Pet Bottle Scrap in Containers. Due to this fraud, the company had suffered a loss to the tune of ₹26,44,757/- on account of Cost of material paid to supplier, ocean freight & Custom Duty. The company had lodged Police Complaint and investigations are in progress.*

FOR MEHROTRA RAKESH KUMAR & CO.,
Chartered Accountants
(Registration No. 002978C)

(Deepak Seth)
Partner

Place: Kanpur
Dated: 30th May, 2015

Membership No. 073081

BALANCE SHEET AS AT 31st MARCH, 2015

(Amount in ₹)

Particulars	NOTE NO.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	2	472,760,000	151,860,000
b. Reserves & Surplus	3	1,299,313,646	1,080,318,561
c. Money Received against Share Warrants	4	7,125,000	16,240,000
SUB-TOTAL		1,779,198,646	1,248,418,561
2. Non - Current Liabilities			
a. Long Term Borrowings	5	869,128,083	1,251,499,186
b. Deferred Tax Liabilities (Net)	6	96,272,669	65,524,301
c. Other Long Term Liabilities	7	8,323,152	34,997,226
d. Long Term Provisions	8	26,466,728	15,974,992
SUB-TOTAL		1,000,190,632	1,367,995,705
3. Current Liabilities			
a. Short Term Borrowings	9	796,320,389	764,937,884
b. Trade Payables	10	330,155,511	281,944,315
c. Other Current Liabilities	11	458,864,314	415,578,587
d. Short Term Provisions	12	55,191,965	32,961,563
SUB-TOTAL		1,640,532,179	1,495,422,349
TOTAL		4,419,921,457	4,111,836,615
II. ASSETS			
1. Non - Current Assets			
a. Fixed Assets:			
i. Tangible Assets	13	2,577,288,606	2,024,251,061
ii. Intangible Assets	13	1,929,177	2,097,862
iii. Capital Work-in-Progress	13	97,854,618	596,175,663
b. Long Term Loans and Advances	14	27,268,976	26,521,214
c. Other Non-Current Assets	15	3,502,722	173,145,156
SUB-TOTAL		2,707,844,099	2,822,190,956
2. Current Assets			
a. Inventories	16	823,428,243	607,465,351
b. Trade Receivables	17	407,354,245	392,042,298
c. Cash & Bank Balances	18	159,524,830	193,373,819
d. Short Term Loans and Advances	19	279,768,822	64,975,141
e. Other Current Assets	20	42,001,218	31,789,050
SUB-TOTAL		1,712,077,358	1,289,645,659
TOTAL		4,419,921,457	4,111,836,615
Significant Accounting Policies	1		
The accompanying notes form an integral part of these financial statements.			

In terms of our annexed report of even date

FOR MEHROTRA RAKESH KUMAR & CO.

Chartered Accountants

(Registration No. 002978C)

For and on behalf of the Board

Deepak Seth

Partner

Membership No. 073081

Sharad Sharma

Joint Managing Director

Shyam Sunder Sharma

Chairman and Managing Director

Place: Kanpur

Dated: 30th May, 2015

Bharat Kumar Sajnani

Company Secretary

Gopal Agarwal

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Particulars	NOTE NO.	Year ended 31.03.2015	Year ended 31.03.2014
I. REVENUE FROM OPERATIONS	21		
a. From Sale of products		6,275,104,975	5,000,248,894
b. Other Operating Revenues		13,011,549	6,876,680
SUB-TOTAL		6,288,116,524	5,007,125,574
c. Less: Excise Duty		55,636,965	12,356,724
		6,232,479,559	4,994,768,850
II. OTHER INCOME	22	17,058,655	15,526,834
III. TOTAL REVENUE (I+II)		6,249,538,214	5,010,295,684
IV. EXPENSES			
a. Cost of Materials Consumed	23	3,992,849,888	3,300,845,748
b. Purchases of Stock-in-Trade	24	163,646,653	162,945,458
c. Changes in Inventories of Finished Goods, Work -in-Progress and Stock-in-Trade	25	1,070,446	(57,878,694)
d. Employee Benefits Expense	26	336,660,637	247,854,887
e. Finance Costs	27	196,725,433	158,603,809
f. Depreciation and Amortization Expense	28	188,721,905	125,618,330
g. Other Expenses	29	1,108,447,824	793,528,675
Total Expenses		5,988,122,786	4,731,518,213
V. PROFIT BEFORE EXTRA ORDINARY ITEMS & TAX (III-IV)		261,415,428	278,777,471
VI. EXTRA ORDINARY ITEMS			
Loss By fire		-	(15,615,957)
VII. Profit before Tax (V-VI)		261,415,428	263,161,514
VIII. Tax Expense:			
1) Current Tax		(54,793,980)	(55,159,969)
Less: MAT Credit		54,793,980	53,049,539
2) Deferred Tax		(30,748,368)	(15,616,508)
IX. PROFIT FOR THE YEAR (VII-VIII)		230,667,060	245,434,576
X. EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH	30		
(1) Basic		13.36	16.74
(2) Diluted		13.34	16.74
Significant Accounting Policies	1		
The accompanying notes form an integral part of these financial statements.			

In terms of our annexed report of even date
FOR MEHROTRA RAKESH KUMAR & CO.

Chartered Accountants
(Registration No. 002978C)

For and on behalf of the Board

Deepak Seth
Partner
Membership No. 073081

Sharad Sharma
Joint Managing Director

Shyam Sunder Sharmma
Chairman and Managing Director

Place: Kanpur
Dated: 30th May, 2015

Bharat Kumar Sajnani
Company Secretary

Gopal Agarwal
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	Year ended 31.03.2015		Year ended 31.03.2014	
A: CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before extra ordinary Items & tax as per statement of Profit and Loss		261,415,428		278,777,471
Adjusted for :				
Prior Period Items (Net)	1,116,263		(20,584)	
Provision for Doubtful Debts/Advances	3,213,961		1,780,825	
Provision for Doubtful Debts Written Back	(1,166,084)		(364,007)	
Loss on fixed assets sold/discarded/destroyed by fire	495,674		3,166,621	
Depreciation/Amortisation	188,721,905		125,618,330	
Finance Costs	196,725,433	389,107,152	158,603,809	288,784,994
Operating Profit before Working Capital Changes		650,522,580		567,562,465
Adjusted for :				
(Increase) in Trade & Other Receivables	(38,295,278)		(83,680,350)	
Decrease/ (Increase) in Inventories	(215,962,892)		(216,759,564)	
Increase in Trade & Other Payables	54,606,413	(199,651,757)	167,205,877	(133,234,037)
Cash Generated from Operations		450,870,823		434,328,428
Extra Ordinary Items: Loss By fire		-		(15,615,957)
Prior Period Items (Net)		(1,116,263)		20,584
Direct Taxes Paid		(60,255,537)		(57,416,632)
Net Cash From Operating Activities		389,499,023		361,316,423
B: CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(283,410,164)		(769,389,052)
Proceeds from sale/insurance claim of Fixed Assets		41,689,023		5,626,918
Net Cash Used in Investing Activities		(241,721,141)		(763,762,134)
C: CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from/(Repayment) of Long Term Borrowings (Net)		(328,266,437)		241,606,249
Proceeds from/(Repayment) of Short Term Borrowings (Net)		31,382,505		226,544,922
Redemption of Cumulative Redeemable Preference Shares (Series I)		-		(5,000,000)
Proceeds from Compulsorily Convertible Preference Share		310,750,000		-
Proceeds from allotment money and share premium on conversion of share warrants		48,720,000		-
Money received against Share Warrants		7,125,000		16,240,000
Premium Paid On Redemption Of Preference Share Series I		-		(10,000,000)
Share Issue Expenses		(16,781,342)		-
Finance Charges		(228,089,228)		(146,642,080)
Dividend paid on Equity shares		(18,223,200)		(18,223,200)
Dividend paid on Preference Shares		-		(750,000)
Tax on Dividend Distribution		(3,097,033)		(3,224,496)
Net Cash from / (used in) Financing Activities		(196,479,735)		300,551,395
Net Increase in Cash and Cash Equivalents (A+B+C)		(48,701,853)		(101,894,316)
Opening Balance of Cash and Cash Equivalents		79,985,119		181,879,435
Closing Balance of Cash and Cash Equivalents(Refer Note 18)		31,283,266		79,985,119

The accompanying notes form an integral part of these financial statements.

In terms of our annexed report of even date
FOR MEHROTRA RAKESH KUMAR & CO.
Chartered Accountants
(Registration No. 002978C)

For and on behalf of the Board

Deepak Seth
Partner
Membership No. 073081

Sharad Sharma
Joint Managing Director

Shyam Sunder Sharma
Chairman and Managing Director

Place: Kanpur
Dated: 30th May, 2015

Bharat Kumar Sajjani
Company Secretary

Gopal Agarwal
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements:

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

Financial statements are prepared in accordance with the generally accepted accounting principles, as adopted consistently, and are based on historical cost and items of income and expenditure are recognized on accrual basis.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criterion set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reporting period. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known/ materialize.

1.3 Revenue Recognition:

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

Sale of goods is recognized on transfer of significant risks and rewards of ownership to the customer which is generally on the dispatch of goods. Revenue from operations is disclosed inclusive of excise duty and net of sales tax / value added tax, discounts and returns.

Benefits on account of entitlement to import goods free of duty, Duty Draw back Scheme, Focus Product Scheme, etc. are accounted for in the year of exports made and are included in revenue from operations.

1.4 Fixed Assets:

Tangible Assets

Tangible fixed assets are stated at cost, net of Cenvat and VAT input credit availed, less accumulated depreciation, amortization and impairment losses, if any, except freehold land which is carried at cost. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

Foreign currency exchange variations to the extent covered under AS-11 are capitalized as per the policy stated in note 1.7.

Assets which are not ready for their intended use are disclosed under Capital work-in-progress. Expenditure during construction period (including borrowing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects/ assets, including trial run expenses (net of revenue) are treated as Pre-operative expenses, pending allocation to the assets, and are included under "Capital work-in-progress." These expenses are apportioned to related fixed assets on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of Balance Sheet.

