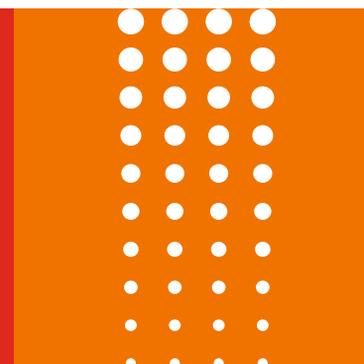
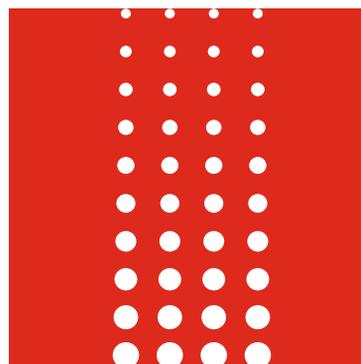
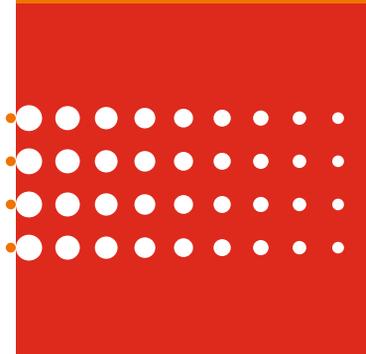
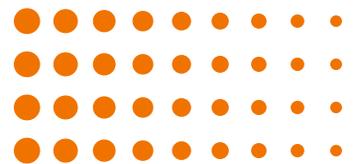
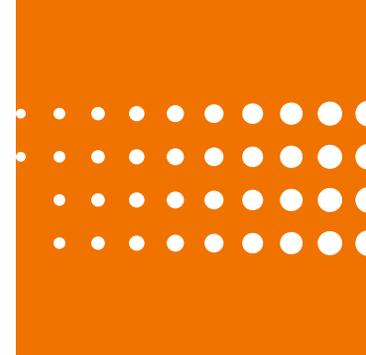
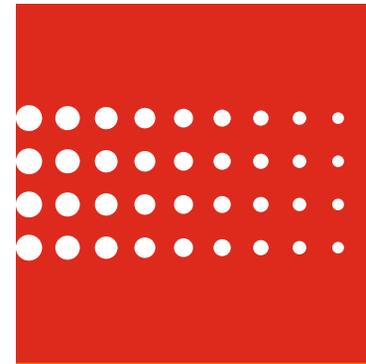
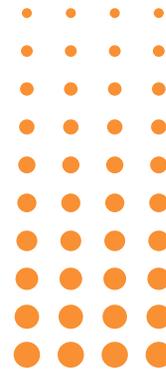
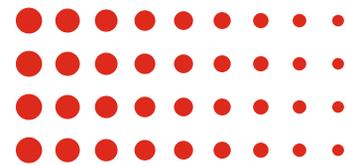


ESTER

INDUSTRIES LTD.

CIN: L24111UR1985PLC015063

38TH
ANNUAL
REPORT
2023-24



CORPORATE INFORMATION

| | | |
|---|--|---|
| Board of Directors | Mr. Arvind Singhania Mr. Ayush Vardhan Singhania Mr. Pradeep Kumar Rustagi Mrs. Archana Singhania Mr. Sandeep Dinodia Mrs. Padmaja Shailen Ruparel Mr. Atul Agarwal Mr. Alok Dhir | Chairman & CEO Whole-Time Director Executive Director-Corporate Affairs Non - Executive Director Independent Director Independent Director Independent Director Independent Director |
| Chief Financial Officer | Mr. Sourabh Agarwal | |
| Company Secretary & Compliance Officer | Ms. Poornima Gupta | |
| Statutory Auditors | M/s Walker Chandiok & Co. LLP, Gurgaon | |
| Lenders | Bank of India Bank of Baroda Union Bank of India Canara Bank HDFC Bank Limited Tata Capital Limited Karnataka Bank Limited IDFC First Bank Limited Bajaj Finance Limited Yes Bank | |
| Corporate/Head Office | Plot No. 11, Block-A, Infocity-I, Sector -34, Gurgaon-122001, Haryana | |
| Registered Office | Sohan Nagar, P.O. Charubeta Khatima – 262 308, District Udham Singh Nagar, Uttarakhand | |
| Registrar & Share Transfer Agent | Mas Services Limited T-34, Okhla Industrial Area, Phase-II New Delhi – 110 020 | |
| Listing of Securities | BSE Limited National Stock Exchange of India Ltd | |

CONTENTS

| | |
|--|---------|
| Chairman's Message | 02 |
| Notice of Annual General Meeting | 03-10 |
| Board's Report | 11-33 |
| Management Discussion and Analysis | 34-40 |
| Corporate Governance Report | 41-65 |
| Business Responsibility and Sustainability Report | 66-87 |
| Standalone Financial Statement | 88-151 |
| Consolidated Financial Statement | 152-218 |

MESSAGE FROM CHAIRMAN & CEO



It is with great pleasure that I present to you the Annual Report for the fiscal year 2023-24.

The global economy has experienced another year of considerable volatility, largely driven by a slowdown in developed economies and structural challenges in the Chinese economy. Recent geopolitical tensions in the Middle East, extreme weather events, and the overlapping shocks of the past four years—such as the COVID-19 pandemic, the Russia-Ukraine conflict, unprecedented inflation, and a sharp rise in interest rates—have all contributed to a highly uncertain and volatile macroeconomic environment.

Despite the various measures taken to mitigate these challenges, our company's performance has been impacted. Consolidated revenue from operations amounted to ₹ 1,090 crores with ₹ 99.5 crores coming from the Specialty Polymers business and ₹ 963.9 crores from the Polyester Chips and Film business. The company earned an EBITDA of ₹ 3 crores, compared to ₹ 136 crores in the previous year.

The Specialty Polymers division was particularly affected by the global economic climate, with revenue dropping to ₹ 99.5 crores from ₹ 197.5 crores in the prior year. However, the future outlook for this business is promising. We are introducing new products and exploring new markets across various applications. Our dedicated R&D team has been instrumental in developing a robust product portfolio, and their continuous efforts to enhance our innovation pipeline are positioning us well for the future.

The Film business faced challenges during FY 23-24 due to demand-supply imbalances and higher input costs. Despite these pressures, the consolidated revenue from this division increased to ₹ 963.9 crores from ₹ 916.6 crores in the previous year. While near-term challenges and margin pressures persist, the long-term outlook remains favourable due to robust demand growth and the upcoming Plastics Waste Management Rules, effective from 1st April 2025. These regulations mandate the use of 10% recycled content in flexible packaging laminates, a requirement that can be met through the increased use of polyester film in flexible packaging structures.

Ester is focused on elevating the proportion of value-added and specialty products in our overall product mix to 30%, driven by the installation of an additional offline coater, ongoing innovation, and R&D initiatives.

Ester Filmtech Limited, our wholly-owned subsidiary, generated revenues of ₹ 279 crores, up from ₹ 36 crores in the previous financial year, post commencement of commercial production on 20th January 2023. We are continuing to work towards reaching optimal utilization of this new plant.

As a market leader, we recognize the importance of prioritizing sustainability. We are committed to developing films that reduce environmental impact, with a strong focus on nurturing the concept of a 'Circular Economy' by actively reintegrating waste materials into the economic cycle.

As part of our strategic direction, Ester has entered into a 50:50 joint venture with Loop Industries Inc. to build, own, and operate a manufacturing facility in India for the chemical recycling of all types of polyester waste. This facility will produce lower-carbon-footprint recycled dimethyl terephthalate (rDMT) and recycled monoethylene glycol (rMEG) and convert part of these products into various specialty polymer grades. Loop's patented technology offers significant advantages over traditional mechanical PET recycling, enabling us to use bottle scrap, fibre, and yarn waste to produce rDMT and rMEG for producing PET polymer with full circularity. We expect the joint venture to commence commercial operations in early 2027.

We remain confident that all our business divisions are well-positioned to embark on their next phase of growth. Our company is committed to enhancing operational efficiency through digital innovations, Business Process Re-engineering and data analytics, preparing us for future opportunities and challenges. At the core of our mission is the creation of value for our customers and stakeholders, driven by our commitment to innovation and the continuous strengthening of our product portfolio.

On behalf of the Board and management, I express my sincere gratitude to our shareholders, investors, partners, and institutions for their continued support. I am confident that our strategic approach will yield lasting and sustainable value for all our stakeholders.

With regards
Arvind Singhania
Chairman & CEO

NOTICE OF AGM

NOTICE is hereby given that the **38th ANNUAL GENERAL MEETING (“AGM”)** of ESTER INDUSTRIES LIMITED will be held on Friday, **27th September 2024 at 12.00 Noon (IST)** through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”), to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima- 262308, Distt. Udham Singh Nagar, Uttarakhand.

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March 2024 together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Arvind Singhania (DIN: 00934017) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **Ratification of Remuneration of Cost Auditors for financial year 2024-25**

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 148(3) and all 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 remuneration payable to M/s. R. J. Goel & Co., Cost Accountants (Firm Registration No. 00026), appointed by the Board of Directors on the recommendation of the Audit Committee as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2024-25 amounting to ₹ 4,00,000/- (Rupees Four Lacs only) plus applicable taxes and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified.”

**By Order of the Board of Directors
For Ester Industries Limited**

Sd/-

Poornima Gupta

Company Secretary and Compliance Officer

Place: New Delhi

Membership No.: A49876

Date: 12th August 2024

NOTES

1. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (“Act”), relating to the Special Business to be transacted at this AGM, and details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”] and Secretarial Standard 2 on General Meetings issued by The Institute of Company Secretaries of India in respect of Item No. 2 i.e. Director seeking re-appointment at the AGM, is annexed hereto and forms part of the Notice.
2. The Ministry of Corporate Affairs (‘MCA’) has vide its General Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Act and the rules made thereunder on account of the threat posed by “COVID-19”, General Circular Nos. 20/2020 dated 5th May, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated 25th September, 2023 (‘MCA Circulars’), and the Securities and Exchange Board of India (‘SEBI’) vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023, SEBI/HO/CFD/CD-PoD-2/P/ CIR/2023/167 dated 6th October 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023 (collectively referred to as ‘SEBI Circulars’), has allowed the Companies to conduct the AGM through VC/OAVM till 30th September, 2024. In accordance with the said MCA and SEBI Circulars and applicable provisions of the Act, the 38th AGM of the Company shall be conducted through VC/OAVM.
3. Since the AGM is being conducted through VC, the facility for appointment of proxies by Members is not available for this AGM; therefore, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Pursuant to the provisions of Section 113 of the Act, Institutional/Corporate Members are entitled to appoint authorized representative(s) to attend the AGM through VC/OAVM and to cast their votes through remote e-voting/ e-voting during the AGM. In this regard, the Institutional/ Corporate Members are required to send the latest certified copy of the Board Resolution/authorization letter/power of

attorney authorising their representative(s) to attend the meeting and vote on their behalf through e-voting, together with attested specimen signature(s) of the duly authorized representative(s). The said resolution/authorization letter/power of attorney shall be sent by the body corporate through its registered e-mail address to the Scrutinizer at cs.akashjain@yahoo.com with a copy marked to investor@ester.in.

5. The Notice of the 38th AGM along with the Annual Report for the Financial Year FY 2023-24 has been uploaded on the website of the Company at www.esterindustries.com and can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL i.e. www.evoting.nsdl.com.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21st September 2024 to Friday, 27th September 2024 (both days inclusive).

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ADDRESSES AND FOR OBTAINING COPY OF ANNUAL REPORT

7. In accordance with the circulars issued by MCA and SEBI, the Notice of the 38th AGM along with the Annual Report for the financial year 20203-24 are being sent only in electronic mode to Members/beneficial owners whose names appear in the Register of Members/list of beneficiaries received from the depositories as on Friday, 23rd August, 2024, and whose e-mail ids are registered with the Company, their Depository Participants (DPs) or the Company's RTA. Further, in compliance with the SEBI Circulars, the Company shall send the physical copy of Annual Report for FY 2023-24 to those members who specifically request for the same at investor@ester.in mentioning their Folio No./DP ID and Client ID.
8. Members who have not registered their e-mail addresses and wish to receive the AGM Notice and Annual Report, or participate in the AGM, or cast their votes through remote e-voting or e-voting during the meeting, are requested to get their e-mail addresses and mobile numbers registered with the Company by following the guidelines as stated below:
 - **In case of Physical Holding:** Members holding shares in physical mode and who have not registered/updated their email addresses and mobile numbers with the Company, are requested to register/update their email addresses and mobile numbers at the earliest by submitting duly filled and signed Form ISR-1 (available on the Company website at

<https://www.esterindustries.com/sites/default/files/ISR-1.pdf>) along with self-attested copy of the PAN Card, and self-attested copy of any document (e.g. Driving License, Voter Identity Card, Passport) in support of the address of the Member, to the Company/RTA at investor@ester.in or investor@masserv.com.

- **In case of Demat Holding:** Members holding shares in dematerialized form are requested to register/update their e-mail addresses and mobile numbers with the relevant Depository Participant.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

9. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI (LODR) Regulations, 2015 (as amended) and applicable circulars, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has engaged the services of National Securities Depository Limited (NSDL) as the authorised agency for facilitating voting through electronic means. The facility of casting votes by Members using remote e-voting system (i.e. the facility of casting votes by a Member by using an electronic voting system from a place other than the venue of the General Meeting) as well as e-voting on the date of the AGM will be provided by NSDL.
10. The remote e-voting period will commence at 9.00 A.M. (IST) on Tuesday, 24th September 2024 and will end at 5.00 P.M. (IST) on Thursday, 26th September 2024. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, 20th September 2024 i.e., a day prior to commencement of book closure date, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. The detailed instructions and the process for accessing and participating in the 38th AGM through VC/OAVM facility and voting through electronic means including remote e-voting are explained herein below:

Step 1: Access to NSDL e-voting system

A. Login method for e-voting and joining virtual AGM for Individual Members holding the securities in demat mode:

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020 on 'e-voting facility provided by Listed Companies', Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail address in their demat accounts in order to access the e-voting facility.

| Type of Individual Members | Login Method |
|---|---|
| Securities held in demat mode with NSDL | <p>A. Users registered on NSDL IDeAS facility:</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://eservices.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. 2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on 'Access to e-voting' under e-voting services and you will be able to see e-voting page. 3. Click on options available against Company name or e-voting Service Provider (ESP) i.e. NSDL and you will be redirected to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. <p>B. Users who are not already registered and wish to register for IDeAS facility: The option to register is available at https://eservices.nSDL.com. Select 'Register Online for IDeAS Portal' or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>C. Visit the e-voting website of NSDL:</p> <ol style="list-style-type: none"> 1. After successfully registering on IDeAS, visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. 2. A new screen will open. Enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. 3. Click on options available against Company name or e-voting Service Provider (ESP) i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. <p>'NSDL Speede' Mobile App for e-voting For a seamless e-voting experience, Members can also download the 'NSDL Speede' App by scanning the below QR code.:</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div> |
| Securities held in demat mode with CDSL | <p>A. Users registered on CDSL Easi / Easiest:</p> <ol style="list-style-type: none"> 1. Members can login through their User ID and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest is www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest, the user will be able to see the e-voting Menu. The Menu will have links of ESP i.e. NSDL. Click on NSDL to cast your vote. <p>B. Users who are not already registered and wish to register for CDSL Easi / Easiest facility: Option of Direct Registration for Easi/Easiest facility is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</p> <p>C. Visit the e-voting website of CDSL:</p> <ol style="list-style-type: none"> 1. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from an e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate home page or click on the user by sending OTP on registered mobile number & e-mail id as recorded in the Demat Account. 2. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress. |

| | |
|---|---|
| Securities held in demat mode - login through their Depository Participants | <ol style="list-style-type: none"> Members can also login using the login credentials of their Demat Account through their Depository Participants registered with NSDL/CDSL for e-voting facility. After logging in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against Company name or ESP i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |
|---|---|

Important Note: Members who are unable to retrieve their User ID/Password are advised to use “Forget User ID” and “Forget Password” option available at the above-mentioned website.

