



Responsibility + Opportunity

= Sustainability

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What goes around, comes around. In other words, what you give out in the world decides what you get back for yourself. For us, that element has been sustainability.

We've always geared towards ensuring a healthy and sustainable environment. Generating profit has been one part of our story. The bigger part has been taking up the responsibility of making a difference within the ecosystem and the communities by recycling PET bottles and utilizing the resources around us. With the growing awareness regarding the environment, the opportunities have been ripe for us to strive harder towards making sustainable environment a reality.

And by combining our responsibilities with the ongoing opportunities, we've succeeded in making our own operations sustainable. We're on our way to becoming a high-performance organisation with world-class infrastructure, R&D support, and high-quality products.

Sustainability is indeed
a two-way street!



Every business starts as an idea. Innovative business ideas have the power not just to generate profits, but also resolve critical environmental problems. It helps to transform communities. One such business is ours.

Ganesha Ecosphere has pioneered in the manufacture of Recycled Polyester Staple Fibre (RPSF) and Yarn from PET bottle scrap in India. With almost three decades of existence, the Company has emerged as one of the leading PET Recycling Company in the country.

Started in 1987 by Mr. Shyam Sunder Sharmma, the Chairman & Managing Director of the Company, our products are eco-friendly and consumed by downstream industries engaged in the manufacture of textiles, functional textiles and fillings.





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.

RPSF
(RECYCLED
POLYESTER
STAPLE
FIBRE)

87,600

TPA Capacity

87%

Capacity
utilisation

75%

Share of total
manufacturing
revenue in 2015-16

6 years

Average age of
machines

DYED
TEXTURISED/
TWISTED
FILAMENT
YARN

3,000

TPA Capacity

63%

Capacity
utilisation

5%

Share of total
manufacturing
revenue in 2015-16

15 years

Average age of
machines

RECYCLED
SPUN YARN

7,200

TPA Capacity

99%

Capacity
utilisation

20%

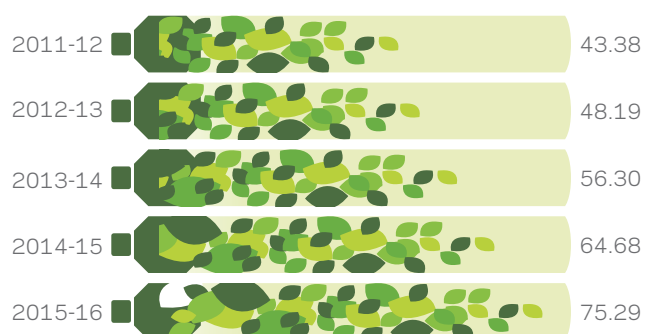
Share of total
manufacturing
revenue in 2015-16

3 years

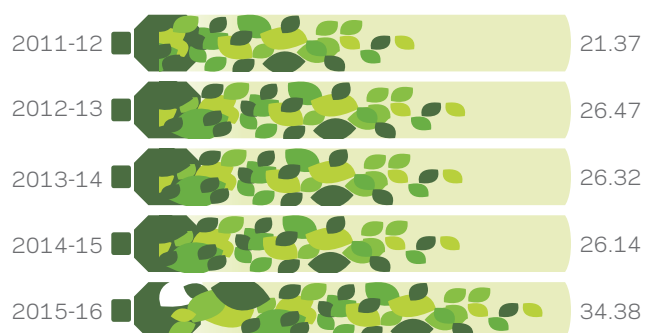
Average age of
machines

RESPONSIBILITY DRIVES SUSTAINABILITY

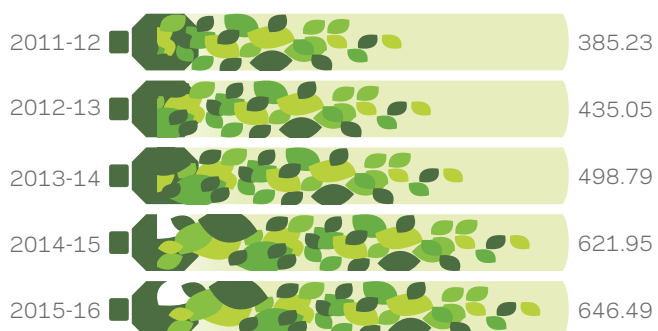
EBIDTA (₹ in crore)