The carrying amounts of fixed assets are reviewed at each balance sheet date to assess if they are recorded in excess of their recoverable amounts and where carrying values exceed their estimated recoverable amount, assets are written down to their recoverable amount.

Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

1.5 Depreciation/Amortization:

- i) Depreciation on fixed assets is provided on "Written Down Value Method (WDV)" except in respect of Building and Plant & Machinery of Kanpur Unit and Temra (Bilaspur) Unit where depreciation is provided on "Straight Line Method (SLM)".
- ii) Effective 1st April, 2014, Depreciation is provided based on useful life of the assets as provided in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used:
 - a) The useful life of certain plant and machinery being continuous process plants, which is required and designed to operate for 24 hours a day, has been estimated, based on independent technical evaluation, as 18 years;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

- b) In respect of power line payments made to Electricity Authorities, useful life is estimated at five years and expenditure is amortized accordingly on Straight Line Method.
- c) Cost of Technical Know-how and Software capitalized is amortised over a period of five years on Straight Line Method.
- d) Individual assets, whose actual cost does not exceed ₹10,000 are depreciated fully within the year of acquisition.
- iv) Premium paid on Leasehold land is amortized over the period of the Lease.
- v) In respect of additions or extensions forming part of existing assets, including incremental cost arising on translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided over the residual life of the respective assets.

1.6 Borrowing Costs:

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest and other borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit & Loss in the period in which they are incurred.

1.7 Foreign Currency Transactions:

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies, which are outstanding as at the year-end and not covered by forward contracts, are restated at year end rates. Resultant gain or loss, other than in relation to acquisition of fixed assets, is charged to revenue during the year. In case of items covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the forward exchange contracts is recognized as income/expense over the life of the contract. The exchange differences arising on such forward exchange contracts are recognized as income or expense along with the exchange differences on the underlying assets/liabilities. Profit or loss on cancellations/renewals of forward contracts is recognized during the year. Non-monetary foreign currency items are carried at cost.

In accordance with Accounting Standard (AS) 11, "Accounting for the effects of changes in foreign exchange rates", exchange difference arising in respect of long term foreign exchange liabilities, where they relate to acquisition of depreciable fixed assets, are adjusted to the carrying cost of such assets and are depreciated over the balance useful life of the asset.

1.8 Valuation of Inventories:

Items of Inventories are valued at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories is ascertained on the 'weighted average' basis. Inventory of Finished goods* and Work in progress is valued on full absorption cost incurred in bringing the inventories to their present location and condition. Waste & Scrap are valued at net realizable value.

(*Excise duty, wherever applicable, is included in finished goods inventory valuation.)

1.9 Lease Rentals:

Rental charges in respect of assets acquired under finance leases prior to 1st April 2001 are amortized over the useful economic life of the asset and excess of lease rentals paid over the amount accrued are treated as prepaid lease rentals. No leased assets, except leasehold land, were acquired on or after 1st April 2001.

1.10 Employee Benefits:

Defined contribution plans such as contributions to Provident Fund, Family Pension Fund and Employee's State Insurance are made to the funds administered by the Govt. of India, and are recognized as an expense when employees have rendered service entitling them to the contributions. Defined benefit plans such as leave encashment and gratuity are determined using the Projected Unit Credit Method, on the basis of actuarial valuation carried out by independent actuaries at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the year in which they arise.

1.11 Taxation:

Tax expense comprises Current and Deferred Tax.

Current Income Tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates in accordance with the provisions of the Income Tax Act, 1961.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred charge or credit resulting from timing difference is measured based on the current tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that these assets can be realized in future against future taxable income. Deferred tax assets/liabilities are reviewed at each Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing reasons that the company will pay normal income tax during the specified period. MAT credit entitlement is reviewed at each balance sheet date.

1.12 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligations. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.13 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

1.14 Government Grants:

Grants and subsidies from the Government are recognized when there is reasonable certainty that the grant/ subsidy will be received and all attaching conditions will be complied with.

Grants received against specific fixed assets are adjusted to cost of assets and those in the nature of promoter's contribution are credited to Capital Reserve. Revenue Grants are recognized in the Statement of Profit and Loss on a systematic basis to match them with related costs.

1.15 Application of Securities Premium Account:

Share issue expenses and Premium payable on redemption of Preference Shares are charged, first against available balance in Securities Premium Account.

(Amount in ₹)

Note 2 SHARE CAPITAL	As at 31.03.2015		As at 31.03.2014	
Authorised:				
240,00,000 (Previous Year 240,00,000) Equity Shares of ₹ 10 /- each	240,000,000		240,000,000	
31,50,000 (Previous Year 4,50,000) Preference Shares of ₹100/- each	315,000,000	555,000,000	45,000,000	285,000,000
Issued, Subscribed & Paid up:				
1,62,01,000 (Previous Year 1,51,86,000) Equity Shares of ₹10/- each fully paid up	162,010,000		151,860,000	
31,07,500 (Previous Year NIL) Compulsorily Convertible Preference Shares of ₹ 100/- each	310,750,000	472,760,000	-	151,860,000
		472,760,000		151,860,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note 2 SHARE CAPITAL (contd.)

2.1	The reconciliation of the number of shares outstanding:	Numbers	Numbers
a	Equity Shares outstanding at the beginning of the year	15,186,000	15,186,000
	Add: Shares issued during the year	1,015,000	-
	Equity Shares outstanding at the end of the year	16,201,000	15,186,000
b	Cumulative Redeemable Preference Shares outstanding at the beginning of the year	-	50,000
	Less: Redemption during the year	-	50,000
	Cumulative Redeemable Preference Shares outstanding at the end of the year	-	-
c	Compulsorily Convertible Preference Shares outstanding at the beginning of the year	-	-
	Add: Issued during the year	3,107,500	-
	Compulsorily Convertible Preference Shares outstanding at the end of the year	3,107,500	-

2.2 Equity shares are having par value of ₹10/- per share. Each Shareholder is eligible for one vote per share. Equity shareholders are having the right of dividend, proposed by the Board of Directors subject to the approval of shareholders except in case of interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their holding.

2.3 Compulsorily Convertible Preference Shareholders do not have the voting rights except as provided under section 47(2) of the Companies Act, 2013. These shares are having the preferential rights over equity shareholders, for getting the fixed dividend of ₹12/- per share, i.e., @ 12% on a pro-rata basis from the date of allotment on non-cumulative basis and also repayment of Capital in the event of liquidation. These shares are convertible in to 27,25,877 (Twenty Seven Lacs Twenty Five Thousand Eight Hundred Seventy Seven Only) Equity Shares of ₹10/- each of the Company at the Price of ₹114/- per Equity Share (including Premium of ₹104/- per Share), on or before 2nd October, 2015.

2.4 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of holding	No. of Shares held	% of holding
a) Equity shares				
Shyam Sunder Sharmma	2,163,927	13.36	2,163,927	14.25
GPL Finance Ltd.	2,123,201	13.11	2,123,201	13.98
Rajesh Sharma	1,095,529	6.76	1,095,525	7.21
Sharad Sharma	1,075,583	6.64	1,075,583	7.08
Vishnu Dutt Khandelwal	920,200	5.68	920,200	6.06
b) Compulsorily Convertible Preference Shares				
MCAP India Fund Limited	3,107,500	100	NA	NA

2.5 The Company has neither issued shares for a consideration other than cash/ bonus shares nor bought back any shares during immediately preceding 5 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Note	3	RESERVES AND SURPLUS	As at 31.03.2015		As at 31.03.2014	
a.		Capital Reserve				
		As per last Balance Sheet		22,528,028		22,528,028
b.		Capital Redemption Reserve				
		As per last Balance Sheet	45,000,000		40,000,000	
		Add: Transfer From Statement of Profit & Loss	-	45,000,000	5,000,000	45,000,000
c.		Securities Premium Account				
		As per last Balance Sheet	91,439,699		101,439,699	
		Add: Premium Received During the Year	54,810,000		-	
		Less: Share Issue Expenses	(16,781,342)		-	
		Less: Premium paid on redemption of Preference Shares (Series I)	-	129,468,357	(10,000,000)	91,439,699
d.		Debenture Redemption Reserve				
		As per last Balance Sheet	33,750,000		45,000,000	
		Less: Transferred to Statement of Profit and Loss	(33,750,000)	-	(11,250,000)	33,750,000
e.		General Reserve				
		As per last Balance Sheet	26,413,041		20,277,177	
		Add: Transferred from Statement of Profit and Loss	-	26,413,041	6,135,864	26,413,041
f.		Surplus				
		Balance at the beginning of the year	861,187,793		628,136,891	
		Add: Profits for the year	230,667,060		245,434,576	
			1,091,854,853		873,571,467	
		Less: Appropriations:				
		- MAT Credit (Recognised)/ Reversed for earlier years	2,819,980		(10,313,111)	
		- Taxation adjustments for earlier years (net)	1,348,406		1,198,200	
		- Transferred to Capital Redemption Reserve	-		5,000,000	
		- Transferred from Debenture Redemption Reserve	(33,750,000)		(11,250,000)	
		- Transferred to General Reserve	-		6,135,864	
		- Interim Dividend on Preference Shares (Series I)	-		250,000	
		- Dividend Distribution Tax on Interim Dividend	-		42,488	
		- Proposed Dividend on Equity Shares #	19,441,200		18,223,200	
		- Dividend Distribution Tax on Proposed Dividend	3,957,770		3,097,033	
		- Proposed Dividend on Compulsorily Convertible Preference Shares *	18,389,589		-	
		- Dividend Distribution Tax On Compulsorily Convertible Preference Shares	3,743,688		-	
			15,950,633	1,075,904,220	12,383,674	861,187,793
		Total		1,299,313,646		1,080,318,561

Dividend proposed to be distributed to Equity Shareholders ₹1.20 (Previous Year ₹1.20) per share.