For Technical Assistance

Members facing any technical issues related to login may reach out to helpdesk of the respective depositories’ by sending a request on the email ids or contact on the phone numbers provided below:

| NSDL | CDSL |
|--|--|
| E-mail ID: evoting@nsdl.co.in | E-mail ID: helpdesk.evoting@cdslindia.com |
| Toll Free No.: 022 - 48867000 / 022 - 24997000 | Phone No.: 1800 22 55 33 |

B. Login method for e-voting and joining virtual AGM for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.

- Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on personal computer or mobile.
- Once the home page of e-voting system is launched, click on the icon ‘Login’ which is available under ‘Shareholders/Members’ section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL e-services i.e., IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

| Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |

| | |
|---|---|
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 123456 then user ID is 101456001*** |
|---|---|

- Password details for shareholders other than individual shareholders are given below:
 - If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - How to retrieve the ‘Initial Password’?
If your email id is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or Folio Number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
- If you are unable to retrieve or have not received the ‘initial password’ or have forgotten your password:
 - Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL), option for reset password is available on www.evoting.nsdl.com.
 - Click on “Physical User Reset Password?” (If you are holding shares in physical mode) option for reset password is available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat

account number/folio number, PAN, name and registered address.

- iv. Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

Important Note: It is strongly recommended that the Members take utmost care to keep their password confidential and not to share their password with any other person. Login to the e-voting system shall be disabled upon five unsuccessful attempts to key in the correct password. In such an event, the Members are advised to use the 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com to reset the password.

- g. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
- h. Now, you will have to click on 'Login' button.
- i. After you click on the 'Login' button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system:

- a. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b. Select 'EVEN' of the Company for which you wish to cast your vote during the remote e-voting period and during the General Meeting.
- c. Now you are ready for e-voting as the voting page opens.
- d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- e. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

PROCEDURE TO JOIN THE AGM ON NSDL E-VOTING SYSTEM

13. After successful login, Members need to click on 'VC/OAVM' link placed under 'Join General Meeting' for joining virtual meeting.
14. Members are encouraged to join the Meeting through Laptops for better experience.
15. Please note that Members connecting from mobile devices, tablets or laptops via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective networks.

It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

16. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM. The joining link shall be kept open throughout the proceedings of AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first-come-first-served basis. However, the large members i.e. members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, etc. can attend the 38th AGM without any restriction on account of first-come-first-served basis.
17. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM. Institutional Members can write to investor@ester.in in case of any issues faced by them for participating in the AGM.
18. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
19. Members who need assistance before or during the AGM, may send a request at evoting@nsdl.com or use Toll free no.: 022 - 4886 7000.

PROCEDURE FOR E-VOTING DURING THE AGM

20. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
21. Only those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM
22. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
23. In case of any queries, you may refer the 'Frequently Asked Questions (FAQs) for Shareholders' and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on Toll free no.: 022-4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.

PROCESS FOR THOSE MEMBERS WHOSE E-MAIL IDs ARE NOT REGISTERED WITH THE DPs FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDs FOR E-VOTING

24. Members whose shares are held in physical mode are requested to send the following details/documents at investor@ester.in
 - Name of the Shareholder
 - Folio No.
 - Self-attested copy of PAN and address proof
 - Copy of Share Certificate (front and back)

25. Members whose shares are held in demat mode are requested to send the following details/documents at investor@ester.in
- Name of the Shareholder
 - 16-digit DP ID Client ID or beneficiary ID
 - Self-attested copy of PAN and address proof
 - Copy of Client Master List or Consolidated Account Statement
26. Alternatively, Members may send a request to evoting@nsdl.co.in for procuring their user id and password for e-voting by providing above mentioned documents.

PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT

27. Members who would like to express their views/ask questions during the AGM, may send their queries/views/questions by mentioning their name, demat account number/folio number, e-mail ID and mobile number at investor@ester.in. Please note that the Member's questions will be answered only if the shareholder continues to hold the shares as on the cut-off date i.e. Friday, 20th September, 2024.
28. The Members can send their queries/views/questions related to the business to be transacted at the AGM by Saturday, 21st September 2024 till 5:00 P.M. (IST).
29. The Company reserves the right to restrict the number of questions and number of speakers, depending upon the availability of time, for smooth conduct of the AGM.

GENERAL INFORMATION

30. The Company has appointed Mr. Akash Jain, Practicing Company Secretary (FCS: 9617 and COP No. 9432), as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
31. The Scrutinizer shall after the conclusion of e-voting at the AGM, first download the votes cast at the AGM 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 a consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and submit it to the Chairperson of the Company or in his absence to his duly authorised Director/officer, who shall countersign the Scrutinizer's Report and declare the result..
32. The results of the e-voting along with Scrutinizer's Report shall be declared to the Stock Exchanges within the timeframe prescribed under the Act and SEBI (LODR) Regulations, 2015 and shall also be placed on the website of the Company at www.esterindustries.com and on the website of NSDL at www.evoting.nsdl.com.
33. Resolutions will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favour of the resolutions.

34. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and Certificate from Secretarial Auditors of the Company certifying that ESOP scheme of the Company are being implemented in accordance with the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 shall be available for inspection by the members during the AGM. Further, all documents referred to in the Notice will also be available for inspection during normal business hours (9:00 A.M. to 5:00 P.M. IST) on all working days except Saturday, Sunday and National Holiday without any fee by the members from the date of circulation of this Notice up to the date of AGM.

OTHER INFORMATION

35. Pursuant to the applicable provision of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF) Authority.

Members who have not yet encashed their dividend for the financial year 2018-19 (final dividend), 2019-20 (final dividend), 2020-21 (interim dividend) 2020-21 (final dividend), 2021-22 (Interim dividend), 2021-22 (final dividend) and 2022-23 (final dividend) are requested to make their claims to the Company immediately. Members may note that no claim shall lie against the Company in respect of dividend which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.

The details of the unpaid/unclaimed amounts lying with the Company as on 31st March, 2023 are available on the website of the Company at www.esterindustries.com and also on the website of the Ministry of Corporate Affairs viz. www.iepf.gov.in. The Members may kindly check the said information and if any dividend amount is appearing as unpaid against their name, they may lodge their claim, duly supported by relevant documents to the Company. The details of unpaid and unclaimed amounts lying with the Company as on 31st March 2024 shall be updated in due course.

The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years or more to the demat account of IEPF Authority. Upon transfer of such shares, all benefits (like bonus etc.), if any, accruing on such shares shall also be credited to the Demat Account of IEPF Authority and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In view of the above, Members are requested to claim their dividends from the Company, within the stipulated timeline

to avoid transfer of the underlying shares to the IEPF Account.

The Member(s) whose dividend/shares are transferred to the IEPF Authority may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in or contact Company's RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority.

36. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 as amended from time to time, has mandated the registration of PAN, KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.) and nomination by holders of physical securities. Communication in this regard has been sent to all physical holders whose folios are not KYC updated at the latest available address/email-id from time to time.

Members holding shares in physical form are once again requested to submit their PAN, KYC and Nomination details by submitting a duly filled and signed Investor Service Request (ISR) Forms, viz. Form ISR-1, ISR-2, ISR-3/SH-13, as applicable to M/s. MAS Services Limited at T-34, II Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 or by email to investor@masserv.com from their registered email id. The said forms can be downloaded from Company's website at www.esterindustries.com. Members holding shares in electronic form are also requested to submit/update their KYC details and bank details with their depository participant(s) and link PAN with Aadhaar, if required.

37. Regulation 40 of the SEBI (LODR) Regulations, 2015 as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25th January 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/consolidation of share certificates, etc. In view of this and also to eliminate all risks associated with physical shares and for ease of portfolio management, the Members holding shares in physical form are requested to consider converting their holdings to demat mode. Members can contact the Company or RTA for assistance in this regard.
38. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

39. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on 11th August 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login> and the same can also be accessed through the Company's website at www.esterindustries.com.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. R.J. Goel & Co., Cost Accountants (Firm Registration No. 00026) as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025 at a remuneration of ₹ 4,00,000/- (Rupees Four Lacs only) plus payment of applicable taxes and reimbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, approval of the Members is sought for ratification of remuneration payable to M/s. R.J. Goel & Co. for the cost audit to be conducted for the year ending 31st March 2025.

None of the Directors and Key Managerial Personnel of the Company, or their relatives are in any way concerned or interested (financially or otherwise) in the resolution as set out at Item No. 3 of the Notice, except to the extent of their shareholding, if any, in the Company.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval of Members of the Company.

**By Order of the Board of Directors
For Ester Industries Limited**

Sd/-

Poornima Gupta

Company Secretary and Compliance Officer

Place: New Delhi

M. No.: A49876

Date: 12th August 2024

ANNEXURE TO ITEM NO.3

Details of Directors seeking re-appointment in pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India

| | |
|--|--|
| Name of the Director | Mr. Arvind Singhania |
| Director's Identification Number (DIN) | 00934017 |
| Date of Birth | 28 th May, 1964 |
| Age (in years) | 60 |
| Qualification | Graduate |
| Expertise and experience in specific functional areas | <p>Mr. Arvind Singhania is a co-founder of Ester and has been actively associated with the Company since its inception in the year 1985.</p> <p>Mr. Singhania's vision and passion have been integral to Ester's success, and he has taken the company from a small start up to a diversified and globally recognized organization. Innovation & development are at the core of his philosophy, and this has been the driving force behind Ester's transformation from commodity to technology play.</p> <p>He has more than 39 years of rich and varied experience including production, supply chain, finance, and business development.</p> |
| Terms and conditions for appointment/re-appointment and proposed remuneration | As per existing terms approved by the Members of the Company |
| Remuneration last drawn (including sitting fee, if any) | As mentioned in the Corporate Governance Report forming part of the Annual Report for FY 2023-24 |
| Date of first appointment on the Board of Company | 1 st December, 1987 |
| Date of appointment under current term on the Board of Company | 1 st April 2023 |
| Shareholding in the Company as on 31.03.2024 | 26,32,285 equity shares |
| Relationship with other Directors and KMPs of the Company | Mr. Arvind Singhania is the spouse of Mrs. Archana Singhania, Non-Executive Director and father of Mr. Ayush Vardhan Singhania, Whole-Time director of the Company. Other than this, Mr. Arvind Singhania is not related to any other Directors or Key Managerial Personnel of the Company. |
| Number of Board meetings attended during the year | 7 (Seven) |
| Directorships held in other Companies as on 31.03.2024 | <ol style="list-style-type: none"> 1. Ester Filmtech Limited 2. Rekha Finance and Investment Private Limited 3. Fenton Investments Private Limited 4. Acme Investments Limited |
| Name of Listed Companies from which the Director has resigned in the past three years | NIL |
| Chairmanships/Memberships of Board Committees in other Companies | NIL |

**By Order of the Board of Directors
For Ester Industries Limited**

**Sd/-
Poornima Gupta
Company Secretary and Compliance Officer
M. No.: A49876**

Place: New Delhi
Date: 12th August 2024

BOARD'S REPORT

To The Members,

Your Directors are pleased to present the 38th Annual Report of Ester Industries Limited (“the Company”) along with the Audited Financial Statements of the Company for the financial year ended 31st March 2024.

FINANCIAL HIGHLIGHTS

The Audited Financial Statements of your Company as on 31st March 2024, are prepared in accordance with the relevant applicable Indian Accounting Standards (“Ind AS”), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”] and the provisions of the Companies Act, 2013 (“Act”).

The summarized financial highlight is depicted below:

(₹ in crores)

| Particulars | Year Ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2024 | 31 st March, 2023 |
| Net Sales Revenue | 842.08 | 1060.01 |
| Other Operating Revenue | 13.31 | 17.47 |
| Other Income | 26.27 | 17.22 |
| Profit before Financial Expenses, Depreciation and Tax | 22.84 | 117.24 |
| Less: Interest & Other Financial Expenses | 37.33 | 30.16 |
| Profit/(Loss) before Depreciation and Tax | (14.49) | 87.08 |
| Depreciation and amortization expenses | 42.80 | 39.01 |
| Profit/(Loss) before Tax from continuing operations | (57.29) | 48.07 |
| Current & Deferred Tax expense/(credit) | 13.96 | 12.24 |
| Profit/(Loss) after Tax from continued operations | (43.33) | 35.83 |
| Profit/(Loss) before Tax from discontinued operations | - | 163.24 |
| Current & Deferred Tax expense/(credit) | - | 38.03 |
| Profit/(Loss) after Tax from discontinued operations | - | 125.21 |
| Total Profit After Taxation (PAT) from continuing and discontinued operations | (43.33) | 161.04 |
| Other Comprehensive Income (net of income tax effect) | (0.77) | 0.27 |
| Total Comprehensive Income | (44.10) | 161.31 |
| Basic & diluted EPS (Rupees) from continued operations | (5.19) | 4.30 |
| Basic & diluted EPS (Rupees) from discontinued operations | - | 15.01 |
| Basic & diluted EPS (Rupees) from continued & discontinued operations | (5.19) | 19.31 |

Note: During the year under review, the Engineering Plastics Business of the Company was divested with effect from 15th September 2022. Profit before Tax (PBT) from discontinued operations represent operating profits till the date of divestment of Engineering Plastics business and profit on account of sale of the business.

OPERATIONS REVIEW

During the year under review, total Revenue from Operations of the Company on standalone basis from continuing and discontinued operations decreased by 29.51% from ₹ 1213.49 crores to ₹ 855.39 crores, mainly on account of revenues from BOPET Films and Specialty Polymers both in volumetric & value terms despite increase in sales of Polyester Chips both in volumetric & value terms.

Profit before interest, depreciation and tax (PBIDT) from continuing and discontinued operations including ‘Other Income’ on a standalone basis decreased from ₹ 135.69 crores in FY 2022-23 to ₹ 22.84 crores in FY 2023-24. Company incurred

net loss of ₹ 43.33 crores during the year under review as against PAT of ₹ 161.04 crores that was earned during FY 2022-23 including capital gain after tax accruing from divestment of Engineering Plastics business.

Film SBU continued to drive the bulk of revenue for the Company though revenue from Polyester Film reduced by 10.42% in volumetric terms (from 57173 MT to 51218 MT) and by 21.87% in value terms (from ₹ 852.85 crores to ₹ 666.31 crores).

Revenue from Specialty Polymers reduced by 29.86% in volumetric terms (from 3614 MT to 2535 MT) and by 48.69% in value terms (from ₹ 197.52 crores to ₹ 101.34 crores).

Revenue from Polyester Chips increased by 237.06% in volumetric terms (from 2925 MT to 9859 MT) and by 223.63% in value terms (from ₹ 27.11 crores to ₹ 87.73 crores).

Performance in terms of EBIT of both the businesses suffered a lot during the year under review. EBIT of Polyester Film SBU (including Polyester Chips) dropped from 8.15% to Nil mainly on account of drastic drop in margins consequent to skewed demand supply balance with supply exceeding demand significantly. Industry continues to witness robust double-digit growth in domestic demand which will ensure an early balancing of demand/supply. Operating & Financial performance of Polyester Film SBU is expected to be better during FY25 on the back of continuous robust growth in demand and commissioning of only one production line during the FY25.

Further with Plastics Waste Management Rules (PWMR), mandating utilization of 10% recycled content in the flexible packaging laminate, coming into force from 1st April 2025 will further increase demand for Polyester Film with conversion taking place from other substrates to Polyester.