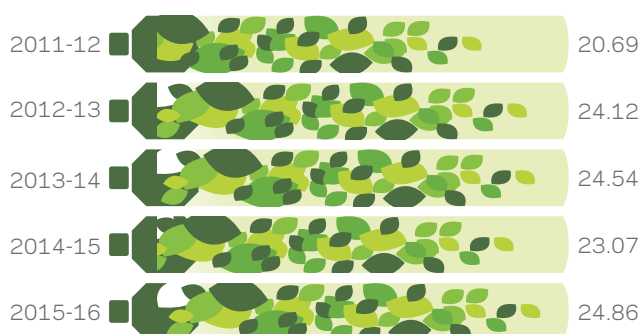
PBT (₹ in crore)



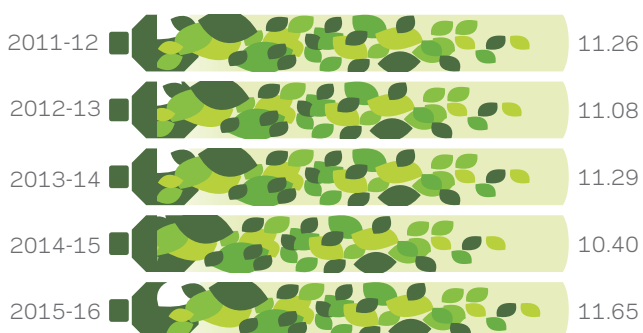
Revenues (₹ in crore)

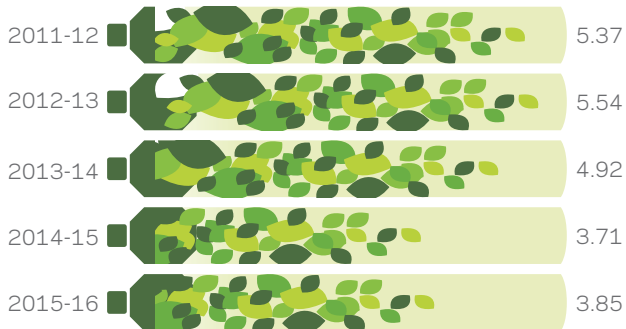
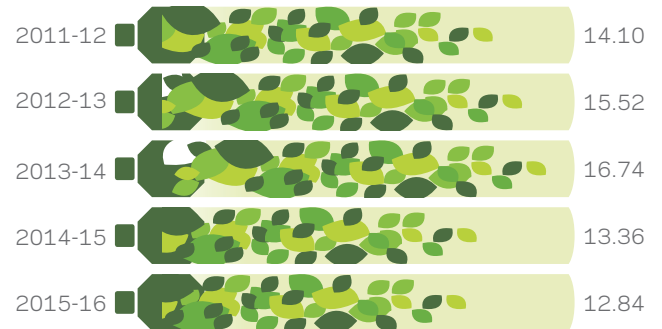
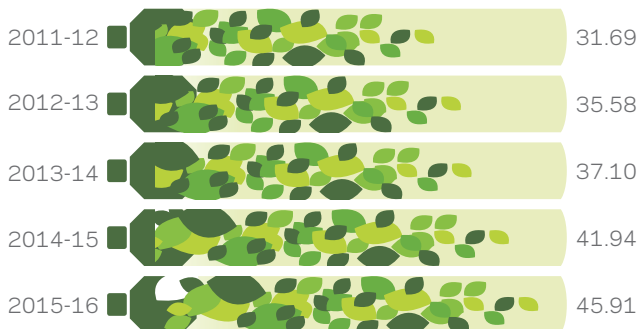
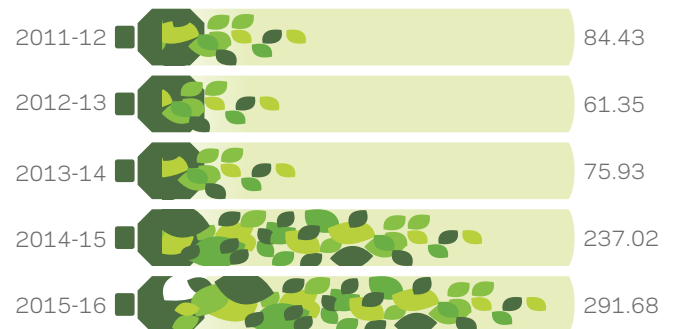