* Dividend proposed to be distributed on Compulsorily Convertible Preference Shares 12% per annum (Previous Year Not Applicable).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Note	4	MONEY RECEIVED AGAINST SHARE WARRANTS	As at 31.03.2015		As at 31.03.2014	
		Money Received against Share Warrants		7,125,000		16,240,000
		TOTAL		7,125,000		16,240,000
4.1		The reconciliation of the number of Share Warrants is as under:		Numbers		Numbers
		Balance at the beginning of the year		1,015,000		-
		Add: Issued during the year		250,000		1,015,000
				1,265,000		1,015,000
		Less: Converted into Equity Shares during the year		1,015,000		-
		Balance at the end of the year		250,000		1,015,000

4.2 During the year, 10,15,000 Warrants have been converted into equal number of Equity Shares of ₹10/- each at a premium of ₹54/- per share.

4.3 During the year 2,50,000 Warrants were issued convertible into equal number of Equity Shares of ₹10/- each at a premium of ₹104/- per share, at any time, in one or more tranches, on or before 2nd April, 2016.

(Amount in ₹)

Note	5	LONG TERM BORROWINGS	As at 31.03.2015		As at 31.03.2014	
			Non Current	Current	Non Current	Current
		SECURED				
		Rupee Term Loans from Banks & Financial Institution	627,059,084	215,898,996	841,264,695	141,432,096
		Rupee Term Loans from Others	18,943,787	12,154,811	23,384,788	12,807,522
		Foreign Currency Loan from Financial Institution	147,248,692	27,609,130	167,541,186	-
		Buyers Credit from Banks in Foreign Currency	74,699,649	-	129,567,315	-
		UNSECURED				
		Nil (Previous Year 375,000) Non Convertible Debentures of ₹90/- each	-	-	33,750,000	-
		Rupee Term Loans from Others	1,176,871	19,299,331	30,776,202	52,792,984
		Fixed Deposits				
		- from Related Parties	-	-	21,932,000	9,355,000
		- from Others	-	-	3,283,000	4,470,000
		TOTAL	869,128,083	274,962,268	1,251,499,186	220,857,602
		Less: Amount disclosed under the head "Other Current Liabilities" (Refer Note 11)		274,962,268		220,857,602
		Net Amount	869,128,083	-	1,251,499,186	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note 5 LONG TERM BORROWINGS (contd.)

Nature of Security and Terms of Repayment:

a) Rupee Term Loans from Banks & Financial Institution:

- i) Rupee Term Loans and Foreign Currency Loan from Banks & FI, including Buyers credit from Banks, aggregating to ₹108,95,05,569 (Previous Year ₹127,79,66,749) are secured by way of first charge, on pari-passu basis among lending banks & FI, over entire fixed assets (present & future) (except the assets exclusively charged/ hypothecated against specific loan) including equitable mortgage of entire properties of the Company. These loans are further secured by way of extension of first charge on pari-passu basis, on current assets of the Company and personal guarantees of executive directors and others. These loans are repayable in monthly/ quarterly installments as per following maturity profile:

2015-16	2016-17	2017-18	2018-19	2019-20
₹242,830,186	₹318,306,909	₹326,154,656	₹101,106,909	₹101,106,909

- ii) Loans aggregating to ₹30,09,982 (Previous year ₹18,38,543) relate to vehicle purchased and are secured by way of hypothecation & exclusive charge of specified vehicles. Maturity profile is as under:

2015-16	2016-17	2017-18	2018-19	2019-20
₹677,940	₹759,182	₹765,421	₹643,125	₹164,314

- b) Rupee term loans from Others aggregating to ₹3,10,98,598 (Previous year ₹3,61,92,310) relate to assets purchased under hire purchase/financing arrangements with finance companies and are secured by way of hypothecation of the specified assets. These loans are further secured by personal guarantees of some of the executive directors. Repayable in monthly installments and maturity profile is as under:

2015-16	2016-17	2017-18	2018-19
₹12,154,811	₹12,840,527	₹5,613,806	₹489,454

- c) Repayment of Rupee term loans of ₹2,04,76,202 (Previous year ₹8,35,69,186) from other parties have been guaranteed by executive directors. Out of above, Loan of ₹1.50 crores (Previous Year ₹5.50 crores) is additionally secured by pledge of shares owned by executive directors and others. These loans are repayable in monthly/ quarterly installments as per following maturity profile:

2015-16	2016-17
₹19,299,331	₹1,176,871

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
Note 6 DEFERRED TAX LIABILITY (Net)				
Deferred Tax Liability				
Related to Fixed Assets		110,599,708		75,174,517
Deferred Tax Assets				
- Expenditure allowable on actual payment basis under the Income Tax Act	12,692,677		8,540,390	
- Others	1,634,362	14,327,039	1,109,826	9,650,216
Net Deferred Tax Liability		96,272,669		65,524,301

	As at 31.03.2015		As at 31.03.2014	
Note 7 OTHER LONG TERM LIABILITIES				
Trade payables				
- Due to Micro, Small & Medium Enterprises (Refer Note - 40)		-		-
- Others	5,496,180	5,496,180	5,354,419	5,354,419
Premium accrued but not due on Non Convertible Debentures		-		27,973,578
Other payables		2,826,972		1,669,229
TOTAL		8,323,152		34,997,226

	As at 31.03.2015		As at 31.03.2014	
Note 8 LONG TERM PROVISIONS				
Provision for Employee benefits (Refer Note 26.1)				
- Gratuity	23,054,395		13,662,510	
- Leave encashment	3,412,333	26,466,728	2,312,482	15,974,992
TOTAL		26,466,728		15,974,992

	As at 31.03.2015		As at 31.03.2014	
Note 9 SHORT TERM BORROWINGS				
SECURED				
Working Capital Loans from Banks				
- Rupee Loans	646,095,312		633,899,251	
- Foreign Currency Loans	40,190		7,893,998	
- Foreign Currency Loans - Buyers Credit arrangements	134,159,887	780,295,389	109,594,635	751,387,884
UNSECURED				
Loans repayable on demand:				
- from Directors & other related parties	6,725,000		13,450,000	
- from Others	9,300,000	16,025,000	100,000	13,550,000
TOTAL		796,320,389		764,937,884

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note 9 SHORT TERM BORROWINGS (contd.)

- a) Working capital loans from Banks except Buyers' Credit arrangements of ₹9,26,80,394/- (Previous Year ₹9,63,79,566/-) are secured by hypothecation of current assets of the Company both present and future, ranking pari-passu inter-se. These loans are further secured by way of extension of pari-passu 1st charge on fixed assets (except the assets exclusively charged/hypothecated against specific loan) of the Company and also guaranteed by the Executive Directors and others.
- b) Buyers' credit arrangements of ₹9,26,80,394/- (Previous Year ₹9,63,79,566/-) from banks are secured by way of pledge of fixed deposit receipts.

(Amount in ₹)

Note 10 TRADE PAYABLES	As at 31.03.2015		As at 31.03.2014	
	a. Due to Micro, Small & Medium Enterprises (Refer Note - 40)	-		-
b. Others	330,155,511	330,155,511	281,944,315	281,944,315
TOTAL		330,155,511		281,944,315

Note 11 OTHER CURRENT LIABILITIES

a. Current maturities of long term debts (Refer Note 5)		274,962,268		220,857,602
b. Interest accrued but not due on borrowings		4,396,496		2,807,738
c. Interest accrued and due on borrowings		6,094,909		11,073,884
d. Unclaimed Dividend #		5,167,002		4,032,205
e. Creditors for Capital Expenditure		18,973,233		41,700,116
f. Advances from Customers		11,347,071		11,269,852
g. Statutory dues		8,116,173		10,208,628
h. Other Payables*		129,807,162		113,628,562
TOTAL		458,864,314		415,578,587

There are no outstanding dues to be paid to Investor Education and Protection Fund.

* Dues payable to employees and accrued expenses.

Note 12 SHORT TERM PROVISIONS

a. Provisions for Gratuity & Leave Encashment (Refer Note 26.1)				
- Gratuity	3,600,598		4,020,413	
- Leave encashment	1,212,258	4,812,856	1,027,413	5,047,826
b. Provision for Income Tax (net of Advance tax)		1,650,406		5,664,717
c. Proposed Dividend		37,830,789		18,223,200
d. Provision for Tax on Proposed Dividend		7,701,458		3,097,033
e. Provision for Excise Duty		3,196,456		928,787
TOTAL		55,191,965		32,961,563

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Note 13 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2014	Additions during the Year	Deductions/ Adjustment	As at 31.03.2015	As at 31.03.2014	For the Year	Deductions/ Adjustment	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS:										
Own Assets:										
Freehold Land & Site Development	111,820,138	1,129,140	-	112,949,278	-	-	-	-	112,949,278	111,820,138
Leasehold Land	571,205,49	-	42,600,340	14,520,209	199,376	35,196	11,29,525	1,21,621	13,30,398	55,12,678
Buildings	523,052,387	163,779,062	-	686,831,449	78,110,212	27,004,218	-	105,114,430	581,717,019	444,942,175
Plant & Machinery	1,986,763,075	606,814,525	40,529,295	2,553,048,305	591,566,780	149,961,627	40,082,440	701,445,967	1,851,602,338	1,395,196,295
Furniture & Fixtures	12,342,268	2,358,431	1,753,854	12,946,845	8,095,976	2,660,124	1,753,854	9,002,246	3,944,599	4,246,292
Office Equipments	17,693,005	6,064,121	12,688	23,744,438	11,069,143	5,299,350	12,688	16,355,805	7,388,633	6,623,862
Vehicles	18,359,521	3,110,758	1,100,822	20,369,457	12,064,003	2,756,508	833,795	13,986,716	6,382,741	6,295,518
Total	2,727,150,943	783,256,037	85,996,999	3,424,409,981	702,899,882	188,033,795	43,812,302	847,121,375	2,577,288,606	2,024,251,061
Previous Year's Total	1,610,149,796	1,130,756,728	13,755,581	2,727,150,943	582,238,147	125,623,777	4,962,042	702,899,882	2,024,251,061	1,027,911,649
INTANGIBLE ASSETS:										
Technical Knowhow	1,462,548	-	-	1,462,548	1,462,548	-	-	1,462,548	-	-
Software	3,867,570	519,425	-	4,386,995	1,769,708	688,110	-	2,457,818	1,929,177	2,097,862
Total	5,330,118	519,425	-	5,849,543	3,232,256	688,110	-	3,920,366	1,929,177	2,097,862
Previous Year's Total	4,557,202	772,916	-	5,330,118	2,652,144	580,112	-	3,232,256	2,097,862	1,905,058
Capital Work-in- progress (including Pre-operative expenses pending allocation to assets - refer Note 35)									97,854,618	596,175,663

13.1 Pursuant to the Companies (Accounting Standards) Amendment Rules, 2011, Company has exercised the option of capitalizing the exchange differences arising on foreign currency long term loans for purchase of depreciable capital assets, in respect of accounting periods commencing from 1st April, 2011, which were hitherto recognized as income or expense in the period in which they arose. Accordingly, gain/ (loss) on account of foreign exchange fluctuations amounting to ₹80,37,980 [Previous year (₹16,11,426)] has been adjusted with the cost of capital assets, to be depreciated over the balance useful life of respective assets.