EBIT of Specialty Polymers SBU dropped from 28.93% to 21.56% on account of slow down/recessionary trend in USA, main market for Specialty Polymer products. Drop in percentage margin was because of lower sales and adverse product mix. Specialty Polymers SBU is likely to return significantly improved performance during FY25 basis improved operating & financial performance witnessed during Q4FY24 and Q1FY25.

Production was lower in Polyester Film and Specialty polymers because of reasons stated above. Production of Polyester Chips increased by 3.99%. Capacity utilization in Polyester Films was about 91%.

Commencement of commercial production from BOPET Film capacity installed in Wholly Owned Subsidiary (WOS) namely Ester Filmtech Limited in the state of Telangana was achieved on 20th January 2023.

On consolidated basis, revenue from operations reduced by 14.94% [from ₹ 1250.15 crores (including revenue from discontinued operations) to ₹ 1063.43 crores]. Revenue from operations in Polyester Film SBU increased by 3.60% (from ₹ 910.42 crores to ₹ 943.25 crores). Performance in terms of EBITDA, PBT and PAT was significantly lower due to pressure on margins in Polyester Film and other reasons explained above.

During the year under review, your Company arranged fresh equity at premium amounting to ₹ 99.90 crores. Additional Equity raise from promoters & other investors was possible because of positive medium to long term prospects of the Company.

Despite losses, your company and its Wholly Owned Subsidiary, Ester Filmtech Limited have been regular with servicing of both interest on debt and repayment of due installments of term debt. Both companies continue to enjoy comfortable liquidity position.

On 1st May 2024, your company entered into a Joint Venture Agreement with Loop Industries Inc., Canada. This partnership with Loop is aligned with the objective of moving from commodity

products to innovative & specialty products through use of new technologies. Loop's patented technology to convert all types of Polyester waste into monomers namely rDMT and rMEG combined with Ester's decades of experience in Polymerization will help us achieve circularity in the true sense and a sustainable future as we move ahead.

Your Company continues to make investments towards modernization, technical upgradation and debottlenecking initiatives in all the business segments to improve productivity, production efficiency and reduce wastages.

DIVIDEND

Due to losses incurred during the year under review, your directors have decided not to recommend any dividend for the financial year 2023-24.

In terms of Regulation 43A of SEBI (LODR) Regulations, 2015, the Dividend Distribution Policy is available on the Company's website at <https://www.esterindustries.com/sites/default/files/Dividend%20Distribution%20Policy%20-%20Ver%202.pdf>

TRANSFER TO RESERVES

Your Company has not transferred any amount to the General Reserves during the financial year 2023-24.

SHARE CAPITAL

During the under review, the Company had issued and allotted 1,05,60,250 equity shares of face value of ₹ 5/- each, for cash, at an issue price of ₹ 94.60/- per equity share (including premium of ₹ 89.60/- each), for an aggregate amount of ₹ 99,89,99,650/- to the persons belonging to the 'Promoter & Promoter Group' and 'Non-Promoter' Category on Preferential allotment basis. As a result of such allotment, the issued, subscribed and paid-up share capital increased from ₹ 41,69,68,795/- (comprising 8,33,93,759 equity shares of ₹ 5 each) to ₹ 46,97,70,045/- (comprising 93954009 equity shares of ₹ 5/- each). The equity shares so allotted rank pari-passu with the existing equity shares of the Company.

Except as mentioned above, the Company has not issued any other shares or instruments convertible into equity shares of the Company or with differential voting rights nor has granted any sweat equity.

PUBLIC DEPOSIT

During the year under review, your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Act, read with the Companies (Acceptance of Deposit) Rules, 2014. There are no outstanding deposits at the end of the financial year 2023-24. Hence, the requirement for furnishing details relating to deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, investments, guarantees and securities provided the Company during the year under review, are given in the notes forming part of the Standalone Financial Statements of the Company as per section 186 of the Act.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2024 prepared in accordance with Section 92(3) of the Act will be made available on the Company's website and can be accessed at the following link: <https://www.esterindustries.com/policies>

SUBSIDIARY

As on 31st March, 2024, your Company has 1 (one) unlisted wholly owned material subsidiary i.e. Ester Filmtech Limited. Mrs. Padmaja Shailen Ruparel, Independent Director of the Company, is also the Director on the Board of the material subsidiary. Your Company has formulated a policy for determining Material Subsidiaries. The policy is available on the Company's website and can be accessed at <https://www.esterindustries.com/sites/default/files/Policy%20on%20Material%20Subsidiary%20Version%20-2%2017th%20June%202020.pdf>.

A separate statement highlighting the financial statements of subsidiary of the Company are detailed in the prescribed Form AOC-1, which forms part of the Consolidated Financial Statements in compliance with Section 129(3) and other applicable provisions, if any, of the Act, read with rules made thereunder.

There has been no material change in the nature of the business of the subsidiary. During the financial year under review, no Company ceased to be Company's subsidiary and the Company does not have any Joint Venture or associate within the meaning of Section 2(6) of the Act.

In accordance with Section 136 of the Act, the Audited Financial Statements, including the Consolidated Financial Statement and related information of the Company, and the audited accounts in respect of subsidiary, are available on the Company's website at www.esterindustries.com.

EMPLOYEES STOCK OPTION

In Financial year 2020-21, the Nomination and Remuneration Committee and Board had approved the Employee Stock Option Scheme, namely, **ESTER EMPLOYEES STOCK OPTION PLAN-2021 (ESOP-2021)**, in its meeting held on 25th February 2021, and same was approved by shareholders of the company in the Extra-Ordinary General Meeting held on 26th March 2021.

The Board granted 2,48,179 stock Options to eligible employees under **ESOP-2021** in its meeting held on 1st April 2021.

Company had obtained in principal approval from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the year 2023-24, no allotment of Equity Share was made by Company under the ESOP-2021.

Details pursuant to Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 {erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014} are appended as **Annexure-I** to the Board's Report.

During the year, there has not been any material change in the ESOP Plan adopted by the Company. The Plan is in compliance with the said ESOP Regulations.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on 31st March 2024, your Company's Board of Directors ("the Board"), consists of twelve Directors comprising of three Executive Directors, one Non-Executive Non-Independent Director and Eight Independent Directors including one Women Independent Director. The details of the Board and Committee composition, tenure of Directors and other details are available in the Corporate Governance Report, which forms part of this Annual Report.

Appointment/Re-appointment/Cessation

During the year under review, following changes took place in the Directorships:

Appointment/Re-appointment

- Mr. Atul Aggarwal (DIN:00125825) and Mr. Alok Dhir (DIN:00034335), were appointed as Independent Directors of the Company for a term of 5 (five) consecutive years with effect from 14th February 2024.
- Mr. Arvind Singhanian (DIN:00934017) was re-appointed as Managing Director designated as "Chairman and CEO" of the Company for a period of 3 years w.e.f. 1st April 2023.
- Mr. Pradeep Kumar Rustagi (DIN:00879345) was re-appointed as Whole Time Director designated as "Executive Director-Corporate Affairs" of the Company for a period of 3 years w.e.f. 1st April 2023.
- On the recommendation of Nomination and Remuneration Committee, the Board has recommended the proposal for re-appointment of Mr. Ayush Vardhan Singhanian (DIN:05176205) as Whole-Time Director of the Company for further period of 5 (five) years and remuneration payable to him for a period of 3 (three) years w.e.f. 1st June 2024 for approval of the shareholders through postal Ballot notified dated 22nd May 2024.

Cessation

Mr. Ashok Kumar Newatia (DIN:01057233), Mr. Madras Seshamani Ramachandran (DIN: 00943629), Dr. Anand Chand Burman (DIN:00056216), and Mr. Priya Shankar Dasgupta (DIN:00012552) have completed their second term as Independent Directors on the closing of business hours of 31st March 2024 and accordingly ceased to be Independent Directors on the Board of the Company. The Board of Directors place on record their deep appreciation for the wisdom, knowledge and guidance provided by the aforementioned Directors during their tenure.

Re-appointment of Director retiring by rotation

In accordance with the provisions of Section 152 of the Act, read with rules made thereunder and Articles of Association of the Company, Mr. Arvind Singhanian (DIN:00934017), Managing Director (designated Chairman & CEO) is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and

being eligible, offers himself for re-appointment.

An appropriate resolution for his re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM. The brief resume of the Director and other related information as stipulated under Secretarial Standard-2 and Regulation 36 of the SEBI (LODR) Regulations, 2015, is appended as an Annexure to the Notice of the ensuing AGM.

Declaration by Independent Directors

The Company has, inter alia, received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity required to discharge their duties with an objective independent judgment and without any external influence. Details of key skills, expertise and core competencies of the Board, including the Independent Directors, are available in the Corporate Governance Report, which forms part of this Annual Report.

During the year under review, a separate meeting of the Independent Directors was held on 14th February 2024.

Key Managerial Personnels (KMPs)

During the year under review, on the recommendation of Nomination and Remuneration Committee, Ms. Poornima Gupta was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 12th July 2023.

As on 31st March 2024, the following are Key Managerial Personnels ("KMPs") of the Company as per Sections 2(51) and 203 of the Act:

- Mr. Arvind Singhanian, Managing Director (designated Chairman & CEO)
- Mr. Pradeep Kumar Rustagi, Whole-Time Director (designated Executive Director- Corporate Affairs)
- Mr. Ayush Vardhan Singhanian, Whole-Time Director
- Mr. Sourabh Agarwal, Chief Financial Officer
- Ms. Poornima Gupta, Company Secretary

MEETINGS OF THE BOARD

The Board of Directors met 7 (Seven) times during the year under review. The intervening gap between the meetings did not exceed 120 days, as prescribed under the Act and the SEBI (LODR) Regulations, 2015. The details of board meetings and

the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

As on 31st March 2024, the Board has constituted the following Statutory Committees pursuant to the applicable provisions of the Act and the SEBI (LODR) Regulations, 2015:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

Details of all the Committees constituted by the Board, are given in the Corporate Governance Report, which forms part of this Annual Report.

PERFORMANCE EVALUATION

The Company has a Policy for performance evaluation of all the Directors, Chairperson of Board as a whole and Committees of the Board.

An annual evaluation was carried out of the performance of the Board, Board's committees, all the directors and Chairperson pursuant to the provisions of the Act as well as SEBI (LODR) Regulations, 2015.

The following evaluation process has been adopted by the Company—

1. Independent Directors at their separate meeting without the presence of Non-Independent Director, had reviewed the performance of the Chairperson, Non-Independent Directors and the Board. While evaluating the performance of the Chairperson, the views of Executive Directors and Non-executive Directors were also taken into account.
2. Nomination and Remuneration Committee carried out the performance evaluation of all the Directors, Committees of the Board and the Board as a whole.
3. The Board had evaluated its own performance, performance of its Committees and each Director.

The process of performance evaluation was based on the criteria prescribed in the Policy on Performance Evaluation which is available on the Company's website at https://www.esterindustries.com/sites/default/files/Performance_Evaluation_Policy.pdf

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with rules made thereunder, M/s Walker Chandiook & Co. LLP, Chartered Accountants (FRN: 001076N/ N500013), were appointed as the Statutory Auditors of the Company at the 36th Annual General Meeting (AGM) held on 28th September, 2022, for a period of five (5) years to hold office till the conclusion of the 41st AGM of the Company, to be held in the year 2027.

Statutory Auditors have expressed their unmodified opinion on

the Standalone and Consolidated Financial Statements and their reports do not contain any qualifications, reservations, adverse remarks or disclaimers. The notes to the financial statements referred in the Auditor's Report are self-explanatory.

Cost Auditors

During the year under review, the Board of Directors, based on the recommendation of the Audit Committee, re-appointed M/s. R. J. Goel & Co., Cost Accountants as the Cost Auditors to audit the cost records of the Company for the financial year 2024-25.

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the approval of the members is being sought at the ensuing AGM of the Company for the ratification of remuneration amounting to ₹ 4,00,000/- (Four Lakhs only) excluding applicable taxes and reimbursement of out-of-pocket expenses, payable to the Cost Auditors for the financial year 2024-25.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has re-appointed M/s. Dhananjay Shukla & Associates, Practicing Company Secretaries, to conduct the Secretarial Audit for the financial year 2023-24.

Further as per the provisions of Regulation 24A of the SEBI (LODR) Regulations, 2015, Ester Filmtech Limited ("EFTL"), which is a material subsidiary of the Company, has appointed Mr. Akash Jain, Practicing Company Secretary, as its Secretarial Auditor for the financial year 2023-24.

The Secretarial Audit Report of the Company and of EFTL are appended as **Annexure-II** and **Annexure-III** respectively to the Board's Report. The said Reports do not contain any qualifications, reservations, adverse remarks or disclaimer requiring explanation or comments from the Board under Section 134(3) of the Act.

Reporting of frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported to the Audit Committee or to the Board, any instances of fraud committed in the Company by its officers or employees under Section 143(12) of the Act.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to provisions of Section 135 of the Act and rules made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee and framed a CSR Policy. The details of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. The CSR Policy is available on the Company's website at https://www.esterindustries.com/sites/default/files/Corporate_Social_Responsibility_Policy.pdf

The Annual Report on CSR activities is appended as **Annexure-IV** to the Board's Report. Further, the Executive Director-Corporate Affairs and Chief Financial Officer of the

Company has certified that the amount spent on CSR for the financial year 2023-24 have been utilized for the purposes and in the manner approved by the Board.

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good Corporate Governance over the years and it is a continuous and ongoing process. A detailed Report on Corporate Governance practices followed by your Company in terms of the SEBI (LODR) Regulations, 2015, together with a Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance are provided separately in this Annual Report.

Code of Conduct

In compliance with corporate governance requirements as per the SEBI (LODR) Regulations, 2015, your Company has formulated and implemented a Code of Conduct which is applicable to all Directors and Senior Management of the Company, who have affirmed the compliance thereto. A declaration to this effect duly signed by Mr. Arvind Singhania, Chairman & CEO is enclosed as a part of the Corporate Governance Report which forms part of this Annual Report. The said Code of Conduct is available on the Company's website at <https://www.esterindustries.com/sites/default/files/Code%20of%20Conduct.pdf>

MANAGEMENT DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis Report for the year under review, as stipulated under the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In accordance with the SEBI (LODR) Regulations, 2015, the BRSR for the Financial Year 2023-24, describing the initiatives taken by the Company from an environment, social and governance (ESG) perspective, is presented in a separate section forming part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has laid down well defined and documented Internal Controls.

Your company's internal control systems & procedures are adequate to ensure compliance with various policies, practices, laws, rules, regulations and statutes in force. Internal Controls in your company have been designed & implemented in such a manner that it provides reasonable assurance regarding the following:

- Effectiveness, efficiency and transparency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds, errors, misappropriations and mis-statements
- Accuracy and completeness of the accounting data, records and reporting
- IT security controls

- System, policies, practices & procedures adopted for adequate, effective and fair financial reporting
- Timely and accurate preparation of reliable financial information & reports. During the year under review, few internal controls have been modified to align with change in scenario.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India.

Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The Company's Internal Auditors have conducted periodic audits to evaluate the existence, adequacy & effectiveness of financial and operating internal controls, to report significant findings to the Audit Committee of the Board and to provide reasonable assurance that the Company's established systems, policies, practices and procedures have been followed. The Audit Committee constituted by the Board reviews the internal controls and financial reporting issues with Internal Auditors on a regular basis.

The Company uses an ERP (SAP S/4 HANA 2021) which is supplemented by internal controls framework to ensure reliable and timely financial reporting.