PAT (₹ in crore)

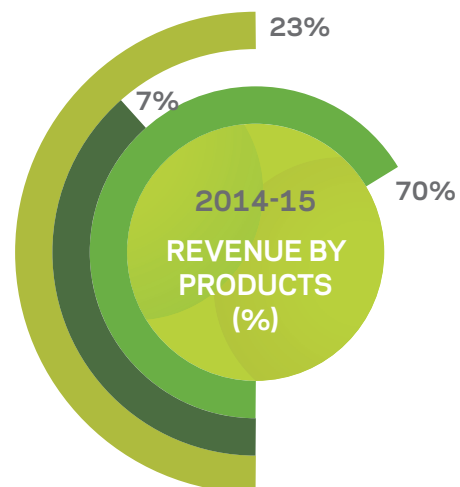
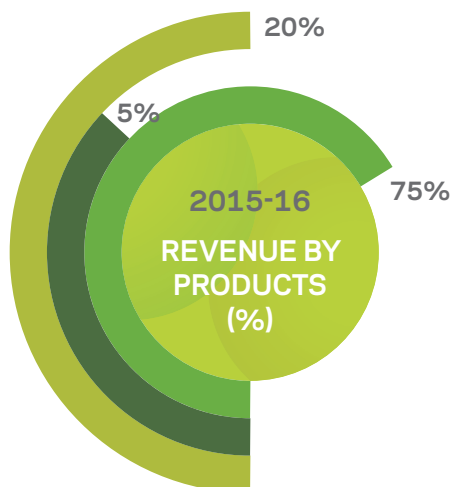


EBIDTA margin (%)



PAT margin (%)**Earnings per share (₹)****Cash Profit (₹ in crore)****Market Capitalisation* (₹ in crore)**

*As on 31st March for each year



RPSF

Dyed Texturised /
Twisted Filament yarn

Recycled Spun Yarn

The pie charts represents revenue from
manufacturing activity only

CHAIRMAN'S MESSAGE



Dear Shareholders,

I am happy to announce that we posted a strong result during the FY2015-16 despite the ongoing macroeconomic scenario. Understanding the steep decline in polyester and crude oil prices, the Company showcased its true spirit by recording increase in production by more than 20% and sustainable rise in revenues and profitability by 4% and 8% respectively. Our continued efforts and growing tie-ups helped us strengthen our leadership position in the recycling industry. We believe that our hard work, dedication and innovative technology will help us create sustainable value for all our shareholders.

Performance Highlights

At a time when a number of macroeconomic developments conspired to create an inhospitable environment for growth and were generally outside the Company's control, we reorganised with speed and precision, taking some key measures.

First, we successfully completed the first full year of operations of our expanded RPSF capacity of Bilaspur Unit. With this achievement, we are now well positioned to rebalance our supplies aligning to demand variations. With an expanded capacity of more than 21,000 TPA, the new unit contributed 22% of the total production of the Company.

Second, Company successfully passed on steep fall in prices of its finished products, towing the price fall in Crude Oil prices, to its raw material suppliers and thereby minimizing the impact of price fall in its finished products.

Third, RPSF products of Bilaspur Unit got overwhelming response in the market due to superior quality and placed at premium over other products of the Company.

Fourth, Company added new set of customers and thus widening its customer base as well as deepening its market reach.

Fifth, our profit after tax improved by 8% despite higher provisioning of tax by ₹ 645 lac on expiry of tax holiday period at Rudrapur Unit of the Company.

Economy Overview

Slowdown in China and decrease in oil prices were the primary reasons for bleak macro economic conditions globally. Advanced economies are mostly making a modest recovery, while many emerging market and developing economies are under strain from the rebalancing of the Chinese economy, lower commodity prices and capital outflows.

However, India continued to emerge a stronger nation with GDP growth of 7.6% during FY2015-16 as against 7.2% during the previous year. Emerging as the world's fastest economy, the growth was substantiated by increase in per capita income, rebound in farm output, and an improvement in power generation. The dropping crude oil prices did result

in curbing the fiscal deficit to a large extent. Now, with the crude prices moving up steadily, economies across the globe are expected to get back to the path of stability and growth.