13.2 Current year's depreciation includes ₹3,035,446/- (Previous Year Nil) being the written down value of Fixed Assets whose lives have expired as at 1st April 2014.

(Amount in ₹)

Note 14 LONG TERM LOANS & ADVANCES (Unsecured and considered good unless otherwise stated)	As at 31.03.2015		As at 31.03.2014	
a. Capital Advances		1,300,362		3,344,615
b. Security Deposits		23,913,009		19,574,697
c. Loan to Director (Related Party)		-		595,667
d. Other Loans & Advances*	4,969,369		3,688,076	
Less: Provision for Doubtful Advances	(2,913,764)	2,055,605	(681,841)	3,006,235
TOTAL		27,268,976		26,521,214

* Includes Loans to Employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
Note 15 OTHER NON CURRENT ASSETS				
(Unsecured)				
a. Long term Trade Receivables	1,894,598		2,583,313	
Less: Provision for Doubtful Debts	(1,894,598)	-	(2,583,313)	-
b. Mat Credit available for set off		-		169,511,189
c. Credit/ Refund of Statutory Dues		3,502,722		3,633,967
TOTAL		3,502,722		173,145,156

	As at 31.03.2015		As at 31.03.2014	
Note 16 INVENTORIES				
(Refer Note no. 1.8 for valuation)				
a. Raw-Materials	265,526,020		155,398,845	
Raw-Materials in transit	964,182	266,490,202	1,010,020	156,408,865
b. Work-in-progress		61,125,331		66,879,986
c. Finished Goods		383,448,025		283,109,154
d. Stock-in-trade		1,596,778		4,824,277
e. Stores & Spares		110,767,907		96,243,069
TOTAL		823,428,243		607,465,351

16.1 Details of Raw Materials

Plastic/ Pet Bottle Scrap		194,312,514		98,272,514
POY/ Texturised/ Twisted Yarn		1,787,757		5,705,186
Colour & Chemicals		62,265,282		46,054,634
Packing Materials		8,124,649		6,376,531
TOTAL		266,490,202		156,408,865

16.2 Details of Work-in-progress

Polyester Staple Fibre		33,381,335		33,485,742
Dyed Texturised Yarn		11,505,555		13,330,114
Spun Yarn		16,238,441		20,064,130
TOTAL		61,125,331		66,879,986

16.3 Details of Finished Goods

Polyester Staple Fibre		223,776,948		141,936,636
Dyed Texturised Yarn		25,030,163		14,222,896
Spun Yarn		134,576,994		126,892,502
Waste & Scrap		63,920		57,120
TOTAL		383,448,025		283,109,154

16.4 Details of Stock in Trade

Polyester Staple Fibre		598,394		-
Yarn		998,384		4,824,277
TOTAL		1,596,778		4,824,277

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

	As at 31.03.2015		As at 31.03.2014	
Note 17 TRADE RECEIVABLES				
(Unsecured and considered good)				
a. Over Six Months from due date		10,125,431		7,645,221
b. Others		397,228,814		384,397,077
TOTAL		407,354,245		392,042,298

	As at 31.03.2015		As at 31.03.2014	
Note 18 CASH & BANK BALANCES				
A. Cash and Cash Equivalents:				
a. Balances with Banks (in current accounts)	16,433,929		59,303,636	
b. Cheques on hand	6,239,910		17,168,484	
c. Cash on hand	1,012,784		3,512,999	
d. Fixed Deposits with Banks	7,596,643	31,283,266	-	79,985,119
B. Other Bank Balances:				
a. Unclaimed dividend accounts	5,167,002		4,032,205	
b. Fixed Deposits with Banks #				
- Held as margin money with Banks/ pledged to Excise authorities	117,066,157		109,356,495	
- Others	6,008,405	128,241,564	-	113,388,700
TOTAL		159,524,830		193,373,819

Fixed deposits with banks include deposits of ₹27,98,626/- (Previous Year ₹31,79,164/-) with maturity of more than 12 months.

	As at 31.03.2015		As at 31.03.2014	
Note 19 SHORT TERM LOANS & ADVANCES				
(Unsecured and considered good)				
a. Prepaid Expenses & Lease rent		7,119,370		6,081,846
b. Security Deposits		1,330,050		2,934,150
c. Advances to Vendors		32,686,612		28,749,300
d. Advances to Employees and Others		3,379,150		2,932,832
e. Loan to Director (Related Party)		-		281,883
f. Insurance Claim Receivable		-		10,466,111
g. Credits/ Refund of Statutory Dues		13,768,451		13,529,019
h. Mat Credit available for set off		221,485,189		-
TOTAL		279,768,822		64,975,141

	As at 31.03.2015		As at 31.03.2014	
Note 20 OTHER CURRENT ASSETS				
a. Export incentives receivable		20,782,354		10,786,581
b. Interest Subsidy and Interest receivable		19,908,164		21,002,469
c. Discraded Fixed Assets held for disposal		1,310,700		-
TOTAL		42,001,218		31,789,050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Note 21 REVENUE FROM OPERATIONS		Year ended 31.03.2015		Year ended 31.03.2014	
a.	Sale of Products				
i)	Manufactured				
	- Polyester Staple Fibre	4,255,345,623		3,645,595,880	
	- Dyed Texturized Yarn	407,714,928		483,126,039	
	- Spun Yarn*	1,408,774,369		674,110,991	
	- Waste and Scrap	17,554,148	6,089,389,068	15,698,757	4,818,531,667
ii)	Traded Goods				
	- Polyester Staple Fibre	55,543,169		56,969,155	
	- Yarn	87,098,853		124,748,072	
	- Plastic Scrap	43,073,885	185,715,907	-	181,717,227
	SUB-TOTAL		6,275,104,975		5,000,248,894
b.	Other Operating Revenues				
i)	Job Work receipt		444,575		252,978
ii)	Insurance Claims received	5,245,796		11,756,688	
	Less: Loss By fire	-	5,245,796	(8,994,063)	2,762,625
iii)	Service Tax refund		806,976		854,296
iv)	Others		6,514,202		3,006,781
	SUB-TOTAL		13,011,549		6,876,680
	TOTAL		6,288,116,524		5,007,125,574
	Less: Excise Duty		55,636,965		12,356,724
	TOTAL		6,232,479,559		4,994,768,850

* Own manufacturing as well as conversion of own manufactured Polyester Staple Fibre into Spun yarn on job work from an outside party.

Note 22 OTHER INCOME					
a.	Interest received		13,837,514		11,564,544
b.	Net Gain on foreign currency transaction & translation		1,723,946		3,824,452
c.	Other non-operating Income		1,497,195		137,838
	TOTAL		17,058,655		15,526,834

Note 23 COST OF MATERIALS CONSUMED					
Raw Materials:					
a.	Plastic/ Pet bottles scraps		3,281,076,477		2,575,658,505
b.	POY/Texturized/ Twisted Yarn		232,375,172		279,011,095
c.	Colour & Chemicals		415,686,584		395,395,882
d.	Packing Material & Expenses		63,711,655		50,780,266
	TOTAL		3,992,849,888		3,300,845,748

Note 24 PURCHASES OF STOCK-IN-TRADE					
a.	Polyester Staple Fibre		45,691,178		45,385,879
b.	Yarn		78,733,811		117,559,579
c.	Plastic Scrap		39,221,664		-
	TOTAL		163,646,653		162,945,458

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Note	25	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Year ended 31.03.2015		Year ended 31.03.2014	
a.		Closing Inventories:				
i)		Finished Goods & Stock-in-trade	385,044,803		287,933,431	
ii)		Work-in-progress	61,125,331	446,170,134	66,879,986	354,813,417
		Less:				
b.		Opening Inventories (Including Trial Run Stock):				
i)		Finished Goods & Stock-in-trade	370,583,055		238,947,811	
ii)		Work-in-progress	76,657,525	447,240,580	57,986,912	296,934,723
		TOTAL		(1,070,446)		57,878,694

Note	26	EMPLOYEE BENEFITS EXPENSE		
a.		Salaries, Wages and Bonus etc.	311,659,175	229,782,863
b.		Contribution to Provident & Other Funds	14,712,225	10,072,637
c.		Staff Welfare Expenses	10,289,237	7,999,387
		TOTAL	336,660,637	247,854,887

26.1 Disclosures in accordance with Accounting Standard - 15 on Employee benefits

a) Defined Contribution Plans

Contribution towards Defined Contribution Plans, recognized as expenses for the year is ₹147,12,225 (Previous Year ₹100,72,637), excluding ₹1,08,843 (Previous Year ₹7,96,026) transferred to Preoperative Expenses.

b) Defined benefit Plans

As per Actuarial Valuation on 31st March, 2015

i) Expenses recognized in the Statement of Profit & Loss for the year ended 31st March, 2015: (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
1 Current Service Cost	4,996,642	2,988,381	1,869,258	1,342,623
2 Past Service Cost	-	-	-	-
3 Interest Cost	1,609,146	1,253,039	303,930	219,964
4 Expected Return on the Plan Assets	-	-	-	-
5 Net Actuarial (Gain)/ Losses recognized	3,238,416	(1,480,604)	(737,128)	(786,579)
6 Curtailment Cost/ Settlement Cost	-	-	-	-
7 Total Expense	9,844,204	2,760,816	1,436,060	776,008

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note 26 EMPLOYEE BENEFITS EXPENSE (contd.)