Compliance with laws, rules and regulations is also monitored through a well laid down framework which requires individual functions to confirm and report statutory compliances on all laws and regulations concerning their respective functions. This gets integrated with the overall compliance reporting on all laws and regulations for the purpose of review and monitoring by the Board.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions with related parties, entered into during the financial year under review, were on an arm's length basis and in the ordinary course of business. All such contracts or arrangements, wherever required, have been approved by the Audit Committee and the Board.

During the year under review, your Company has not entered into any transaction with a related party which could be considered material in terms of Section 188 of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2, is not applicable.

The details of the related party transactions as required under IND AS 24 have been disclosed in Note 37 to the standalone financial statements forming part of this Annual Report.

The Policy on Related Party Transactions, is available on the Company's website at https://www.esterindustries.com/sites/default/files/RPT_%20Clean_Ver.pdf

POLICIES ADOPTED BY THE COMPANY

a) Vigil Mechanism/Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a Vigil Mechanism/Whistle Blower Policy with a view to provide a mechanism for employees of the Company to raise concerns of suspected frauds, instances for leakage or suspected leakage of Unpublished Price Sensitive Information, any violations of legal/regulatory requirements or code of conduct/policy of the Company, incorrect or misrepresentation of any financial statements and reports, etc. The policy aims to provide an avenue for employees and directors to raise concerns and reassure them that they will be protected from reprisals or victimization for whistle blowing in good faith. The practice of the Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee.

The Whistle Blower Policy of the Company is also available on the Company's website at https://www.esterindustries.com/sites/default/files/Whistle_blower_policy.pdf.

b) Nomination and Remuneration Policy

Nomination and Remuneration Committee has framed a Nomination and Remuneration policy for determining criteria of selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel including determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act and SEBI (LODR) Regulations, 2015. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Annual Report.

The Policy is available on the Company's website at <https://www.esterindustries.com/sites/default/files/Revised%20NRC%20Policy%20PDF.pdf>

c) Risk Management Policy

The Company has a structured Risk Management Framework, designed to identify, assess and mitigate risks appropriately. The Board has constituted the Risk Management Committee to frame, implement and monitor the risk management plan and ensuring its effectiveness. The Audit Committee has an additional oversight in the area of financial risks and controls.

The constitution and the terms and reference of the Committee are given in the Report on Corporate Governance which forms part of this Annual report.

A detailed note on Risk Management System has been provided in the Management Discussion and Analysis Report, which forms part of this Annual Report.

The Risk Management Policy is available on the Company's website at <https://www.esterindustries.com/sites/default/files/Ester%20Risk%20Management%20Policy.pdf>

d) Prevention of Sexual Harassment (POSH) at workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, the Company has laid down an Anti-Sexual Harassment Policy and has constituted Internal Complaints Committees (ICC), to consider and resolve the complaints related to sexual harassment. The ICC includes external member with relevant experience. The Company has zero tolerance on sexual harassment at the workplace. The ICC also work extensively on creating awareness on relevance of sexual harassment issues including while working remotely. The employees are required to undergo mandatory training on POSH to sensitize themselves and strengthen their awareness.

During the year under review, the Company has not received any complaint pertaining to sexual harassment. All new employees go through a detailed orientation on anti-sexual harassment policy adopted by the Company.

OTHER DISCLOSURES

i) Secretarial Standards

During the year under review, your Company has complied with all the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

ii) Change in Registered Office and Nature of Business

There was no change in the Registered Office and nature of business of the Company during the year under review.

iii) Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates and the date of this Report.

iv) Disclosure under section 197(12) and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure-IV** to the Board's Report.

Other information on compensation of employees as required under section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is

provided in a separate annexure forming part of this report. However, in terms of Section 136 of the Act, the Annual Report is being sent to the shareholders and others entitled thereto, excluding the said annexure which is available for inspection by the shareholders at the registered office of the Company during business hours on working days upto the date of ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at investor@ester.in.

v) Significant and material orders passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators/Courts /Tribunals which would impact the going concern status of the Company and its future operations.

vi) Details of unclaimed dividends and equity shares transferred to the Investor Education and Protection Fund authority are available in the Corporate Governance Report, which forms part of this Annual Report.

vii) Neither the Chairman & Managing Director nor the Whole-Time Directors was in receipt of any remuneration or commission from any holding/subsidiary company of your Company for the financial year 2023-24.

viii) No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of any application made, or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 is not applicable for the year under review.

ix) The requirement to disclose the details of any difference between the valuation done at the time of a one-time settlement and the valuation done while taking loan from banks or financial institutions, along with the reasons thereof, is not applicable for the year under review.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is appended as **Annexure-V** to the Board's Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Act [including any statutory modification(s) or re-enactment(s) for the time being in force], the Directors of your Company, to the best of their knowledge and ability, state that:-

1. in the preparation of annual financial statements for the Financial Year ended 31st March 2024, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
2. they have selected appropriate accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent, so as to

- give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 4. the annual financial statements of the Company for the financial year ended on 31st March 2024 have been prepared on a going concern basis;
 5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 6. proper systems have been devised to ensure compliance

with the provisions of all applicable laws and such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation and assistance received from various departments of the Central & State Government, Banks and Non-Banking finance companies. Your Directors also express their gratitude and thanks to Customers, Suppliers and other Business Associates for their continued co-operation and patronage.

Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the workmen, staff and executives of the Company at all levels to ensure that your Company continues to grow and excel. Your Directors also thank the shareholders for their continued support.

For and on behalf of the Board

Place: New Delhi
Date: 12th August 2024

Sd/-
Arvind Singhania
Chairman & CEO
(DIN:00934017)

Disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2021

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1 | Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time. | Refer Note 43 of standalone financial statements for the year ended 31 st March 2024 for details. |
| 2 | Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time. | Diluted EPS as per Indian Accounting Standards-33 is ₹ (5.19) (Refer Note 32 of Standalone financial statements for details) |
| 3 | Details related to ESOS | |
| (i) | A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including | Presently the Company has only one Employee Stock Option Scheme, namely ESTER EMPLOYEES STOCK OPTION PLAN-2021 . |
| (a) | Date of shareholders' approval | 26 th March, 2021 |
| (b) | Total number of options approved under ESOS | 8,00,000 (Eight Lacs), which will be available for grant to eligible employees/Directors of the Company/Subsidiary(ies) |
| (c) | Vesting requirements | Vesting of the options shall take place over a maximum period of 6 (Six) years from the date of grant. The Nomination & Remuneration Committee at the time of grant may specify certain criteria linked to the individual and/or organisational performance or any other criteria as it may deem fit for all or a part of the Options, the fulfilment of which might be a requisite for the options to vest. The minimum vesting period will be 1 (One) year from the date of grant. |
| (d) | Exercise price or pricing formula | 10% less than Fair Share Price i.e. ₹ 105/- per option |
| (e) | Maximum term of options granted | Vesting of the options shall take place over a maximum period of 6 (Six) years from the date of grant. The Exercise period shall be decided by the Nomination & Remuneration Committee subject to maximum period of 10 (Ten) years. |
| (f) | Source of shares (primary, secondary or combination) | Primary |
| (g) | Variation in terms of options | None |
| (ii) | Method used to account for ESOS - Intrinsic or fair value. | Fair Value method using option pricing model viz. Black Scholes Method |
| (iii) | Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. | Not Applicable as Company has used Fair Value method |
| (iv) | Option movement during the year (For each ESOS): | |
| (a) | Number of options outstanding at the beginning of the period | 248179 |

| Sr. No. | Particulars | Details | | | | | | | | | | | | | | | |
|-----------------------------|--|---|---------------|-----------------|---------------------------------------|-----------------------------|-----------------------------|-------|-----------------------------|-----------------------------|-------|-----------------------------|-----------------------------|-------|-----------------------------|-----------------------------|-------|
| (b) | Number of options granted during the year | Nil | | | | | | | | | | | | | | | |
| (c) | Number of options forfeited/lapsed during the year | Nil | | | | | | | | | | | | | | | |
| (d) | Number of options vested during the year | 49636 (Refer Note No.1) | | | | | | | | | | | | | | | |
| (e) | Number of options exercised during the year | Nil | | | | | | | | | | | | | | | |
| (f) | Number of shares arising as a result of exercise of options | Nil | | | | | | | | | | | | | | | |
| (g) | Money realized by exercise of options (₹), if scheme is implemented directly by the company | Nil | | | | | | | | | | | | | | | |
| (h) | Loan repaid by the Trust during the year from exercise price received | NA | | | | | | | | | | | | | | | |
| (i) | Number of options outstanding at the end of the year | 248179 | | | | | | | | | | | | | | | |
| (j) | Number of options exercisable at the end of the year | Nil | | | | | | | | | | | | | | | |
| (v) | Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. | Weighted Average Exercise price- ₹ 105/- per option. Weighted average fair values- <table border="1"> <thead> <tr> <th>Date of Grant</th> <th>Date of Vesting</th> <th>Weighted Average fair value of option</th> </tr> </thead> <tbody> <tr> <td>1st April, 2021</td> <td>1st April, 2022</td> <td>57.97</td> </tr> <tr> <td>1st April, 2021</td> <td>1st April, 2023</td> <td>60.08</td> </tr> <tr> <td>1st April, 2021</td> <td>1st April, 2024</td> <td>64.91</td> </tr> <tr> <td>1st April, 2021</td> <td>1st April, 2025</td> <td>67.29</td> </tr> </tbody> </table> | Date of Grant | Date of Vesting | Weighted Average fair value of option | 1 st April, 2021 | 1 st April, 2022 | 57.97 | 1 st April, 2021 | 1 st April, 2023 | 60.08 | 1 st April, 2021 | 1 st April, 2024 | 64.91 | 1 st April, 2021 | 1 st April, 2025 | 67.29 |
| Date of Grant | Date of Vesting | Weighted Average fair value of option | | | | | | | | | | | | | | | |
| 1 st April, 2021 | 1 st April, 2022 | 57.97 | | | | | | | | | | | | | | | |
| 1 st April, 2021 | 1 st April, 2023 | 60.08 | | | | | | | | | | | | | | | |
| 1 st April, 2021 | 1 st April, 2024 | 64.91 | | | | | | | | | | | | | | | |
| 1 st April, 2021 | 1 st April, 2025 | 67.29 | | | | | | | | | | | | | | | |
| (vi) | Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - | | | | | | | | | | | | | | | | |
| (a) | Senior Managerial Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Mr. Pradeep Kumar Rustagi - 101713 (Executive Director – Corporate Affairs) Mr. Girish Behal - 146466 (Business Head- Polyester Films & Specialty Polymer) Exercise Price per option is ₹ 105/- | | | | | | | | | | | | | | | |
| (b) | any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and | None | | | | | | | | | | | | | | | |
| (c) | identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. | None | | | | | | | | | | | | | | | |
| (vii) | A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: Description of the method and assumption considered for valuation: Please refer “Annexure -A” | | | | | | | | | | | | | | | | |
| (a) | the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; | Please refer “Annexure -B” | | | | | | | | | | | | | | | |
| (b) | the method used and the assumptions made to incorporate the effects of expected early exercise; | Not Applicable | | | | | | | | | | | | | | | |
| (c) | how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and | The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options | | | | | | | | | | | | | | | |
| (d) | whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition. | There are no market conditions attached to the grant and vest | | | | | | | | | | | | | | | |

Note: 1

| Particulars | Grant | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Vesting Period-1 | Vesting Period-2 | Vesting Period-3 | Vesting Period-4 |
| Outstanding stock options (numbers) at the beginning of the year | 24,818 | 49,636 | 74,454 | 99,272 |
| Options (numbers) granted during the year | - | - | - | - |
| Options (numbers) exercised during the year | - | - | - | - |
| Outstanding options (numbers) at the end of the year | 24,818 | 49,636 | 74,454 | 99,272 |
| Weighted average exercise price (₹) | 105.00 | 105.00 | 105.00 | 105.00 |
| Vesting date | 1 st April, 2022 | 1 st April, 2023 | 1 st April, 2024 | 1 st April, 2025 |

Annexure-A

The Company has adopted Black Scholes Merton Model for valuation of ESOPs. We have allotted 100% weight to Black Scholes Merton Model.

Black-Scholes option pricing model (also called Black-Scholes-Merton Model) values a European-style call or put option based on the current price of the underlying (asset), the option's exercise price, the underlying's volatility, the option's time to expiration and the annual risk-free rate of return. The Black-Scholes model values a call option by weighting the current price of the underlying asset with the probability that the stock price will be higher than the exercise price and subtracting the probability weighted present value of the exercise price. The value of a call option at expiration equals the spot price of the underlying asset minus its exercise price (also called the strike price) i.e. at which the option entitles you to purchase the underlying asset.

Current Stock Price (Underlying Price)

For the purpose of valuation, current stock price is considered to be ₹ 119.30/- per share the closing price as on 1st April 2021 on the stock exchange where higher volume (National Stock Exchange of India Ltd.) is traded i.e. ₹ 119.30/-.

Annual Volatility of Stock Price (Standard Deviation)

For the purpose of valuation of ESOP, the annualised standard deviation of the stock price is considered to be 55.72%, 55.64%, 60.05% and 61.03% for Type I, II, III and IV of options respectively as referred in 'Annexure-B.'

Risk Free Rate

Risk Free return has been considered as Zero Coupon Bond Yield (continuously compounded) for a term equal to the expected option life of the ESOP's, available on The Clearing Corporation of India Limited's (CCIL) website: (<https://www.ccilindia.com/RiskManagement/SecuritiesSegment/Pages/ZCYC.aspx>).

Time remaining till expiration

As per the ESOP policy of the company, the exercise period is 8 years, from the date of grant. The time period till expiration of option has been calculated separately for each class of option, by using [t = Remaining vesting period + Half of remaining Expiration period after the Vesting period].

Strike Price

The strike price of the options is considered as per the ESOP policy of the company i.e. ₹ 105 approved by Nomination and Remuneration Committee.

Annexure-B

| Grant Date | Vesting Date | No. of ESOPs | Risk Free Rate (Continuously compounded) | Volatility (Standard Deviation) | Dividend Yield | Expected option Life (In years) | Value of Option (In ₹) |
|-----------------------------|-----------------------------|--------------|--|---------------------------------|----------------|---------------------------------|------------------------|
| 1 st April, 2021 | 1 st April, 2022 | 24817.90 | 5.49% | 55.72% | 1.79% | 4.50 | 57.97 |
| 1 st April, 2021 | 1 st April, 2023 | 49635.80 | 5.64% | 55.64% | 1.79% | 5.00 | 60.08 |
| 1 st April, 2021 | 1 st April, 2024 | 74453.70 | 5.77% | 60.05% | 1.79% | 5.00 | 64.91 |
| 1 st April, 2021 | 1 st April, 2025 | 99271.60 | 5.90% | 61.03% | 1.79% | 6.00 | 67.29 |

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

(For the financial year ended on 31st March 2024)

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s Ester Industries Limited
(CIN: L24111UR1985PLC015063)
Regd. Office: Sohan Nagar, P.O. Charubeta,
Khatima - 262308, Distt. Udham Singh Nagar
Uttarakhand, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Ester Industries Limited** (hereinafter called "the Company"). The 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 audit period covering the financial year ended 31st March 2024 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 31st March 2024 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. The 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 Borrowing;
- 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**No event took place under this Regulation during 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, 2021 (**No event took place under this Regulation during Audit period**); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**No event took place under this Regulation during Audit period**).
 - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- vi. The Company has been carrying on the business of manufacturing of Polyester chips & films and Speciality Polymers and its Manufacturing Plant is located at Sohan Nagar, P.O-Charubeta, Khatima-262308, Distt.: Udham Singh Nagar, Uttarakhand and also at Sitarganj, Distt.: Udham Singh Nagar, Uttarakhand. As informed and confirmed by the management of the company, following are the laws specifically applicable to the Company:-
 - a. The Indian Boiler Act, 1923 and regulations made thereunder;
 - b. The Legal Metrology Act, 2009 and rules made thereunder;
 - c. The Petroleum Act, 1934 and rules & regulations made thereunder.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on Board Meetings (SS-1) and General Meetings (SS-2);

- II. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**SEBI (LODR) Regulations, 2015**] read with Listing Agreements as entered by the company with the Stock Exchanges.