Changing Industry Dynamics

Plastic Waste Management Rules, 2016 issued by the Ministry of Environment, Forest and Climate Change puts extended responsibility for collection of plastic scraps to manufacturers, producers and bulk generators. This will ensure increased collection of plastic waste, greater investments in waste collection processes, higher income for waste collectors/ rag pickers, elimination of intermediaries and transformation of plastic scrap business into organized market.

The last two years of below normal monsoon caused significant rural distress, which in turn impacted many industries dependent on rural consumption and the economy in general. In 2016-17 monsoons are expected to be good. This shall not only result in better farm output and higher agricultural income, but also higher per capita income for rural and urban economies. We expect this higher per capita income to have a positive cascading effect on increase in demand for textile sector.

The recent approval for GST reform is another shot in the arm for several manufacturing industries, including us. The GST will make the market more conducive and transparent and provide a level playing field to organized players.

With soaring cotton prices due to lower production as well as disadvantageous position of cotton in GST regime by taking off its tax exempt status, manmade fibre industry will get level playing field and demand of polyester products will increase due to competitive pricing.

Road ahead

At Ganesha, we continue to sustain our market leadership backed by our core competencies - quality product,

wide product range and greater operational efficiencies. Our timely and strategic investments in capacities and technology have enabled us to capitalize on the market opportunities and derive tangible and intangible value. We continue to forge strong relationships with our clients to drive value for them on a long-term basis.

Foreseeing the increased appetite for quality recycled products as well as to capitalize the growing demand of Recycled Polyester Fibre, Company is marching towards expanding RPSF capacities with a proposed brownfield expansion of 21000 TPA at its Bilaspur Unit.

Sensing the opportunity put forth by new regulations for handling the plastic scrap, Company is strengthening and widening its collection network across the country.

Evolving with changing times and leveraging our deep market understanding, we are now focusing towards producing more value-added products with concentrated R&D efforts and cutting edge technology.

On a concluding note, although, we remain one of the largest and oldest Company in India to recycle PET bottles into valuable products, we strive to become more environment friendly and technologically sound. Hence, I congratulate my employees and co-workers for their valuable support and trust and their tireless efforts towards achieving our goals. Also, I would like to thank all our shareholders for their continued faith in our strength and capabilities.

With warm regards,

Yours Sincerely,

Shyam Sunder Sharmma
Chairman

A RESPONSIBLE BUSINESS MODEL

A business model that preserves or enhances environments quality; a business model that is inclusive of employment and empowerment of people; a business model that is committed towards creating social justice - is a responsible business model. A business model that we believe in!

There is growing prominence of 'circular economy' in the coming years, to ensure that we achieve the right balance for our society and increase prosperity. This, backed with reducing demands of finite raw materials and lessen the negative externalities. At Ganesha Ecosphere, we just do that.

While the PET industry provides several benefits, it also brings with it drawbacks which pose threat to external environment. Consider this: Today, 95% of plastic packaging material value or \$80-120 billion annually is lost to the economy after first use. The recycling rate for plastics in general is even lower than for plastic packaging, and both are far below the global recycling rates for paper (58%) and iron and steel (70-90%). PET, used in beverage bottles, has a higher recycling rate than any other type of plastic, but even this success story is only a modest one: globally, close to half of PET is not collected for recycling. (Source: World Economic Forum, 2016)

This is where we come in

We nearly collected 79000 tonnes of PET wastes during FY 2015-16. This translated into recycling more than 4.4 billion PET bottles (a 17% increase than the previous year). With our robust collection centre network across the country, we ensure steady raw material supply and contribute in saving valuable landfill space. In addition, we also have an integrated supply chain network with institutional collection centres like bottlers, hotels and corporates among others.

The integrated value-chain of streamlined supply and effective production, provides us with a competitive advantage. With increase in usage of PET bottles across several downstream industries, we are optimistic for enhancing our capacity utilisation levels. And with increasing demand for man-made fibres, we expect rise in demand for our finished goods as well as to create wealth for our stakeholder community.