26.1 Disclosures in accordance with Accounting Standard - 15 on Employee benefits (contd.)

ii) Net Asset/ (Liability) recognized in Balance Sheet as at 31st March, 2015: (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
1 Present value of Defined Benefit Obligation on 31st March	26,654,993	17,682,923	4,624,591	3,339,895
2 Fair Value of Plan Assets on 31st March	-	-	-	-
3 Funded Status [Surplus/ (Deficit)]	(26,654,993)	(17,682,923)	(4,624,591)	(3,339,895)
4 Net Asset/ (Liability) recognized in Balance Sheet on 31st March	26,654,993	17,682,923	4,624,591	3,339,895

iii) Change in Present Value of Obligation during the year ended 31st March, 2015: (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
1 Present value of Obligation at the beginning of the year	17,682,923	15,469,620	3,339,895	2,715,609
2 Interest Cost	1,609,146	1,253,039	303,930	219,964
3 Past Service Cost	-	-	-	-
4 Current Service Cost	4,996,642	2,988,381	1,869,258	1,342,623
5 Curtailment Cost/ Settlement Cost	-	-	-	-
6 Benefit payments	(872,134)	(547,513)	(151,364)	(151,722)
7 Actuarial (Gain)/ Loss on obligation	3,238,416	(1,480,604)	(737,128)	(786,579)
8 Present value of Obligation at the end of the year	26,654,993	17,682,923	4,624,591	3,339,895

iv) Fair value & changes in fair value of Plan Assets during the year ended 31st March, 2015:

Gratuity & Leave encashment obligations are not funded

v) Actuarial Assumption

Particulars	As on 31st March, 2015	As on 31st March, 2014
1 Discount Rate	7.80%	9.10%
2 Salary Escalation Rate	7.00%	7.00%
3 Expected Rate of Return on Plan Assets	-	-
4 Mortality	Indian Assured Lives Mortality (2006-2008) ultimate Table	Indian Assured Lives Mortality (2006-2008) ultimate Table
5 Withdrawal Rate	15% p.a.	15% p.a.

- c) Employees benefits in the form of defined contribution plans and defined benefit plans (Gratuity & Leave Encashment) are not payable to the Executive Directors of the Company.
- d) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Note 27 FINANCE COSTS	Year ended 31.03.2015		Year ended 31.03.2014	
a. Interest Expense		184,744,882		122,184,657
b. Other borrowing costs		17,977,752		25,442,627
c. Net Loss/ (Gain) on foreign currency transactions and translations		(5,997,201)		10,976,525
TOTAL		196,725,433		158,603,809

Note 28 DEPRECIATION AND AMORTIZATION EXPENSES	Year ended 31.03.2015		Year ended 31.03.2014	
a. Depreciation		188,369,937		124,983,657
b. Amortization		351,968		634,673
TOTAL		188,721,905		125,618,330

Note 29 OTHER EXPENSES	Year ended 31.03.2015		Year ended 31.03.2014	
A. Manufacturing Expenses:				
a. Consumption of Stores & Spares		187,534,416		120,318,930
b. Power and Fuel		570,442,762		387,944,202
c. Processing Charges		83,956,888		59,713,599
d. Excise Duty*		599,452		928,787
e. Repairs to:				
- Machinery	23,118,380		15,937,181	
- Building	5,936,228		11,646,493	
- Others	3,527,155	32,581,763	2,385,002	29,968,676
TOTAL (A)		875,115,281		598,874,194

* Represents excise duty related to variation in opening and closing stocks.

B. Administrative Expenses:				
a. Rent		5,201,157		5,186,136
b. Insurance		8,154,264		6,063,604
c. Rates and Taxes		1,069,422		758,869
d. Travelling and Conveyance		10,415,480		7,795,100
e. Printing and Stationery		3,562,351		2,838,370
f. Postage and Telephones		5,256,441		4,025,268
g. Payments to the Auditors as:				
- Audit Fee	617,980		365,170	
- For Tax / Vat Audit	96,900		101,124	
- For Certification	48,654		85,732	
- For reimbursement of expenses	8,427	771,961	5,618	557,644
h. Cost Auditors' Remuneration:				
- Audit Fee	54,150		53,371	
- For reimbursement of expenses	3,000	57,150	11,427	64,798

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Note	29 OTHER EXPENSES (contd.)	Year ended 31.03.2015		Year ended 31.03.2014	
i.	Listing Fees		542,810		179,162
j.	Directors' Sitting Fee		204,713		140,443
k.	Vehicle Running and Maintenance		7,556,806		6,576,991
l.	Legal and Professional Charges		8,887,540		6,633,660
m.	Filing Fees		1,968,294		20,039
n.	Miscellaneous Expenses		11,440,898		8,488,167
o.	Premium on Forward Exchange amortised		-		2,279,641
p.	Prior period Items (Net)		1,116,263		(20,584)
q.	Provision for Doubtful Debts Written Back		(1,166,084)		(364,007)
r.	Provision for Doubtful Debts/ Advances		3,213,961		1,780,825
s.	Loss on fixed assets sold/ discarded		495,674		128,558
t.	Lease Rent		141,574		141,575
u.	CSR Expenditure		632,000		-
	TOTAL (B)		69,522,675		53,274,259
C.	Selling Expenses:				
a.	Freight and Forwarding charges		146,280,042		128,235,292
b.	Other Selling & Distribution Expenses		17,529,826		13,144,930
	TOTAL (C)		163,809,868		141,380,222
	TOTAL (A+B+C)		1,108,447,824		793,528,675

(Amount in ₹)

Note	30 EARNINGS PER SHARE	2014-15		2013-14	
	Profit attributable to Equity Shareholders for Basic & Diluted EPS		212,277,471		245,184,576
	Less: a) Tax adjustments for earlier years	1,348,406		1,198,200	
	b) Mat Credit (recognition)/ reversal for earlier years	2,819,980		(10,313,111)	
	c) Tax on Preference Dividend	3,743,688	7,912,074	42,488	(9,072,423)
	Net Profit attributable to Equity Shareholders		204,365,397		254,256,999
	Weighted average number of Equity Shares for Basic Earnings per share (Numbers)		15,294,452		15,186,000
	Add: Weighted average number of Potential Equity Share		28,808		-
	Weighted average number of Equity Shares for Diluted Earnings per share (Numbers)		15,323,260		15,186,000
	Nominal Value per Equity Share (₹)		10		10
	Earnings per share				
	- Basic		13.36		16.74
	- Diluted		13.34		16.74

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

	2014-15		2013-14	
	Value (₹)	Percentage of total consumption	Value (₹)	Percentage of total consumption
Note 31 IMPORTED AND INDIGENEOUS RAW MATERIALS AND STORES & SPARES CONSUMED				
(including trial run production)				
a. Raw Material				
- Imported	362,229,166	8.37	514,919,346	13.68
- Indigeneous	3,967,962,446	91.63	3,250,211,564	86.32
	4,330,191,612	100.00	3,765,130,910	100.00
b. Stores & Spares				
- Imported	15,411,112	8.02	20,467,707	15.66
- Indigeneous	176,835,069	91.98	110,241,696	84.34
	192,246,181	100.00	130,709,403	100.00

	2014-15		2013-14	
	Value (₹)	Percentage of total consumption	Value (₹)	Percentage of total consumption
Note 32 CIF VALUE OF IMPORTS				
Raw Materials/ Traded Goods	289,020,152		480,160,349	
Stores & Spares	12,409,434		19,155,771	
Repair to Plant & Machinery	337,765		-	
Capital Goods	59,316,432		432,449,376	

(Amount in ₹)

	2014-15		2013-14	
	Value (₹)	Percentage of total consumption	Value (₹)	Percentage of total consumption
Note 33 EXPENDITURE IN FOREIGN CURRENCY				
Travelling	305,484		715,342	
Commission	347,796		262,948	
Interest	13,211,951		14,833,542	
Repair to Plant & Machinery	346,459		-	
Miscellaneous	11,168		1,575	

	2014-15		2013-14	
	Value (₹)	Percentage of total consumption	Value (₹)	Percentage of total consumption
Note 34 EARNINGS IN FOREIGN CURRENCY				
F.O.B. Value of Exports	305,563,764		413,223,495	

	2014-15		2013-14	
	Value (₹)	Percentage of total consumption	Value (₹)	Percentage of total consumption
Note 35 PRE-OPERATIVE EXPENSES				
(relating to Expansion/ Greenfield Projects and included in Capital Work in progress)				
Opening Balance	33,708,551		94,966,307	
Add: a) Raw Material Consumed	337,341,724		464,285,162	
b) Employee benefits expense	17,124,934		40,650,345	
c) Depreciation/ Amortization expense	-		585,559	
d) Other Expenses	67,139,662		109,673,963	
e) Finance costs	25,199,211	446,805,531	81,321,930	696,516,959
		480,514,082		791,483,266
Less: a) Sale of Finished Goods	319,786,079		580,575,148	
b) Other Income	(119,049)		2,590,805	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

		2014-15		2013-14	
Note	35	PRE-OPERATIVE EXPENSES (contd.)			
	c) Inventory :				
	- Finished Goods	82,649,624		78,533,683	
	- Work in Progress	9,777,539	412,094,193	23,096,021	684,795,657
	Total		68,419,889		106,687,609
Less:	Allocation to Fixed Assets		68,419,889		72,979,058
	Closing Balance		-		33,708,551

Note 36 SEGMENT INFORMATION

a) Primary Segment (by Business Segment):

Based on the guiding principles given in the Accounting Standard on Segment Reporting (AS-17), Company is primarily in the business of manufacture and sale of Polyester Staple Fibre and Polyester Yarn which are mainly having similar risks and returns. Since Company's business activity falls within a single business segment (synthetic textile), hence it has no other primary reportable segments.

b) Secondary Segment (by Geographical demarkation):

(Amount in ₹)

		2014-15		2013-14	
	Revenue from Operations (net of excise duty):				
	- Domestic (Within India)	5,892,749,364		4,558,199,813	
	- Export	339,730,195		436,569,037	
	TOTAL	6,232,479,559		4,994,768,850	

Note 37 RELATED PARTY DISCLOSURES

37.1 Names of related parties & description of relationship:

A. Key Management Personnel:

- | | |
|--------------------------------|--------------------------------|
| 1. Shri Shyam Sunder Sharmma | Chairman cum Managing Director |
| 2. Shri Vishnu Dutt Khandelwal | Executive Vice Chairman |
| 3. Shri Sharad Sharma | Joint Managing Director |
| 4. Shri Rajesh Sharma | Executive Director |
| 5. Shri Gopal Singh Shekhavat | Director Administration |

B. Relatives of Key Management Personnel:

- | | |
|----------------------------|-------------------------------------|
| 1. Smt. Vimal Sharma | Wife of Shri Shyam Sunder Sharmma |
| 2. Smt. Nirmal Khandelwal | Wife of Shri Vishnu Dutt Khandelwal |
| 3. Smt. Seema Sharma | Wife of Shri Sharad Sharma |
| 4. Smt. Ratna Sharma | Wife of Shri Rajesh Sharma |
| 5. Shri Sandeep Khandelwal | Son of Shri Vishnu Dutt Khandelwal |
| 6. Shri Yash Sharma | Son of Shri Sharad Sharma |

C. Companies & Concerns Controlled by Key Management Personnel/Relatives:

- Sandeep Yarns Pvt. Ltd.
- GPL Finance Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

Note 37 RELATED PARTY DISCLOSURES (contd.)