During the period under audit, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above to the extent applicable.

Our Observations of the Last Financial Year 2022-2023

The BSE Limited ("BSE") had levied a fine of ₹ 25,960.00 on the Company for delayed filing of Investor Grievance Report ("IGR") for the quarter ended 31st December, 2022 under Regulation 13(3) of the SEBI (LODR) Regulations, 2015 and according to the information, explanation given to us and documents shared with us by the company, it replied in its letter to BSE Limited that they had submitted the said report within due timelines on 13th January, 2023 (i.e. within 21 days from the end of quarter) but while filing the XBRL, selection of financial year in the drop down went wrong due to which the IGR for December quarter, 2022 was not visible on the BSE portal to which the BSE has levied the aforesaid fine.

In its waiver application dated 17th February 2023, the company further submitted to the BSE that it is a law-abiding company and there has not been any instance of non-compliances in the past. But inadvertently, the selection of financial year in the drop down went wrong.

The waiver application was duly submitted to the BSE along with the application processing fees of ₹11,800.00 which was under consideration.

Action taken by the company in Financial Year 2023-24 over the above said observation

The company has paid the entire outstanding amount of fine to BSE Limited on 12th March 2024. Accordingly, the default has been made good.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. Further, the company has appointed two new Independent Directors i.e. Mr. Atul Aggarwal and Mr. Alok Dhir with effect from 14th February 2024 and the approval of the Members of the company was taken for the above said appointments through Postal Ballot on 16th March 2024. In addition to this, during the period under review, the second term of five years was completed on 31st March 2024 for four Independent Directors i.e. Mr. Ashok Kumar Newatia, Mr. M. S. Ramachandran, Dr. Anand Chand Burman and Mr. Priya Shankar Das Gupta. The changes in the Board of Directors that took place, as above said, during the

period under review were carried out in compliance with the provisions of the Act.

Further, Ms. Poornima Gupta has been appointed as Company Secretary and Compliance officer of the company with effect from 12th July 2023 pursuant to the Regulation 6 of SEBI (LODR) Regulations, 2015 read with Section 203(4) of the Act.

Adequate notice is given to all Directors to schedule the Board Meeting and committees meeting. Agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meetings.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as per the minutes, as duly recorded and signed by the Chairman of the meeting of the Board of Directors or committees of the Board, therefore no dissenting views were there required to be recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and also on the basis of the compliance software installed and maintained by the company and the quarterly compliance reports placed by the Company Secretary before the Board of Directors at their meeting(s), in our opinion, the adequate systems, processes and control mechanism exist in the Company to monitor and ensure compliances with applicable General Laws like Labour Laws and Environmental Laws and all applicable laws, rules, regulations and guidelines forming part of this report.

We further report that, during the audit period the Company has not undertaken any activity having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. However, the Company has taken the following major decisions during the audit period as given hereunder:-

1. During the period under review, pursuant to the provisions of the Act read with Chapter V of the Securities and Exchange Board of India (Issuance of Capital and Disclosure Requirements) Regulations, 2015 and in-principal approval accorded by the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") under Regulation 28 of the SEBI (LODR) Regulations, 2015 and pursuant to the consent accorded by the shareholders on 16th March 2024 by postal ballot, the Board had passed the resolution in its meeting held on 28th March 2024 to allot 1,05,60,250 equity shares to the persons belonging to the 'Promoter & Promoter Group' and 'Non-Promoter' category on preferential basis.
2. The company has taken approval from its Board of Directors in its meeting held on 14th February 2024 for investment up to ₹ 400 Crores into equity shares of its wholly owned subsidiary company i.e. Ester Filmtech Limited.

3. Pursuant to Section 179(3) of the Act, the Company has passed resolution in its finance committee meeting held on 11th December 2023 for executing corporate guarantee of ₹ 94 Crores in favour of HDFC Bank Ltd. for extending derivative pre settlement risk line extending in favour of Ester Filmtech Limited, wholly owned Subsidiary of the Company.

**For Dhananjay Shukla & Associates
Company Secretaries**

**Sd/-
Dhananjay Shukla
Proprietor**

FCS-5886, CP No. 8271

Peer Review No.2057/2022

UDIN: F005886F000938543

Place: Gurugram

Date: 12th August 2024

This report is to be read with our letter of even date which is annexed as 'Annexure -A' and forms integral part of this report.

Enclosure: Annexure-A

'Annexure-A'

To,
The Members,
M/s Ester Industries Limited
(CIN: L24111UR1985PLC015063)
Regd. Office: Sohan Nagar, P.O. Charubeta,
Khatima - 262308, Distt. Udham Singh Nagar
Uttarakhand, India

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records and other relevant records as maintained by the Company. Further, the verification was done on test basis to ensure that correct facts are reflected in secretarial records and other relevant records. We believe that the processes and practices we followed and the audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not examined the compliance by the company with applicable financial laws like Direct tax and Indirect Tax Laws, since the same has been subject to review by the Statutory Financial Auditor or by other designated professionals.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Dhananjay Shukla & Associates
Company Secretaries**

**Sd/-
Dhananjay Shukla
Proprietor**

FCS-5886, CP No. 8271

Peer Review No.2057/2022

UDIN: F005886F000938543

Place: Gurugram

Date: 12th August 2024

Form No. MR-3
SECRETARIAL AUDIT REPORT
(For the financial year ended on 31st March 2024)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Ester Filmtech Limited

CIN: U36900HR2020PLC087741

Plot No 11, Block-A, Infocity-1,

Sector - 34, Gurgaon

Haryana 122001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Ester Filmtech Limited (“The Company”)** for the audit period covering the financial year ended on **31st March 2024**. 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 the verification of the 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 **31st March, 2024**, 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, 2024** 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; **(Not applicable to the Company during the audit period)**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the audit period)**
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowing;
- v. The following Acts, 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; **(Not applicable to the Company during the audit period)**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the audit period)**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - e) 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; **(Not applicable to the Company during the audit period)**
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
 - h) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
 - i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; **(Not applicable to the Company during the audit period)**
 - j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(to the extent applicable as material subsidiary).**
- vi. as informed and confirmed by the management of the company, following are the laws specifically applicable to the company:
 - a) The Indian Boiler Act, 1923 and regulations made thereunder;
 - b) The Legal Metrology Act, 2009 and rules made thereunder;
 - c) The Petroleum Act, 1934 and rules & regulations made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India i.e. SS-1 on Board Meeting and SS-2 on General Meeting.

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

We have not examined compliance by the company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by the statutory auditors and other designated professionals.

During the period under review, we have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of the information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws, rules, regulations and guidelines etc. specifically applicable to the Company.

We further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No Changes took place in the composition of the Board of Directors during the period under review.
- b. Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meetings.
- c. All decisions at Board Meetings are carried out unanimously as per the minutes, as duly recorded and signed by the Chairman of the meeting of the Board of Directors, therefore no dissenting views were there required to be recorded as part of the minutes.

We further report that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had not undertaken any activity having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. except reported as hereunder:

- a) Authorized Capital of the company has been increased by passing resolution in Extra Ordinary General Meeting (EGM). Details of increased capital is given hereunder:

| Date of EGM | Existing Capital (in ₹) | Revised Capital (in ₹) | Additional (Difference) (in ₹) | Face Value of Equity Share (in ₹) |
|-------------|-------------------------|------------------------|--------------------------------|-----------------------------------|
| 23.06.2023 | 270,00,00,000 | 300,00,00,000 | 30,00,00,000 | 10 |
| 07.12.2023 | 300,00,00,000 | 700,00,00,000 | 400,00,00,000 | 10 |

- b) The Board of Directors vide board meetings had allotted equity shares respectively of ₹ 10 each at ₹ 10/- per share as per the provisions of the Companies Act, 2013:

| Date of Allotment | No. of Equity Shares | Face Value per share (in ₹) | Paid-up Share Capital (in ₹) |
|-------------------|----------------------|-----------------------------|------------------------------|
| 04.07.2023 | 1,20,00,000 | 10 | 12,00,00,000 |
| 13.09.2023 | 80,00,000 | 10 | 8,00,00,000 |
| 06.12.2023 | 50,00,000 | 10 | 5,00,00,000 |
| 02.01.2024 | 4,40,00,000 | 10 | 44,00,00,000 |
| 29.01.2024 | 1,10,00,000 | 10 | 11,00,00,000 |
| 29.03.2024 | 2,30,00,000 | 10 | 23,00,00,000 |

For Akash Jain
Practicing Company Secretary

Sd/-
Akash Jain
Proprietor

Place: Agra
Date: 26.07.2024

FCS: 9617 C.P.: 9432
ICSI UDIN: F009617F000831295

This report is to be read with our letter of even date which is annexed as 'Annexure -A' and forms integral part of this report.

Enclosure: Annexure-A

To,
The Members
Ester Filmtech Limited
CIN: U36900HR2020PLC087741
Plot No 11, Block-A, Infocity-1,
Sector - 34, Gurgaon
Haryana 122001

Our report of even date is to be read along with this letter:

- a) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records and other relevant records as maintained by the company. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records and other relevant records. We believe that the processes and practices we followed and the audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not examined the compliance by the company with applicable financial laws like Direct tax and Indirect

Tax Laws, since the same has been subject to review by the Statutory Financial Auditor or by other designated professionals.

- d) Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- e) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Akash Jain
Practicing Company Secretary

Sd/-
Akash Jain
Proprietor

Place: Agra
Date: 26.07.2024

FCS: 9617 C.P.: 9432
ICSI UDIN: F009617F000831295

ANNUAL REPORT ON CSR

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the of the Company:

Ester Corporate Social Responsibility (CSR) Policy outlines continuing commitment by the business to contribute towards economic, environmental and social development (a Triple Bottom Line approach) in the vicinity of our facilities/operations with a view to improving the quality of life and fostering sustainable development of the communities as well as our workforce and their families.

Ester intends to pursue its CSR program in a structured manner, making this an integral part of the business to minimize risks and build reputation and competitive advantage, whilst pursuing initiatives covering the following platforms – community, environment, work place & market place.

Through this structured approach, Ester intends to enhance the involvement of employees in progressing its CSR program, whilst addressing the needs of various stakeholders.

2. Composition of the CSR Committee:

| Sr. No. | Name of Director | Designation/ Nature of Directorship | No. of Meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------------------|---|---|--|
| 1 | Mr. Madras Seshamani Ramachandran* | Independent Director -Chairman | 2 | 2 |
| 2 | Mr. Ashok Kumar Newatia | Independent Director -Member | 2 | 2 |
| 3 | Mrs. Archana Singhania | Non-Executive Director-Member | 2 | 2 |
| 4 | Mr. Arvind Singhania | Managing Director (Chairman & CEO)-Member | 2 | 2 |

*Mr. Madras Seshamani Ramachandran and Mr. Ashok Kumar Newatia ceased to be Independent Directors and Chairman/Member of CSR Committee upon completion of second consecutive term with effect from close of business hours on 31st March 2024. The Committee was reconstituted by induction of Mr. Sandeep Dinodia as Chairman of the CSR Committee and induction of Mr. Alok Dhir and Mr. Ayush Vardhan Singhania as Members of the Committee and cessation of membership of Mrs. Archana Singhania w.e.f. 1st April 2024.

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

- a. Composition of CSR Committee: <https://www.esterindustries.com/committees-board>
 b. CSR Policy and CRS Projects: <https://www.esterindustries.com/csr>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 if applicable (attach the report) – Not Applicable

5.

| Sr. No. | Particulars | Amount (in ₹) |
|---------|---|----------------|
| a) | Average net profit of the company as per sub-section (5) of section 135 | 1,48,54,22,650 |
| b) | Two percent of average net profit of the company as per section 135(5) | 2,97,08,453 |
| c) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | Nil |
| d) | Amount required to be set off for the financial year, if any | Nil |
| e) | Total CSR obligation for the financial year [(b)+(c)-(d)] | 2,97,08,453 |

6.

| Sr. No. | Particulars | Amount (in ₹) |
|---------|---|---------------|
| a) | Amount spent on CSR Projects - including actual spent (₹ 69,59,341/-) and amount transferred to unspent CSR account for ongoing projects (₹ 2,19,71,250/-) (both Ongoing Project and other than Ongoing Project) | 2,89,30,591 |
| b) | Amount spent in administrative overheads | Nil |
| c) | Amount spent on Impact Assessment, if applicable | Nil |
| d) | Total amount spent for the Financial Year [(a)+(b)+(c)] | 2,89,30,591 |

e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in ₹) | Amount unspent (in ₹) | | | | |
|--|---|-----------------------------|---|----------|---|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 69,59,341 | 2,19,71,250 | 29 th April 2024 | Prime Minister National Relief Fund (PMNRF) | 7,77,862 | To be transfer by 30 th September 2024 |

f) Excess amount for set off, if any:

| Sr. No. | Particulars | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 2,97,08,453 |
| (ii) | Total amount spent for the Financial Year | 2,89,30,591* |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | NIL |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)+(iv)] | NIL |

*It includes ₹ 2,19,71,250 which has been transferred to Unspent CSR account as per section 135(6)

7. Details of Unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount spent in the Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(5), if any | | Amount remaining to be spent in succeeding financial years (in ₹) | Deficiency, if any |
|---------|--------------------------|--|---|---|---|------------------|---|--------------------|
| | | | | | Amount (in ₹) | Date of transfer | | |
| 1 | 2022-23 | 1,93,28,213 | 1,61,10,631 | 32,17,582 | 6,10,518 | 28.09.2023 | 1,61,10,631 | |
| 2 | 2021-22 | 59,00,000* | - | 59,00,000 | N.A. | | - | - |
| 3 | 2020-21 | - | - | - | - | | - | - |

*Amount of ₹ 59 lacs transferred to unspent CSR Account for ongoing project for FY 2021-22 was fully spent during FY 2023-24.

8. **Whether any capital assets have been created or acquired through CSR amount spent in the financial year:** No
9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**
The CSR Committee budgeted to spend ₹ 7.78 lakhs on projects of rainwater harvesting and construction of boundary wall in government hospital, but due to some unavoidable circumstances, the said projects could not be implemented during the FY 23-24. Therefore, the Committee and the Board have approved to pay the unspent amount of ₹ 7,77,862/- to Prime Minister National Relief Fund by the latest date of 30th September 2024.

For and on behalf of the CSR Committee

**Sd/-
Arvind Singhania
Chairman & CEO
(DIN: 00934017)**

**Sd/-
Sandeep Dinodia
Chairman-CSR Committee
(DIN: 00005395)**

Place: New Delhi

Date: 12th August 2024

ANNEXURE – V**Details of Remuneration under section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March 2024:**

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year along with percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary

| Sr. No. | Name of Director/KMP | Ratio of remuneration of each Director to median remuneration of employees | % increase in Remuneration in the Financial Year 2023-24 |
|--|------------------------------|--|--|
| Executive Directors | | | |
| 1 | Mr. Arvind Singhania | 63:1 | No Change |
| 2 | Mr. Pradeep Kumar Rustagi | 25:1 | No Change |
| 3 | Mr. Ayush Vardhan Singhania | 26:1 | No Change |
| Non-Executive Independent Director | | | |
| 4 | Mr. M S Ramachandran | NA | NA |
| 5 | Mr. Sandeep Dinodia | NA | NA |
| 6 | Mr. P S Dasgupta | NA | NA |
| 7 | Mr. Ashok Kumar Newatia | NA | NA |
| 8 | Dr. Anand Chand Burman | NA | NA |
| 9 | Mrs. Padmaja Shailen Ruparel | NA | NA |
| 10 | Mr. Atul Aggarwal | NA | NA |
| 11 | Mr. Alok Dhir | NA | NA |
| Non-Executive Non-Independent Directors | | | |
| 12 | Mrs. Archana Singhania | NA | NA |
| Key Managerial Personnel | | | |
| 14 | Sourabh Agarwal | 14:1 | No Change |
| 15 | Poornima Gupta* | 3:1 | 34% |

Note:

* Appointed w.e.f. 12th July 2023

The Company has not paid any remuneration to its Non-Executive Directors except sitting fees for attending Board and Committees meetings and details of sitting fee paid to Non-Executive Director have been given in Corporate Governance Report which forms part of this Annual Report.

- ii) **The percentage Increase in the median remuneration of employees in the financial year – 10%**
- iii) **The number of permanent employees on the rolls of company – 401 employees**
- iv) **Average percentage increases already made in the remuneration of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

| Category | Average Increase |
|--|------------------|
| Employees' remuneration (other than Directors) | 5% |
| Managerial remuneration (Directors) | 1% |

There are various factors to ensure fair remuneration to the employee and managerial personnel including industry trend, individual and company performance, profitability of the Company, existing remuneration, increase given in past etc.

- v) It is hereby affirmed that the remuneration is as per the remuneration policy of the company.

For and on behalf of the Board

Place: New Delhi
Date: 12th August 2024

Sd/-
Arvind Singhania
Chairman & CEO
(DIN: 00934017)

Details as per Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY**i) Steps taken or impact on conservation of energy - Energy Conservation Initiatives taken:**

- In Chill Roll of Film Plant- 2, energy-efficient water pump and motor have been installed. This has resulted in savings of 95,040 kWh per annum. (**₹ 8.08 Lacs**)
- A new energy-efficient air dryer was installed in place of a less efficient air dryer resulting in savings of 40,000 kWh per annum. (**₹ 3.40 Lacs**)
- During the winter season, we have stopped Air Washers & Exhaust Blower of Film Plant - 3 which has resulted in savings of about 4,11,000 kWh per annum (**₹ 34.94 Lacs**)
- The online and offline grinder is being shut down within 10 minutes of the idle running of Film Plant- 3 resulting in savings of about 5,900 kWh per annum. (**₹0.50 Lacs**)
- Motion sensitive lights and fans were installed in offices and workshops which has resulted in savings of 3,416 kWh per annum. (**₹ 0.29 Lacs**)

ii) Steps taken for utilizing alternate sources of energy:

As detailed below, since Company is already meeting significant portion of its requirement of energy through alternate sources, it has not taken any additional step during the FY 2023-24 for utilizing alternate sources of energy:

- Power Requirement - Mostly met through Hydroelectric power supplied by UPCL.
- Steam Requirement - Mostly met through a Bio-Mass (Rice Husk) fueled Steam Boiler.
- Heating Requirement - Mostly met through a Bio-mass (Rice Husk) fueled Thermic Fluid Heater.
- Out of the total spend of ₹ 10,047.84 Lacs on Power & Fuel during the FY 2023-24, only ₹ 438.49 Lacs is on fossil fuels, HSD, Furnace Oil & LSHS.

iii) The capital investment on energy conservation during 2023-24:

During the year under review, the Company has incurred capital investment of about ₹ 27.43 Lacs on energy conservation equipment.

B. TECHNOLOGY ABSORPTION**i) Efforts made towards technology absorption**

- A new energy-efficient air dryer was installed in place of a less efficient air dryer (HOC).
- VAM chiller condensate recovery pump replaced with energy-efficient pump.
- To improve reliability, replaced 33kV MOCB-type HT panel with a VCB-type HT panel.
- DC drive to AC drive conversion in Film Plant-2 to improve reliability.
- Installed plant & machinery to produce master batch for Film Plants having a capacity of 180 - 216 MT/month.
- Motors and drive upgraded in Metallizer-1 to improve reliability.
- Capacity enhancement of Pre Heater-1 from 4.5 Mkal to 5.5 Mkal.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution.

Development of new products, improved productivity, operational efficiency and quality.

iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)- Not Applicable**iv) Research and Development –**

| Particulars | Amount (₹ in Lacs) |
|--|--------------------|
| Sales revenue from products manufactured during R & D | 4,842.29 |
| Expenditure incurred on R & D for production of aforesaid products | 1,680.07 |
| Net Revenue earned from R & D activities | 3,162.22 |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are as follows:

(Amount ₹ in Lacs)

| Sr. No. | Particulars | 2023-24 | 2022-23 |
|---------|---------------------------------|-----------|-----------|
| 1. | Earnings – FOB Value of Exports | 29,933.16 | 43,332.99 |
| 2. | Outgo – CIF Value of Imports | 7,166.73 | 25,493.02 |

For and on behalf of the Board

Place: New Delhi
Date: 12th August 2024

Sd/-
Arvind Singhania
Chairman & CEO
(DIN: 00934017)

MANAGEMENT DISCUSSION & ANALYSIS

Overview

According to the International Monetary Fund (IMF), global growth of GDP, which was estimated at 3.2% in 2023, is expected to continue at this rate through 2024 and 2025. The forecast for 2024 has been revised upwards by 0.1 percentage points from the January 2024 World Economic Outlook (WEO) Update and by 0.3 percentage points from October 2023 WEO. This moderate pace of expansion is attributed to both short-term factors, such as persistently high borrowing cost and the reduction of fiscal support, and longer-term influences, including the ongoing repercussions of the COVID-19 pandemic, Russia-Ukraine conflict, sluggish productivity growth and increasing geoeconomics fragmentation.

Global headline inflation is anticipated to decline from an average annual rate of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025, with advanced economies expected to reach their inflation targets sooner than emerging markets and developing economies.

In India, growth is projected to remain robust at 7.0% in 2024 and 6.5% in 2025, driven by strong domestic demand and a growing working-age population.

These external challenges, coupled with imbalances in supply and demand within the film industry, have impacted our annual performances. For the fiscal year 2023-24, the Company's consolidated revenue was ₹ 1,090.5 crores, compared to ₹ 1,126.5 crores in the previous year, reflecting a decline of 3.2%. EBITDA for the year amounted to ₹ 3 crores, a significant decrease from ₹ 104 crores recorded in the prior year.

Operational Performance

Business Segment: Polyester Films Business

Flexible packaging represents the most cost-effective and environment friendly solution for packaging, preserving and distributing a range of products, including food, beverages, consumables, pharmaceuticals and other items requiring extended shelf life.

Polyethylene Terephthalate (PET) is a clear, durable and lightweight plastic commonly used in producing various packaging materials for food, personal and home care products, pharmaceuticals and industrial goods.

PET is favored for its exceptional tensile strength, chemical and dimensional stability, transparency, reflectivity and effective gas and aroma barrier properties. These characteristics contribute to extended shelf-life, making PET an ideal choice for safeguarding food and pharmaceutical products. Additionally, PET's ability to prolong the shelf-life of food products helps in stabilizing food price inflation.

Globally, health and safety organization have endorsed PET as a safe material for use in the food and beverage sector.

Historically, the PET film market is categorized into thin film (below 50 microns) and thick films (above 50 Microns).

Industry Overview

Global Market : Demand

Over the past five years, regional demand growth rates for BOPET film have varied significantly, reflecting the diverse economic conditions across regions. In 2022, Asian countries accounted for 77% of global BOPET film demand, a position expected to remain relatively stable over the next five years.

China and India, which represent 47% and over 11% of global demand respectively, continue to be key drivers of the global BOPET film market.

Despite experiencing slower economic growth in 2020 due to the pandemic, the BOPET film markets in China and India demonstrated resilience, with growth rates of 3% and 6% respectively. In 2021, as both countries continued to navigate the pandemic, their BOPET film markets grew by 7% and 10% respectively.

Global BOPET Film Demand by Film Type

| Film Type | 2017 (KT) | 2022 (KT) | CAGR (2017-22) |
|----------------------|--------------|--------------|----------------|
| Thick 50 micron+ | 1,041 | 1,109 | 1.3% |
| Thin < 50 micron | 3,716 | 4,692 | 4.8% |
| Global Demand | 4,757 | 5,801 | 4.0% |

Global BOPET Film Demand by End Use

| End use application | 2017 (KT) | 2022 (KT) | CAGR (2017-22) |
|-------------------------|--------------|--------------|----------------|
| Electrical / electronic | 706 | 766 | 1.6% |
| Imaging & graphics | 231 | 197 | -1.9% |
| Other industrials | 1,015 | 1,196 | 3.3% |
| Packaging | 2,805 | 3,641 | 5.4% |
| Global Demand | 4,757 | 5,801 | 4.0% |

In 2022, the global market consumed 4.7 million tons of thin films, with flexible packaging being the predominant end-use, accounting for over 75% of the total volume.

Over the past six years, the global thin film market for packaging has experienced a compound annual growth rate (CAGR) of 5.4%, despite weakened demand in mature markets affected by sluggish economic growth.

Asia remains a leading exporter of BOPET film worldwide. The Russia-Ukraine conflict and the ongoing impact of the pandemic have introduced new challenges to global supply chains, severely disrupting trade flows. Nevertheless, India has managed to maintain a strong position in fulfilling global BOPET film supplies. This trend is expected to strengthen further, as high energy prices in Western markets will likely pressure producers in those regions to stay competitive.

Global BOPET Thin Film Market by Region - 2024 (KTs)

| Region | Capacity | Production | Demand |
|--------------------------------------|-------------|-------------|-------------|
| China | 5230 | 2426 | 2291 |
| India | 1301 | 907 | 782 |
| Asia (excluding China and India) | 1232 | 790 | 848 |
| North America | 366 | 253 | 435 |
| Latin America and the Caribbean | 307 | 109 | 66 |
| Middle East | 175 | 80 | 40 |
| Africa | 124 | 42 | 54 |
| Europe | 413 | 278 | 356 |
| Russia and the Caspian | 119 | 43 | 50 |
| Global BOPET thin film market | 9267 | 4930 | 4930 |

Source: Wood Mackenzie and internal analysis. Wood Mackenzie estimates Indian demand at 682KTs whereas as per our internal analysis it is about 782KTs.

Global BOPET Thin Film Market: Capacity

The global thin film market encompasses approximately 4.7 million tons. Over the past three years, global capacity has increased by over 2.9 million tons, with China contributing 2.065 million tons and India adding 0.476 million tons.

However, much of the new capacity in China primarily serves the domestic market, with exports remaining minimal due to high tariff barriers and a limited product range. In contrast, high energy prices in Western markets are expected to render older, less efficient production lines less competitive compared to newer, wider and higher productivity lines.

Global BOPET Film Capacity based on Thickness

| BOPET film | 2020(KT) | 2024 (KT) | 2030 (KT) |
|-------------------|----------|-----------|-----------|
| Capacity | | | |
| : Thick | 1759 | 2550 | 2669 |
| : Thin | 5799 | 9267 | 10355 |
| Production | | | |
| : Thick | 1046 | 1174 | 1490 |
| : Thin | 4310 | 4930 | 6126 |

Indian Market

Domestic demand has maintained a robust growth trajectory, driven by several demographic factors, including:

- 1) Increasing disposable income levels;
- 2) Rising consumer awareness and demand for processed foods;
- 3) Rapid expansion by multinational corporations in the food, beverages, cosmetics, toiletries and pharmaceuticals sector; and

- 4) A rise in export of flexible packaging laminates from India.

However, the flexible packaging industry faces challenges, such as rising commodity prices, which lead to higher working capital requirements throughout the value chain. Despite these obstacles, domestic demand has continued to grow healthy, recording an increase of over 10%.

In India, the Plastic Waste Management rules, effective 1st April 2025, will mandate the use of recycled content in flexible packaging structure. This regulation is expected to drive demand for polyester films, as it will favor substrates with Post-Consumer Recycled content. Polyester films variants with recycled content are commercially available and competitive compared to BOPP/PE variants, which are less viable and not widely available.

Many FMCG companies are already working on validating their packaging with polyester options that include recycled content. By 2024, the total production capacity of thin BOPET film in India is anticipated to reach approximately 1,300 kilo- tons per annum.

FY 2023-24 Performance Overview

The fiscal year 2023-24 has presented significant challenges for the BOPET film sector. Sales volume for the BOPET film business declined to 51,218 MT, compared to 57,173 MT in the previous year, reflecting a 10.4% decrease due to demand-supply imbalances. Consequently, sales turnover fell by 21.9% as a result of these mismatches. Margins remained at historically low levels due to the continuous introduction of new production facilities.

To address these challenges and to enhance our portfolio, we introduced several new value-added and specialty products. We also emphasized promoting products with recycled content to align with the upcoming Plastic Waste Management Regulations.

During the past financial year, we expanded our operations with a new BOPET film facility in Telangana, targeting the central and southern Indian markets. This new facility has also begun exporting, offering improved turnaround times for our export business. The new film plant generated revenues of ₹ 279 crores and is projected to achieve revenues of approximately ₹ 500 to ₹ 550 crores upon reaching optimal utilization.

Ester remains committed to increasing the proportion of value-added and specialty products in our overall mix, driven by ongoing innovation and R&D efforts. We have seen significant improvements in our products mix with a higher share of value-added products.

In line with our sustainability goals, Ester is pleased to offer a comprehensive range of BOPET films made from post-consumer recycled materials, with recycled content reaching up to 100%.

We have also introduced all Mono PET-based solutions and PCR PET film solutions to further our sustainability objectives.

Additionally, we have received approval from FSSAI to offer products made with recycled content for direct food contact use.

Outlook

The demand for BOPET film in India continues to grow to over 10%, and global demand for thin PET films is projected to increase at a compound annual growth rate (CAGR) of approximately 5-6% per annum over the coming years.

In recent years, numerous new film line expansions have been initiated both in India and globally. These expansions have created an unfavorable demand-supply imbalance, resulting in historically low margins leading to underutilization of capacity.

However, with strong demand growth and the upcoming implementation of recycled content regulation under the Plastic Waste Management Rules in India, effective 1st April 2025, the demand for polyester films is expected to accelerate. This shift towards polyester films is anticipated to improve the demand-supply balance and enhance margins.

Ester remains committed to sustainability and green initiatives by utilizing bio-waste or rice husk as fuel and offering polyester products as substitutes for PVC films. We are dedicated to advancing our sustainability agenda by promoting the use of recycled content in flexible packaging. Ester is expanding its portfolio with a wide range of BOPET films containing up to 100% recycled content.

Business Segment: Specialty Polymer Business

Overview

Ester Industries specializes in designing and producing Specialty Polymers that offer unique, customized, and innovative solutions across various sectors, including flexible and rigid packaging, textiles, yarns, carpets, stain-resistant masterbatches, deep dyeing masterbatches, flame retardants, consumer electronics, polyester adhesives, and coating applications. Our Advanced Material Surface Science Applications Division is dedicated to continuous innovation in specialty polymers and polyesters, driven by the concept of creating a circular economy. Our aim is to develop value-added derivatives for multiple applications, helping end-use industries enhance the recyclability of their products. Ester is pioneering the development of specialty polymers and polyester compounds for niche applications that impact daily life, with a focus on thinking differently to bring comfort and improvement to living standards.

In response to global climate change challenges, our Specialty Polymer Division is committed to reimagining chemistry to foster environmental restoration and biodiversity. This commitment to innovation in polyester chemistry promises to unlock a wide array of opportunities and possibilities.

The Specialty Polymers & Polyesters Division currently holds six globally approved patents, with three additional patents under review.