37.2 Summary of Transactions:

(Amount in ₹)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Companies Controlled by Key Management Personnel/ Relatives
i) Transactions during the year			
Managerial Remuneration	28,000,000 (15,520,000)	- (-)	- (-)
Salary	- (-)	1,130,000 (1,005,000)	- (-)
Reimbursement of Expenses	137,283 (76,657)	88,597 (367)	- (-)
Interest paid	3,063,077 (3,074,931)	176,080 (214,020)	570,360 (202,097)
Interest Received	47,210 (92,347)	- (-)	- (-)
Unsecured Loan/Fixed Deposit Accepted	26,930,000 (34,600,000)	- (1,707,000)	3,225,000 (3,500,000)
Unsecured Loan/Fixed Deposit Repaid	66,180,000 (10,622,409)	1,987,000 (865,000)	- (-)
Loans & Advances received back*	877,550 (234,857)	- (-)	- (-)
Money received against Share Warrants	- (-)	227,04,000 (7,568,000)	- (-)
ii) Amount outstanding at Balance Sheet date			
Unsecured Loans/Fixed Deposits Outstanding	- (39,250,000)	- (1,987,000)	6,725,000 (3,500,000)
Loans & Advances Receivable	- (877,550)	- (-)	- (-)
Amounts Payable	892,176 (1,137,970)	45,846 (137,038)	164,163 (172,202)

*Loan was given to a Director prior to his appointment as Director.

37.3 No amount has been written off or written back during the year in respect of debts due from or to related parties. (Previous Year Nil).

37.4 The Company has not given/provided any guarantee/collaterals for and on behalf of the aforementioned related parties.

37.5 Previous year figures have been given in brackets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(Amount in ₹)

Note 38 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)		As at 31.03.2015	As at 31.03.2014
i) Contingent Liabilities			
a)	Bills Discounted under Letters of Credit and outstanding	63,484,109	87,246,962
b)	Claims against the Company not acknowledged as debt	2,247,938	2,205,938
c) Disputed Tax matters under appeal:			
	- Income Tax Demand	2,818,417	250,000
	- Entry Tax Liability	2,787,849	2,787,849
	- Excise Duty Liability	-	1,557,031
	- Service Tax	295,722	-
d)	Appeal filed against the Company before Hon'ble Supreme Court in respect of amount received by the Company under an award decided in favour of the Company	-	8,097,600
e)	Service Tax Refund disputed by Customs, Central Excise and Service Tax Department in CESTAT	-	228,259
ii) Commitments			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	12,498,082	66,695,616
b)	Undertakings given by the Company to fulfil quantified exports in respect of capital goods imported under the Export Promotion Capital Goods Scheme of the Government of India (Net of obligations fulfilled)	208,027,786	207,233,062

Note 39 FINANCIAL & DERIVATIVES INSTRUMENTS

Nominal value of Forward Contracts entered into by the Company for hedging foreign currency risks and outstanding as on 31st March, 2015 amounting to ₹2,36,57,797 (Previous Year ₹3,92,07,720)

Un-hedged Foreign Currency exposure that are not hedged by derivative instruments or forward contracts as at 31st March, 2015 amounting to ₹42,17,83,596 (Previous Year ₹46,61,58,454).

Note 40 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

There are no dues to Micro, Small and Medium Enterprises as at 31st March, 2015 (Previous year Nil). The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified based on the information available with the Company.

Note 41

Previous year figures have been reclassified to conform to this year's classification.

In terms of our annexed report of even date

FOR MEHROTRA RAKESH KUMAR & CO.

Chartered Accountants

(Registration No. 002978C)

For and on behalf of the Board

Deepak Seth

Partner

Membership No. 073081

Sharad Sharma

Joint Managing Director

Shyam Sunder Sharmma

Chairman and Managing Director

Place: Kanpur

Dated: 30th May, 2015

Bharat Kumar Sajjani

Company Secretary

Gopal Agarwal

Chief Financial Officer



GANESHA ECOSPHERE LTD.

CIN : L51109UP1987PLC009090

Regd. Office : Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)

E-mail : gesl@ganishaecosphere.com, Website : www.ganishaecosphere.com

Tel. No.: 0512-2154183, 2555504-06 Fax No. : 0512-2555293

NOTICE

NOTICE is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Members of GANESHA ECOSPHERE LTD. will be held on Saturday, the 19th day of September, 2015 at 1:00 P.M. at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of the Interim Dividend on Compulsorily Convertible Preference Shares ("CCPS") and to declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Gopal Singh Shekhavat (DIN: 06591844), who retires by rotation and being eligible, offers himself for re-appointment.

4. To ratify the appointment of the Auditors of the Company made at the last Annual General Meeting and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s. Mehrotra Rakesh Kumar & Co., Chartered Accountants, (ICAI Registration No. 002978C) as Auditors of the Company, made at the Twenty-fifth Annual General Meeting held on 29th September, 2014 for a period of three years, be and is hereby ratified for the period from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Auditors be paid such remuneration as may be fixed by the Board of Directors of the Company in consultation with the audit committee."

SPECIAL BUSINESS:

5. To re-appoint Shri Shyam Sunder Sharma (DIN: 00530921) as Managing Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said

Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Shyam Sunder Sharma (DIN: 00530921) as Managing Director of the Company, for a period of three years with effect from 18th September, 2015 on the following terms and conditions as approved by the Nomination & Remuneration Committee:-

A) SALARY:

₹2,00,000/- (Rupees Two Lakh only) per month.

B) COMMISSION:

The Managing Director shall be entitled to Commission @1% of the Net Profits of the Company in the year(s) of adequate profits.

C) PERQUISITES:

1. The Managing Director shall be entitled to the perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for utilisation of gas, electricity, water, reimbursement of medical expenses, leave travel concession for self and family including dependents, club fees, premium towards personal accident insurance and medi-claim and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors from time to time, subject however that the aggregate monetary value of the perquisites in any year shall not exceed ₹6,00,000/- per annum without restriction to any sub limit on individual perquisite.

Explanation:-

"Family" here means the spouse and dependent children of the Managing Director.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose, mobile and basic telephone at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the reimbursement of medical expenses as stated in Para I above, in case of medical expenses of exceptional nature incurred on the treatment of the Managing Director and his family, the Board of Directors shall have the discretion to reimburse the actual expenses incurred by him including on travel, notwithstanding that the total perquisites may exceed the limit of ₹6,00,000/- (Rupees Six Lacs only) in any financial year subject, however, to necessary approvals.

II. The Managing Director shall be entitled to reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the business of the Company.

D) ADDITIONAL REMUNERATION:

In addition to the Salary, Commission & Perquisites, as specified supra, the Managing Director shall be entitled to receive additional remuneration based upon the quarterly financial performance of the Company, subject to the condition that the total remuneration payable to him shall not exceed 5% of the Net Profits of the Company for the year and 10% of the Net Profits of the Company payable to all the Managerial Personnel taken together. The composition, mode and manner of payment of such additional remuneration shall be finalized in consultation with the Managing Director."

"RESOLVED FURTHER THAT where in any financial year during the currency of term of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Managing Director, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, subject however to the provisions of Schedule V to the Companies Act, 2013 and such approvals as may be required."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary and modify the terms and conditions of appointment of Shri Shyam Sunder Sharma from time to time, during the tenure of his appointment as Managing Director of the Company including salary, commission, perquisites and additional remuneration, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution."

6. To ratify the remuneration of the Cost Auditors in respect of Company's product 'Yarn', for the financial years ending 31st March, 2015 and 2016 and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby approves the remuneration of M/s. R.M. Bansal & Co., Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company in respect of its product 'Yarn' for the financial years ending 31st March, 2015 and 2016 at ₹27,500/- per year, plus taxes as applicable and re-imbusement of actual travel/ conveyance and out-of-pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To ratify the remuneration of the Cost Auditors in respect of Company's product 'Recycled Polyester Staple Fibre', for the financial years ending 31st March, 2015 and 2016 and in this regard, to consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby approves the remuneration of M/s. Rakesh Misra & Co., Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company in respect of its product 'Recycled Polyester Staple Fibre' for the financial years ending 31st March, 2015 and 2016 at ₹20,000/- and ₹25,000/- respectively, plus taxes as applicable and re-imbusement of actual travel / conveyance and out-of-pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Date: 10th August, 2015.

By Order of the Board

Registered Office:

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat.