During FY 2023-24, the performance of the Specialty Polymers segment was adversely affected due to global uncertainties and economic recession. The first half of FY 2023-24 experienced lower demand from the consumer electronics sector, though recovery was observed in the fourth quarter.

Looking ahead, the market for specialty polymers is expected to be buoyant. Many of our products are innovative and involve technical sales expertise. The Indian market presents growing opportunities, particularly in sustainable fashion, while China and Singapore are key markets for innovative consumer electronic products. Additionally, India offers significant potential for our polyester adhesives.

Performance Overview (FY 2023-24)

In the fiscal year 2023-24, our sales volume experienced a 30% decline, primarily driven by external global factors. The sales performance of two of our key products, MB-03 and PBT, was notably affected by reduced demand.

Despite these challenges, we successfully launched several new products during the year and made significant inroads into the polyester adhesive segment. Additionally, many new customers have begun the process of qualifying our products for their end-use applications.

Outlook

Our Specialty Polymer business is heavily export-oriented, with 90% of our revenue generated from international markets. Our key markets include North America, Brazil, Turkey, China, Poland, and Belgium. The North American market for specialty polymers is expected to expand as existing customers return to pre-COVID demand levels. Some customers are also increasing capacities through debottlenecking, leading to higher annual demand, while new customers are initiating approval processes.

We anticipate the Specialty Polymer business to grow at a year-over-year rate of about 20%, with substantial volume growth expected over the next three years. Key growth areas include the textile, polymer adhesive, and consumer electronics segments. Emerging products, such as coatings and masterbatches for polyester films and polyester adhesives, are also expected to gain traction.

With sustainability as a core focus, we are committed to delivering enhanced value to our growing customer base and diverse application segments. The Specialty Polymers segment is projected to achieve a turnover of approximately ₹ 200 crores in FY 2024-25, with margins expected to remain consistent with current levels.

Overall, our continued emphasis on product development and innovation positions the business well to create significant value for our shareholders.

BUSINESS & FINANCIAL PERFORMANCE

| Particulars | Quantity Produced (MT) (During FY 2023-24) | Quantity Produced (MT) (During FY 2022-23) | Growth |
|---------------------------|--|--|----------------|
| Polyester Chips | 61789 | 59421 | 3.99% |
| Specialty Polymers | 3991 | 4378 | (8.84%) |
| PET Film – Non-Metallized | 51685 | 56972 | (9.28%) |
| PET Film – Metallized | 10595 | 10922 | (2.99%) |
| Engineering Plastics | Nil | 5111 | See Note below |

Note: Engineering Plastics SBU was divested on 15th September 2022.

Production & Sales Overview

Last year, the production of polyester chips was adversely affected by a 28-day shutdown of the Continuous Polymerization plant due to a technical breakdown. Additionally, production rates were reduced due to specific technical issues that impacted throughput. However, the plant has been operating at optimal capacity during the current financial year.

The production of specialty polymers declined due to the economic slowdown and recessionary trends in the United States, which is our primary market for these products.

Similarly, the production of both non-metallized and metallized PET film decreased as a result of an imbalanced demand-supply dynamic, with supply outpacing demand.

| Particulars | Quantity Sold (During FY 2023-24) | Quantity Sold (During FY 2022-23) | Growth |
|-----------------------------|-----------------------------------|-----------------------------------|-----------------|
| Polyester Chips | 9859 | 2925 | 237.06% |
| Specialty Polymers | 2535 | 3614 | (29.86%) |
| PET Film – Non Metallized | 40663 | 46234 | (12.05%) |
| PET Film – Metallized | 10555 | 10939 | (3.51%) |
| Sub Total – PET Film | 51218 | 57173 | (10.42%) |
| Engineering Plastics | Nil | 5002 | See Note above |

| Particulars | Revenue from Operations (₹ in Lacs) (During FY 2023-24) | Revenue from Operations (₹ in Lacs) (During FY 2022-23) | Growth |
|---------------------------|---|---|----------|
| Polyester Chips | 8773.49 | 2710.94 | 223.63% |
| Specialty Polymers | 10133.96 | 19751.60 | (48.69%) |
| PET Film – Non-Metallized | 51096.79 | 66553.66 | (23.22%) |
| PET Film – Metallized | 15534.63 | 18731.67 | (17.07%) |

| Particulars | Revenue from Operations (₹ in Lacs) (During FY 2023-24) | Revenue from Operations (₹ in Lacs) (During FY 2022-23) | Growth |
|-----------------------------|---|---|-----------------|
| Sub Total - PET Film | 66631.42 | 85285.33 | (21.87%) |
| Engineering Plastics | -- | 13600.66 | See note above |
| Total | 85538.87 | 121348.53 | (29.51%) |

| Particulars | (₹ in Lacs) (During FY 2023-24) | (₹ in Lacs) (During FY 2022-23) | Growth |
|--|---------------------------------|---------------------------------|----------|
| EBITDA (including discontinuing operations) | 2283.84 | 13568.91 | (83.17%) |
| PBT (including discontinued operations) | (5728.82) | 6575.69 | Negative |
| Capital Gain before Tax from divestment of Engineering Plastics business | -- | 14555.95 | Negative |
| PAT (including discontinuing operations) | (4333.43) | 16104.42 | Negative |
| Other Comprehensive Income | (76.55) | 27.07 | Negative |
| Total Comprehensive Income | (4409.98) | 16131.49 | Negative |

Business performance Overview (FY 2022-23)

During FY 2022-23, the company's Engineering Plastics business was divested, effective 15th September 2022. As a result, the performance of the Engineering Plastics segment is reflected only for the period from 1st April 2022 to 14th September 2022, prior to its divestment.

Standalone net revenues from the operations for the year decreased by 29.51% from ₹ 1,213.48 crores to ₹ 855.39 crores due to the following factors:

- The absence of sales from the Engineering Plastics business following its divestment.
- A reduction in the sales value of Specialty Polymers, driven by lower volumes and an unfavorable product mix.
- A decline in the sales volume of BOPET films, caused by an imbalance between supply and demand.
- A significant reduction in margins for BOPET film led to a decrease in per unit selling prices.

These challenges, compounded by increased employee benefit costs, adverse exchange rate fluctuations, higher finance costs,

and depreciation expenses, resulted in the company incurring losses during the fiscal year.

Despite these setbacks, the company maintained a disciplined approach to debt repayment, adhering strictly to the repayment schedule for term borrowings. Additionally, the company

raised ₹ 99.90 crores in new equity (including premium). As a result, the financial leverage, as indicated by the Total Outside Liabilities to Total Equity ratio, stood at 0.54 as on 31st March 2024. The book value per equity share was ₹ 87.91/-.

Key Financial Ratios

Note: All the ratios mentioned below have been calculated based on both continuing & discontinued operations

| Particulars | 2023-24 | 2022-23 | Change % | Remarks |
|----------------------------------|---------|---------|-----------|---|
| Current Ratio | 1.43 | 1.90 | (24.81%) | Reduction in current assets due to reduction in inventories on account of lower operations, reduction in trade receivables on account of decline in sales and reduction in current investment and cash & bank balances due to sale of investments. Increase in current liabilities mainly on account of increase in current borrowings |
| Debt Equity Ratio | 0.44 | 0.50 | 10.88% | Marginal variation |
| Debt Service Coverage Ratio | 0.21 | 1.50 | (85.77%) | Due to net losses incurred during the year and increase in the amount of term loan installments repaid |
| Return on Equity | (5.41%) | 7.00% | (177.34%) | Due to net losses of ₹ 43.33 crores incurred during the year. |
| Inventory Turnover | 4.75 | 4.65 | 2.20% | Marginal variation |
| Trade Receivables Turnover Ratio | 6.88 | 7.24 | (5.09%) | Marginal variation |
| Trade Payables Turnover Ratio | 22.59 | 19.99 | 12.99% | Marginal variation |
| Net Capital Turnover Ratio | 6.68 | 4.92 | 35.77% | Due to reduction in net working capital caused by reduction in current assets and increase in current liabilities |
| Net Profit Ratio | (5.15%) | 4.10% | (225.52%) | Due to net losses of ₹ 43.33 crores incurred during the year. |
| Return on Capital Employed | (1.65%) | 8.06% | (120.47%) | Due to net losses incurred during the year |
| Return on Investment | 15.21% | 4.68% | 224.95% | Period of investment in current year is longer than last year and average amount invested is lower than last year. |

Detailed Explanation of Ratios

(i) Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short – term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(ii) Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing sum total of total borrowings and total lease liabilities by its shareholder's equity.

(iii) Debt Service Coverage Ratio

The above ratio is used to evaluate debt service capability of the Company. Higher ratio indicates better debt service capability. It is measured by dividing the sum total of NPAT, Non-cash operating expenses like depreciation & other amortizations, interest on term loans & lease liabilities and other adjustments like loss on sale of fixed assets etc. by sum total of Interest & lease payments and Principal Repayments during the year.

(iv) Return on Equity (%)

Return on Equity (ROE) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing NPAT for the year by average shareholders' equity.

Average shareholders' equity is calculated by dividing sum total of shareholders' equity at the beginning and at the end of the year by two.

(v) Inventory Turnover

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing cost of goods sold by average inventory.

(vi) Trade Receivables Turnover Ratio

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short – term debt is collected or is paid. It is calculated by dividing net sales turnover by average trade receivables.

(vii) Trade Payables Turnover Ratio

The above ratio is used to quantify a Company's effectiveness in being able to use trade payables or money owed to suppliers as source for financing working capital needs of the Company. It is calculated by dividing Net Purchases by Average Trade Payables. Net purchases are sum total of cost of material consumed, consumption of stores & spares, consumption of packing material, power & fuel and increase/decrease in raw material & stores & spares inventories.

(viii) Net Capital Turnover Ratio

It is calculated by dividing Net Sales by Working Capital.

(ix) Net Profit Ratio (%)

The Net Profit Ratio is equal to how much net income or profit is generated as a percentage of Net Sales. It is calculated by dividing NPAT for the year by Net Sales during the year.

(x) Return on Capital Employed (ROCE) (%)

Return on Capital Employed (ROCE) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing NPAT for the year by capital employed. Capital employed is sum total of Tangible Net Worth, Total Debt and Deferred Tax Liability.

(xi) Return on Investment (%)

Return on Investment is a measure of profits earned on investments expressed in percentage. It is calculated by dividing sum of returns on CPs & others, profit on sale of investments and gain on fair valuation of financial assets by average investments. Average investment is calculated by dividing sum total of investments (net of unrealized profits) at the beginning of year and at the end of the year by two.

Risk Management and Internal Audit

It is understood that risk is an integral part of any business. At Ester, we are fully aware of the risks our business faces and have been continuously investing in enhancing our risk management

capabilities. The company has established an Enterprise Risk Management (ERM) framework and processes primarily to identify and mitigate risks that matter.

Our ERM framework is based on internationally accepted guidelines, including the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and ISO 31000 (Risk Management Guidelines). The framework comprises several key components: risk identification, risk categorization (viz: strategic risk, operational risk, compliance risk, financial risk, and environmental, social & governance risk), risk assessment and rating, risk response, and risk mitigation.

Out of the library of risks collated, we have identified the top 11 risks (Risks that Matter) that are of the highest priority to our organization. The Risk Management Committee, constituted by the Board, monitors and reviews the identified risk and strategic risk management plans of our company and provides necessary directions on the same.

We are continuously working on mitigating these identified risks to safeguard our business and ensure long-term success. Considering the current volatile and dynamic environment, the risks and the mitigation plans are modified to align with the changed scenario/environment.

Upon detailed review of the identified risks & mitigation plan thereof, the Board is of the opinion that there are no risks which may threaten very existence of the Company.

The Risk Management Policy is available on the website of the Company at <https://www.esterindustries.com/sites/default/files/Ester%20Risk%20Management%20Policy.pdf>

Internal auditors carry out audits across all functions/processes, enabling identification of areas where internal checks & controls may need to be strengthened. The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls. The Audit Committee closely monitors the internal control environment within Company including implementation of the action plans emerging out of internal audit findings.

Intellectual Capital

With the overall business environment becoming more & more dynamic each day, it is pertinent for organizations to be agile. The industry and businesses worldwide are striving to formulate strategies, sharpen operations, bring down costs, improve quality and differentiate products to increase their worth in the market. This is an era of continuous improvement in thoughts & processes, which is the only way to being competitive.

These factors in every changing environment demand that we transform ourselves to become the first choice of customers in terms of time, quality, and price. Further, it is also important that we build our efficiencies in all the category of resources to enhance customer value creation and eliminate waste.

As an organization, we continue to focus on our human capital through our various people initiatives. One of the primary focus areas is creating digitalized work environment which enables us to have a result oriented & process driven culture. Our

Talent Management framework and Learning & Development interventions focus on creating a workforce which is adept at handling the ever-changing business environment, at the same time adapting to our operating & business processes. Keeping customer delivery in view, all operating processes for businesses and functions are being constantly relooked at /reviewed for improvements. Such processes are key enablers and are kept at the core of our training interventions, thereby furthering our endeavour towards creating an agile & multi-skilled workforce.

The performance parameters for teams & individuals are being constantly re-assessed, keeping in view the dynamic external environment. The roles are also being re-defined with a focus towards improving the Company's performance as well as addressing the career aspirations of our employees. Technology is a huge enabler the organization and various interventions are being carried out, making sure the process adoption takes place even at the front-line level. This helps us to track and monitor the overall performance on a regular basis.

Creating a customer centric organization by challenging the functional boundaries requires a cultural shift and mind-set change. To keep our workforce aligned and engaged, the senior management has continuous communication & engagement with the employees at all levels.

Cautionary Statement

Statements in this section relating to future status, events, circumstances, plans and objectives are forward – looking statements based on estimates and anticipated effects of future events. Such statements are subject to risks and uncertainties and accordingly are not predictive of future results. Actual results may differ materially from those anticipated in the forward – looking statements. The Company cannot be held responsible in any manner for such statements. The company undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

CORPORATE GOVERNANCE REPORT

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time [“**SEBI (LODR) Regulations, 2015**”], the Company submits the Report on Corporate Governance followed by the Company.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of transparency and accountability which are integral part of our business and endeavor to ensure fairness for every stakeholder, our customers, investors, vendors and the communities wherever we operate. We always seek to ensure that our performance is driven by integrity, value and ethics. Integrity and Transparency are key to our Corporate Governance practices to ensure that we retain the trust of our stakeholders at all the times.

It's all about building simple and transparent processes driven by business needs of all stakeholders. Responsible corporate conduct is integral to the way we do our business. It is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization.

This Corporate Governance Report sets out the governance framework adopted by the Board of the Company and highlights the key activities during the year.

In its approach to governance, the Board embraces best practices in the area of Corporate Governance to ensure the attainment of highest levels of transparency, accountability and equity in all the facets of its operations and in all its interactions with its stakeholders. The Board continues to hold and augment the standards of Corporate Governance by ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

In Ester, we firmly believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance to bring objectivity and transparency in the Management. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company.

2. BOARD OF DIRECTORS

a) Composition & Category of the Board

The Board of the Company comprises highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors. The Board composition is in conformity with the applicable provisions of the Companies Act, 2013 (“**Act**”) and SEBI (LODR) Regulations, 2015 as amended from time to time. As on 31st March 2024, the Board consists of twelve Directors comprising three Executive Directors, one Non-Executive Non-Independent Director and Eight Independent Directors including One Woman Director. The composition of the Board represents an optimal mix of professionalism, knowledge & experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

Changes in the Board during the Financial Year 2023-24

Based on the recommendation of the Nomination and Remuneration Committee, the Board:

- re-appointed Mr. Arvind Singhania DIN:00934017 as Managing Director, designated as “Chairman and CEO” and Mr. Pradeep Kumar Rustagi DIN:00879345 as Whole Time Director designated as “Executive Director-Corporate Affairs” of the Company for a period of 3 years w.e.f. 1st April 2023.
- appointed Mr. Atul Aggarwal (DIN:00125825) and Mr. Alok Dhir (DIN:00034335) as Independent Directors of the Company, for a term of 5 (five) consecutive years with effect from 14th February 2024.