(Bharat Kumar Sajnani)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. A Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business under Item Nos. 5, 6 and 7 as set out above is annexed hereto.
5. The Register of Members and Share Transfer books of the Company shall remain closed from **Sunday, 13th September, 2015 to Saturday, 19th September, 2015 (both days inclusive)**.
6. The Dividend on Equity Shares, as recommended by Board of Directors, subject to the provisions of Section 126 of the Companies Act, 2013, if approved by the Members at the Annual General Meeting, will be paid to those Members:-
 - (a) whose names appear as 'Beneficial Owners' as at the end of the business hours on **12th September, 2015** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of Equity Shares held in dematerialised form; and
 - (b) whose names appear on the Company's Register of Members after giving effect to valid share transfer request(s) lodged with the Company / its Registrar and Share Transfer Agent on or before the close of business hours on **12th September, 2015**, in respect of Shares held in physical form.
7. Members holding Shares in identical order of names in more than one folio are requested to write to the Company's Registrar & Share Transfer Agents, M/s Skyline Financial Services Private Limited, enclosing the Share Certificates for consolidation of their holdings into one folio.
8. Members holding Shares in physical form may write to the Company's Registrar & Share Transfer Agents, M/s. Skyline Financial Services Private Limited for any change in their address, if any, under their signatures clearly quoting their folio numbers, old address along with a valid address proof showing the changed address with Pin Code and Members holding Shares in electronic form may inform any change in address to their Depository Participants.
9. As per the Circular Nos. MRD/ DoP/ Cir-05/ 2009 and SEBI/ MRD/ DoP/ SE/ RTA/ Cir-03/2010 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer/ transposition/ transmission of shares in physical form. Therefore, the transferee(s)/ legal heir(s) are required to furnish a copy of their PAN card to the Registrar & Share Transfer Agent of the Company.
10. Members holding Shares in electronic form are requested to provide their Client-Id and DP-Id numbers at the Meeting for easy identification.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members desirous of obtaining any information/ clarification concerning the Accounts and operations of the Company may send their query so as to reach the Company at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.
13. The Shares of the Company are compulsorily tradable in demat form. The Equity Shares of the Company have been assigned ISIN INE845D01014. Members are requested to get their Shares dematerialized at the earliest to make them tradable.
14. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the Company to make remittance by means of ECS. Members holding shares in physical form may obtain and send the ECS mandate form to Registrar and Share Transfer Agent (RTA) of the Company i.e. M/s Skyline Financial Services Private Limited, D-153/A, First Floor, Okhla Industrial Area, Phase I, New Delhi-20, India. Members holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Members who have already furnished the ECS Mandate Form to the Company/ Registrar and Share Transfer Agent/ DP with complete details need not send it again.
15. The Members holding shares in physical form and not opted for ECS facility, may please mail their banker's name, branch address and account number to M/s Skyline Financial Services Private Limited, Registrar and Share Transfer Agent of the Company to enable them to print these details on the dividend warrant.

Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
16. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amount which

remains unpaid/ unclaimed for a period of 7 (seven) years are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the Members whatsoever on the said amount. Members, who have not encashed their dividend warrants, may write to the Company for revalidation/ issue of duplicate dividend warrant.

17. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts [as referred to in section 205C(2)] lying with the Company as on 29th September, 2014 (date of the last Annual General Meeting of the Company) on the website of the Ministry of Corporate Affairs viz. <http://www.iepf.gov.in>. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the said website and lodge their claim with the Company's Registrar and Transfer Agents, M/s Skyline Financial Services Private Limited, before the same is due for transfer to the IEPF.
18. In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company. For members who request for a hard copy and for those who have not registered their e-mail addresses, physical copies are being sent through the permitted mode.
19. The annual report and the Notice of the 26th AGM will also be available on the Company's website www.ganeshaecosphere.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office as well as Administrative Office for inspection during business hours.
20. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register/update the same in respect of equity shares held by them in demat form with their respective DP and in the case of physical form with the Company or its RTA on admin@skylinerta.com.
21. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Members may submit their request to the Company's Registrar & Share Transfer Agents, M/s Skyline Financial Services Private Limited, in the prescribed Form SH-13 for nomination and Form SH-14 for cancellation/ variation in nomination already made, as the case may be. The Forms will be sent by the Company/ RTA upon such request. Members holding shares in demat mode may contact their respective Depository Participant (DP) for availing this facility.

22. Non- Resident Indian Members are requested to inform immediately:

- a) Change in their residential status on return to India for permanent settlement.
- b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier, to Company's Registrar & Share Transfer Agent, M/s Skyline Financial Services Private Limited, in case of shares held in physical form and to respective Depository Participant, in case of shares held in Demat form.

23. Voting through electronic means:

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Clause 35B of the Listing Agreement, **the Company is providing its members the facility to exercise votes by electronic means (remote e-voting) in respect of any or all of the resolutions contained in this notice and the business may be transacted through e-voting services.** Necessary arrangements have been made by the Company with NSDL to facilitate remote e-voting. Remote E-voting is optional and members shall have the option to vote either through remote e-voting or in person at the Annual General Meeting. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	From 10:00 A.M. on September 16, 2015
End of remote e-voting	Up to 5:00 P.M. on September 18, 2015

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

The Cut- off date for the purpose of remote e-voting and voting at the Annual General Meeting is Saturday, September 12, 2015.

Instructions relating to remote e-voting are as under:

- A. A shareholder who receives e-mail from NSDL [for shareholders whose e-mail IDs are registered with the RTA/Depository Participant (s)] is requested to:
 - i. Open e-mail and open PDF file viz; "GESL_e-voting.pdf" with his/her Client ID or Folio No. as password. The said PDF file contains his/her user ID and password/PIN for remote e-voting. Shareholders may please note that the password is an initial password.
 - ii. Launch Internet browser by typing the URL: <https://www.evoting.nsdl.com>
 - iii. Click on Shareholder-Login.
 - iv. Put userID and initial password/PIN noted in step (i) above. Click Login. If you are already registered with

NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com

- v. If you are logging in for the first time, Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
 - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - vii. Select "EVEN"(Remote Electronic Voting Event Number) of Ganesha Ecosphere Ltd.
 - viii. Now the shareholder is ready for remote e-voting as Cast Vote page opens.
 - ix. Shareholder may cast his/her vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the shareholder has voted on the resolution, he/she will not be allowed to modify his/her vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sk_gupta1@rediffmail.com with a copy marked to evoting@nsdl.co.in
 - xiii. Kindly note that login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, shareholder will need to go through "forget password" option available on the site to reset the same.
- B. In case a shareholder receives physical copy of the E-Voting form alongwith the Notice of AGM [for shareholders whose e-mail IDs are not registered with the RTA/Depository Participant(s) or requesting physical copy]:**
- i. Initial password is provided hereinabove.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of item (A) above, to cast vote.
- C.** In case of any queries, the shareholder may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no. 1800-222-990.
- D.** Shareholder can also update his/her mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- E. General Instructions:**
- i. The facility of voting through ballot paper shall also be made available at the Meeting. Members

attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.

- ii. Members who have cast their vote by remote e-voting prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.
 - iii. The voting rights of the shareholders (for voting through remote e-voting or by ballot paper at the Meeting) shall be in proportion to their shares of the paid-up equity share capital of the Company as on 12th September, 2015 (i.e. the "Cut-Off Date").
 - iv. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
 - v. Any person, who acquires shares of the Company and become member of the Company after 21st August, 2015 i.e. BENPOS date considered for dispatch of the notice and holdings shares as on the cut off date i.e. 12th September, 2015, may obtain the login Id and password by sending a request at evoting@nsdl.co.in.
 - vi. **Mr. S. K. Gupta, Practising Company Secretary (Membership No. F2589 and Certificate of Practice No.- 1920) of M/s. S.K. Gupta & Co., Company Secretaries**, has been appointed as the Scrutinizer by the Company to scrutinize the remote e-voting process in a fair and transparent manner.
 - vii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper/Polling Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
 - viii. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
 - ix. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.ganeshaecosphere.com and on the website of NSDL immediately after the declaration of result by the Chairman. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed.
24. The relevant details in respect of Item Nos. 3 and 5 pursuant to Clause 49 of the Listing Agreement are as below:

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT:

Particulars	Shri Gopal Singh Shekhavat	Shri Shyam Sunder Sharma
Date of Birth	15th June, 1953	2nd July, 1943
Date of Appointment	25th May, 2013	19th June, 1989
Qualification	B.A.	M.Com.
Experience and Expertise in specific functional area	Having rich experience spanning over 42 years in textile industry.	Textile technocrat having management experience of over 51 years.
Chairman/ Director of other Companies (excluding foreign Companies)	NIL	Sandeep Yarns (P) Ltd.
Chairman/ Member of Committee of the Board of other Companies of which he is a Director	NIL	NIL
Shareholding in Ganesha Ecosphere Ltd.	400 Equity Shares of ₹10/- each.	19,38,927 Equity Shares of ₹10/- each.
No. of Board Meetings attended during the financial year 2014-15	5	8

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5:

The Members at the 21st Annual General Meeting of the Company held on 18th September, 2010, approved the re-appointment of Shri Shyam Sunder Sharma as Managing Director of the Company for a period of five years with effect from 18th September, 2010 and his term of appointment expires on 17th September, 2015. Considering the experience and valuable contribution made by Shri Shyam Sunder Sharma, the Board of Directors of the Company at its meeting held on 10th August, 2015, subject to the approval of members, re-appointed Shri Shyam Sunder Sharma as Managing Director of the Company, for further period of 3 (three) years w.e.f. 18th September, 2015. The terms and conditions of his re-appointment are in accordance with the provisions of Schedule V to the Companies Act, 2013 and have been approved by the Board as recommended by the Nomination and Remuneration Committee of the Board.

Section 196 of the Companies Act, 2013 (the 'Act'), inter-alia, provides that no company shall appoint a person who has attained the age of 70 years, as Managing Director, Whole Time Director or Manager unless his appointment is approved by a special resolution. Part-I of Schedule V to the Act contains a

similar provision. As Shri Shyam Sunder Sharma has attained the age of 72 (seventy two) years, it is intended to seek approval of the members by way of special resolution, for his re-appointment as Managing Director in compliance with the relevant provisions of the Act.

Shri Shyam Sunder Sharma satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. He is founder and instrumental in bringing the Company to the present stage and he is fit enough to discharge his duties and managerial responsibilities.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Except Shri Shyam Sunder Sharma himself, Shri Vishnu Dutt Khandelwal, Shri Sharad Sharma, Shri Rajesh Sharma and their relatives, being related to him, none of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

Information pursuant to Section II of Part II of Schedule V of the Companies Act, 2013

I. General Information

1.	Nature of Industry	Manufacturing			
2.	Date or expected date of commencement of commercial production	Not applicable, as the Company is already in operation.			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
4.	Financial performance based on given indicators	Particulars	Financial Years (₹in crores)		
			2014-15	2013-14	2012-13
		Total Revenue	624.95	501.03	436.36
		Profit after tax	23.07	24.54	24.12
5.	Foreign investment or collaborations, If any	Not applicable			

II. Information about the Managing Director:

i. Background details

Mr. Shyam Sunder Sharmma, founder of the Company, aged 72 years, is a post-graduate in commerce. He is a first generation entrepreneur and textile technocrat having management experience of over 51 years including 25 years with various Birla Group Companies in senior positions.

ii. Past Remuneration

Financial Year	Salary, Allowances & Perquisites (₹)	Performance Link Remuneration (₹)	Total (₹)
2014-15	20,40,000/-	60,67,500/-	81,07,500/-
2013-14	20,40,000/-	9,00,000/-	29,40,000/-
2012-13	20,40,000/-	65,35,000/-	85,75,000/-

iii. Recognition or awards

Under the leadership of Mr. Shyam Sunder Sharmma, your Company was awarded coveted 'Silver Shield' for Excellence in Financial Reporting by ICAI in year, 2010 and coveted 'Business Today-Yes Bank Star SME Award' in the overall medium category in year, 2011.

iv. Job Profile and his suitability

Mr. Shyam Sunder Sharmma is associated with the Company as Chairman-cum-Managing Director since 1989. He is responsible for looking into the overall management, strategic planning and development of the Company. The Managerial experience and valuable contribution made by him makes him most suitable for the responsibilities assigned to him by the Board of Directors.

v. Remuneration Proposed

In case of inadequacy of profits or no profits, the Company intends to pay remuneration by way of salary and perquisites as stated in the proposed special resolution as minimum remuneration.

vi. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The remuneration payable to Mr. Shyam Sunder Sharmma has been benchmarked with the remuneration being drawn by persons in similar positions in Manufacturing Industry and has been approved by the Nomination and Remuneration Committee of the Company.

vii. Pecuniary relationship with the Company or relationship with the managerial personnel:

Mr. Shyam Sunder Sharmma is drawing remuneration in the capacity of managerial personnel and he is relative of Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma and Mr. Rajesh Sharma, the managerial personnel of the Company.

III. Other information:

Not Applicable, as the Company has adequate profits during the year.

IV. Disclosures:

Disclosures regarding Remuneration package of Mr. Shyam

Sunder Sharmma is given under Corporate Governance Report forming a part of Annual Report.

The resolution along with accompanying Statement may be treated as a written memorandum setting out the terms of re-appointment of Shri Shyam Sunder Sharmma within the meaning of Section 190 of the Companies Act, 2013.

Item Nos. 6 & 7:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the cost auditors to conduct the audit of the cost records of the Company's products 'Yarn' and 'Recycled Polyester Staple Fibre', for the financial years ending 31st March, 2015 and 2016 as per the following details:

Name of the Cost Auditor	Product	Audit fees
M/s. R.M. Bansal & Co.	Yarn	₹27,500/- (₹Twenty Seven Thousand Five Hundred only) per year, for financial years 2014-15 and 2015-16, plus taxes as applicable and re-imbursement of travel/ conveyance and out-of-pocket expenses incurred in connection with the Audit.
M/s. Rakesh Misra & Co.	Recycled Polyester Staple Fibre	₹20,000/- (₹Twenty Thousand only) and ₹25,000/- (₹Twenty Five Thousand only), for financial years 2014-15 and 2015-16, respectively, plus taxes as applicable and re-imbursement of travel/ conveyance and out-of-pocket expenses incurred in connection with the Audit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the shareholders is sought for passing Ordinary Resolutions as set out at Item Nos. 6 & 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial years ending 31st March, 2015 and 2016.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 6 & 7 of the Notice.

The Board recommends the resolutions set out at Item Nos. 6 & 7 of the Notice for approval by the shareholders.

Date: 10th August, 2015.

By Order of the Board

Registered Office:

Raipur, (Rania), Kalpi Road,

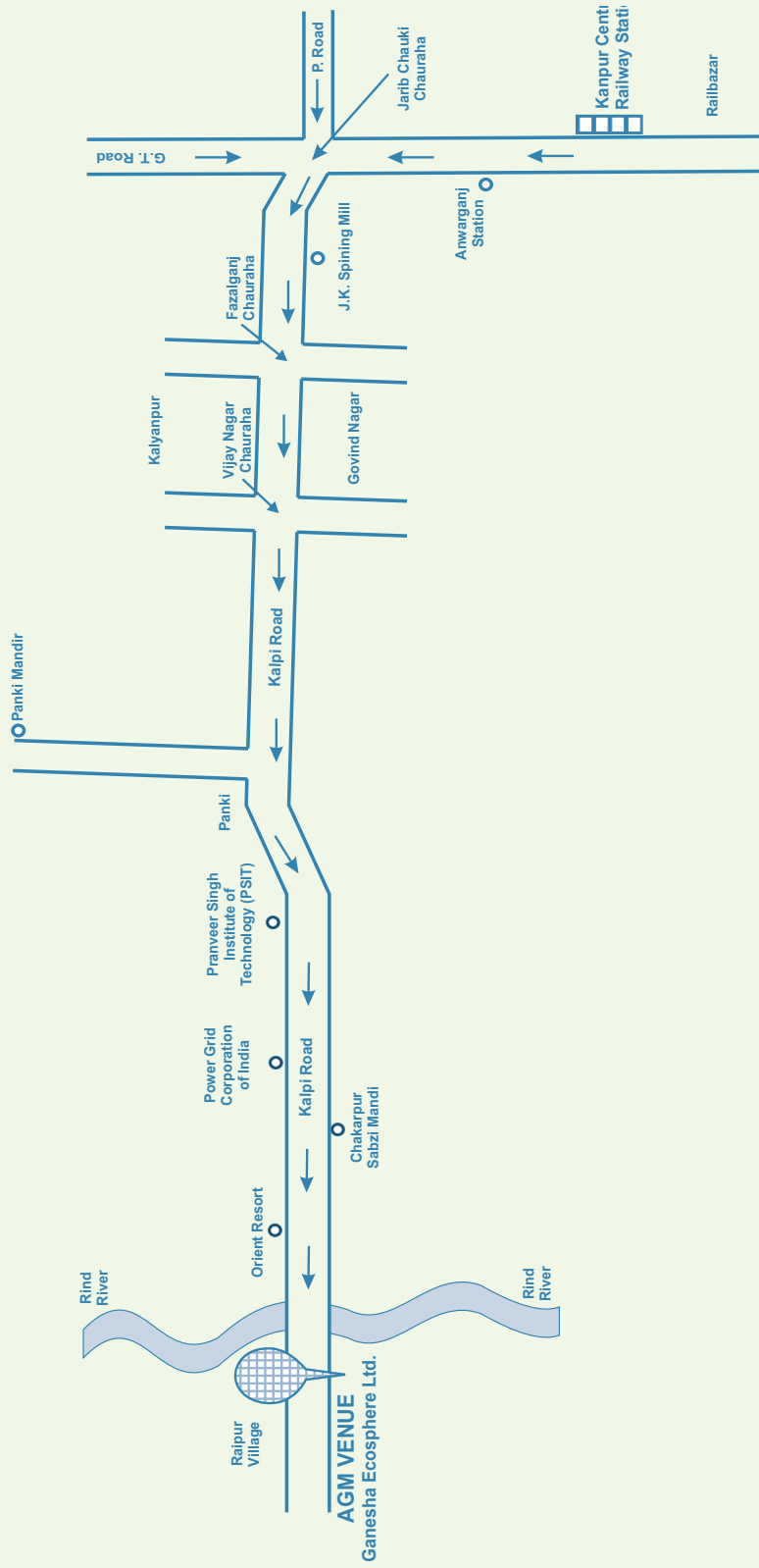
(Bharat Kumar Sajani)

Distt. Kanpur Dehat.

Company Secretary

ROUTE MAP

Ganeshha Ecosphere Ltd.
AGM VENUE
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat



CORPORATE INFORMATION

Board of Directors

Shri Shyam Sunder Sharmma
Shri Vishnu Dutt Khandelwal
Shri Sharad Sharma
Shri Rajesh Sharma
Shri Gopal Singh Shekhavat
Shri Surendra Kumar Kabra
Shri Pradeep Kumar Goenka
Shri Vishwa Nath Chandak
Shri Anoop Gupta
Smt. Poonam Garg
Shri Abhilash Lal
Shri Narayanan Subramaniam

Chairman and Managing Director
Executive Vice Chairman
Joint Managing Director
Executive Director
Director-Administration

Chief Financial Officer

Shri Gopal Agarwal

Company Secretary

Shri Bharat Kumar Sajnani

Auditors

M/s. Mehrotra Rakesh Kumar & Co.
Chartered Accountants, Kanpur

Bankers

State Bank of India
Allahabad Bank
Bank of Baroda

Offices

Administrative office

113/216-B, Swaroop Nagar,
Kanpur-208002, Uttar Pradesh
Email: gesl@ganeshaecosphere.com
Tel: +91-512-2555504-06
Fax: +91-512-2555293

Registered Office

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat, Uttar Pradesh
Email : geslworksknp@ganeshaecosphere.com
Tel: +91-512-2154183

Works

1. Kanpur Unit

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat, Uttar Pradesh

2. Rudrapur Unit

Plot No. 6, Sector -2,
Integrated Industrial Estate,
Pantnagar, Uttarakhand.

3. Bilaspur Unit

- a) Khata No. 96 and 97,
Arazi Village Kotha, Ali Nagar,
Pargana and Tehsil Bilaspur,
Distt. Rampur, Uttar Pradesh.
- b) Gata No. 112, Village Temra, Tehsil Bilaspur,
Distt. Rampur(U.P.)

Website

www.ganeshaecosphere.com

"THE KEY OF PERSISTENCE OPENS ALL DOORS CLOSED BY RESISTANCE"
JOHN DI LEMME



GANESHA ECOSPHERE LTD.
113/216-B, SWAROOP NAGAR,
KANPUR-208002, UTTAR PRADESH