As per the provisions of Regulation 17 of SEBI (LODR) Regulations, 2015, approval of Shareholders, for appointment/re-appointment of Directors on the Board shall be taken either at the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier. The above-mentioned appointments/re-appointment were duly approved by the Members of the Company vide Postal Ballot(s) on 25th June 2023 and 16th March 2024, respectively.

A brief profile of all the Directors as on the date of the Report can be accessed on the Company's website at www.esterindustries.com.

The details of each Director of the Board along with the number of Directorship(s)/Committee Membership(s)/Chairmanship(s) and their shareholding in the Company are provided herein below:

| Name and category | Number of shares held in the Company | Directorships in other Companies* | | | Membership(s)/Chairmanship(s) of Committees in other Companies** | |
|---|--------------------------------------|-----------------------------------|--------------------------|---|--|--------------------------------|
| | | No. of other Directorship | Chairperson of the Board | Name of listed Entity along with Category of Directorship | No. of Committee Memberships | No. of Committee Chairmanships |
| Promoter Directors | | | | | | |
| Mr. Arvind Singhania <i>Chairman & CEO</i> | 26,32,285 | 2 | 1 | - | - | - |
| Mr. Ayush Vardhan Singhania <i>Whole-Time Director</i> | 1,78,033 | 2 | - | - | - | - |
| Mrs. Archana Singhania <i>Non-Executive Director</i> | - | - | - | - | - | - |
| Executive Director | | | | | | |
| Mr. Pradeep Kumar Rustagi | 400 | 1 | - | - | - | - |
| Independent Directors | | | | | | |
| Mr. Ashok Kumar Newatia [#] | - | - | - | - | - | - |
| Mr. Madras Seshamani Ramachandran [#] | - | 2 | 1 | Supreme Petrochem Limited (ID) | - | - |
| | | | | ICICI Prudential Life Insurance Co. Limited (ID) | | |
| Dr. Anand Chand Burman [#] | - | 3 | 1 | Eveready Industries Limited (NED) | - | - |
| Mr. Priya Shankar Dasgupta ^{****} | - | 5 | - | Maral Overseas Limited (ID) | 3 | 2 |
| | | | | Vindhya Telelinks Limited (ID) | | |
| | | | | Timken India Limited ^{***} (ID) | | |
| Mr. Sandeep Dinodia | - | 2 | - | The Hi-Tech Gears Limited (ID) | 3 | 1 |
| | | | | Sandhar Technologies Limited (NED) | | |
| Mrs. Padmaja Shailen Ruparel | - | 2 | - | None | 1 | - |
| Mr. Atul Aggarwal | - | 4 | - | Sterling Tools Limited (MD) | 1 | - |
| | | | | Delton Cables Limited (ID) | | |
| Mr. Alok Dhir | - | 1 | - | None | 1 | - |

ID-Independent Director

NED-Non-Executive Non-Independent Director

MD-Managing Director

Notes:

* Excludes Directorships in Ester Industries Limited, Private Limited Company, Foreign Companies, Section 8 Companies and Alternate Directorships.

**Includes only Audit Committee and Stakeholders' Relationship Committee of Indian Public Companies excluding Ester Industries Limited

*** Mr. Priya Shankar Dasgupta ceased as Independent Director from Timken India Limited w.e.f. 1st April 2024

#Mr. Ashok Kumar Newatia, Mr. Madras Seshamani Ramachandran, Dr. Anand Chand Burman and Mr. Priya Shankar Dasgupta ceased to be Independent Directors of the Company upon completion of second consecutive term with effect from close of business hours on 31st March 2024

Mr. Arvind Singhania, Mr. Ayush Vardhan Singhania and Mrs. Archana Singhania are relatives. Mr. Ayush Vardhan Singhania is the son of Mr. Arvind and Mrs. Archana Singhania.

The number of Directorship(s), Committee Membership(s), Chairmanship(s) of all the Directors is within the respective limits as prescribed under the Act and SEBI (LODR) Regulations, 2015 as amended from time to time.

b) Board Meetings and Procedure

The Board meets at least once in every quarter to review the Quarterly Results and to take decisions on matters pertaining to Company's working. However, in case of a special and urgent business need, additional meetings are called, or the Board's approval is taken by passing resolutions through circulation, as permitted by law which are noted and confirmed in the subsequent Board Meeting.

The Audit Committee meetings for deliberation on the financial performance of the Company are held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairperson of the respective committee briefs the Board in detail about the proceedings of the respective committee meetings. All committee recommendations placed before the Board during the year under review were unanimously accepted

by the Board.

The Board devotes its significant time in evaluation of current and potential strategic issues and reviews the Company's business plans, corporate strategy and risk management issues based on the markets it operates in and in light of global industry trends and developments to help achieve its strategic goals.

The Chief Financial Officer and other Senior Management members are invited to the Board and Committee meetings to present updates on the items being discussed at the meeting.

Availability of information to the Board

The Board meetings are governed by a structured agenda. All the major agenda items are backed by a comprehensive background information to enable the Board to take informed decisions. The Company Secretary prepares the detailed agenda for the meetings, in consultation with the Senior Management.

Agenda papers and Notes on the Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is presented before the meeting with specific reference to this effect in the agenda. Video/Audio-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

Prior approval from the Board/Committee is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

During the financial year 2023-24, 7 (Seven) Board Meetings were held on 26th May 2023, 1st June 2023, 12th July 2023, 11th August 2023, 7th November 2023, 14th February 2024 and 28th March 2024. The interval between any two Board Meetings was well within the maximum allowed gap of 120 days. The necessary quorum was present in all the meetings. During the year, the Board also transacted some of the business by passing resolutions by circulation.

Attendance of Directors in Board Meetings and Annual General Meeting held during the financial year 2023-24, are as follows:

| Name of Director | Date of Board Meeting and Attendance of Directors | | | | | | | AGM held on 27 th September 2023 |
|-----------------------------|---|------------|------------|------------|------------|------------------|------------|---|
| | 26.05.2023 | 01.06.2023 | 12.07.2023 | 11.08.2023 | 07.11.2023 | 14.02.2024 | 28.03.2024 | |
| Mr. Arvind Singhania | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Yes |
| Mr. Ayush Vardhan Singhania | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Yes |
| Mr. Pradeep Kumar Rustagi | ✓ | ✓ | ✓ | ✓ | ✓ | Leave of Absence | ✓ | Yes |

| Name of Director | Date of Board Meeting and Attendance of Directors | | | | | | | AGM held on 27 th September 2023 |
|------------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|---|
| | 26.05.2023 | 01.06.2023 | 12.07.2023 | 11.08.2023 | 07.11.2023 | 14.02.2024 | 28.03.2024 | |
| Mrs. Archana Singhania | ✓ | Leave of Absence | ✓ | ✓ | ✓ | ✓ | ✓ | Yes |
| Mr. Ashok Kumar Newatia* | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Yes |
| Mr. Madras Seshamani Ramachandran* | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | No |
| Dr. Anand Chand Burman* | ✓ | ✓ | Leave of Absence | Leave of Absence | Leave of Absence | ✓ | Leave of Absence | No |
| Mr. Priya Shankar Dasgupta* | ✓ | Leave of Absence | ✓ | ✓ | ✓ | Leave of Absence | Leave of Absence | No |
| Mr. Sandeep Dinodia | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Yes |
| Mrs. Padmaja Shailen Ruparel | ✓ | Leave of Absence | Leave of Absence | ✓ | ✓ | ✓ | ✓ | No |
| Mr. Atul Aggarwal** | NA | NA | NA | NA | NA | NA | ✓ | NA |
| Mr. Alok Dhir** | NA | NA | NA | NA | NA | NA | Leave of Absence | NA |

Notes:

* Mr. Ashok Kumar Newatia, Mr. Madras Seshamani Ramachandran, Dr. Anand Chand Burman and Mr. Priya Shankar Dasgupta ceased to be Independent Directors of the Company upon completion of second consecutive term with effect from close of business hours on 31st March 2024.

**Mr. Atul Aggarwal and Mr. Alok Dhir were appointed as Independent Directors of the Company w.e.f. 14th February 2024.

c) Familiarization Programme for Independent Directors

As per the requirement of Regulation 25 of the SEBI (LODR) Regulations, 2015, the Company undertakes various initiatives to familiarize the Independent Directors with the Company, and senior management giving an overview of the Company's operations, products, group structure, market conditions, Board constitution, guidelines, matters reserved for the Board, and the major risks and risk management strategy etc.

Independent Directors are regularly updated on performance of each product segment of the Company, business strategy and new initiatives being taken/proposed to be taken by the Company. The management presents, time to time, before the Board a presentation for each business detailing about the product development, performance of the business, new opportunities and challenges in business, competition and industry updates etc.

Details of familiarization programs are uploaded on Company's website at the following link:

https://www.esterindustries.com/sites/default/files/Familiarisation_Programme.pdf

d) Skills/Expertise/Competencies Matrix of the Board

In terms of the requirement of SEBI (LODR) Regulations, 2015, the Board has identified the following skills/expertise/competencies as required in the context of the Company's business:

- Leadership, Business planning and strategy, Sales & Marketing, Corporate Governance & Compliances
- Finance, Banking, Taxation, Account and Legal, Social Responsibility
- Technical skills and Expertise in company's business, industry, competition, major risks

In the table below, the specific areas of focus or expertise of individual board members have been highlighted:

| Sr. No. | Name of Director | Core Skills/ Expertise/ Competence |
|---------|-----------------------------------|---|
| 1 | Mr. Arvind Singhania | Expertise in Company's business activities, industry and competition, Leadership, Corporate Governance and Compliance, Technical Skills, Risk management, Sales & Marketing Social Responsibility, Business Planning & Strategy |
| 2 | Mr. Ayush Vardhan Singhania | Leadership, Corporate Governance, Technical Skills, Sales & Marketing Social Responsibility, Business Planning & Strategy |
| 3 | Mr. Pradeep Kumar Rustagi | Finance & Banking, Taxation, Account, Corporate Governance and Compliance, Leadership, Risk Management |
| 4 | Mrs. Archana Singhania | Corporate Governance and Compliance, Social Responsibility, Risk Management |
| 5 | Mr. Ashok Kumar Newatia | Corporate Governance and Compliance, Technical Skills, Risk management, Social Responsibility |
| 6 | Mr. Madras Seshamani Ramachandran | Corporate Governance and Compliance, Leadership, Sales & marketing, Social Responsibility, Business Planning & Strategy, Risk Management |
| 7 | Dr. Anand Chand Burman | Corporate Governance and Compliance, Technical Skills, Leadership, Sales & Marketing, Risk management, Business Planning & Strategy |
| 8 | Mr. Priya Shankar Dasgupta | Legal, Finance, Corporate Governance and Compliance, Risk management |
| 9 | Mr. Sandeep Dinodia | Finance, Taxation, Account, Corporate Governance and Compliance, Risk management |
| 10 | Mrs. Padmaja Shailen Ruparel | Corporate Governance & Compliance, Finance, Leadership, Risk Management |
| 11 | Mr. Atul Aggarwal | Corporate Governance and Compliance, Technical Skills, Leadership, Sales & Marketing, Finance & banking |
| 12 | Mr. Alok Dhir | Corporate Governance and Compliance, Legal, Banking |

e) Independent Directors

The Independent Directors are the Board members who are required to meet the baseline definition and criteria on 'independence' as set out in Regulation 16 of the SEBI (LODR) Regulations, 2015, Section 149(6) of the Act read with rules and Schedule IV thereto and other applicable regulations. In terms of Regulation 25(8) of the SEBI (LODR) Regulations, 2015 the Independent Directors of the Company have confirmed that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

Accordingly, based on the declarations received from all the Independent Directors, the Board has confirmed that the Independent Directors of the Company fulfill the conditions specified in the Act and the SEBI (LODR) Regulations, 2015 and are independent of the management. Further, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs. As mentioned earlier in this report, the Board includes 6 (six) Independent Directors as on 31st March 2024.

The terms and conditions of the appointment of Independent Directors are available on the Company's website at https://www.esterindustries.com/sites/default/files/Terms_Conditions_Independent_Directors.pdf

Separate Meeting of Independent Directors

In accordance with the applicable provisions of the Act and SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February 2024 without the presence of Non-Independent Directors and the Management personnel, to inter-alia:

- Review the performance of Non-Independent Directors and the Board as whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assess 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.

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective terms.

3. COMMITTEES OF THE BOARD

In compliance with the requirements of the Act and SEBI (LODR) Regulations, 2015, and to monitor various facets of business and ensure accountability, the Board has constituted various Statutory Committees.

The composition of each such Committee is in accordance with all regulatory requirements and can also be accessed on the company's website at <https://www.esterindustries.com/committees-board>.

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are to be performed by the members of the Board, as a part of good governance practices. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Minutes of the meetings of all the Committees are presented before the Board for their review.

The role and composition of the Committees, including the number of meetings held during the financial year 2023-24, and the attendance of Directors, are listed below.

a) Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, the Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Audit Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting processes including review of the internal audit reports and action taken report.

The Audit Committee comprises of majority of Independent Directors to enable independent and transparent review of financial reporting process and internal control mechanism with an objective to further strengthen the confidence of all stakeholders.

Terms of Reference:

The powers, role and terms of reference of the Audit Committee cover the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 177 of the Act. The brief terms of reference of Audit Committee are as under:

The terms of reference of the Audit Committee inter-alia includes the following:

1. To oversee 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. To recommend for appointment, remuneration and terms of appointment of auditors of the Company.
3. To approve availing of the permitted non-audit services rendered by the Statutory Auditors and payment of fees thereof.
4. To review and examine 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 section 134(3)(c) of the Act.

- 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 any related party transactions.
 - g) Modified opinion(s) in the draft audit report.
5. To review/examine, with the management, the quarterly/year to date financial statements and auditor's report thereon, before submission to the Board for approval.
 6. To review with the Management, the financial statements of subsidiaries and in particular the investments made by each of them.
 7. To review, 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.
 8. To review and monitor the auditor's independence and performance and effectiveness of audit process.
 9. To approve or any subsequent modification of transactions of the company with related parties.
 10. To scrutinise inter-corporate loans and investments.
 11. To undertake valuation of undertakings or assets of the company, wherever it is necessary.
 12. To evaluate internal financial controls and risk management systems.
 13. To review, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems.
 14. To review 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.
 15. To discuss with internal auditors of any significant findings and follow up there on.
 16. To review 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.
 17. To discuss 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.

18. 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.
19. To review the functioning of the Whistle Blower mechanism.
20. To approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
21. To review the utilization of loan and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.
22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. To carry out any other function mandated by the Board from time to time and/or enforced by any statutory notification, amendment, or modification, as may be applicable.

In addition to the above, the Audit Committee mandatorily reviews the information as required under Part C of Schedule II of the SEBI (LODR) Regulations, 2015.

Meetings, Attendance and Composition of the Audit Committee

During the financial year 2023-24, 4 (Four) meetings of Audit Committee were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2023-24 are given below:

| Sr. No. | Date of Audit Committee Meeting | Attendance of Members | | |
|---------|---------------------------------|--------------------------------|---|-----------------------------------|
| | | Mr. Sandeep Dinodia (Chairman) | Mr. Madras Seshamani Ramachandran* (Member) | Mr. Ashok Kumar Newatia* (Member) |
| 1 | 26 th May 2023 | ✓ | ✓ | ✓ |
| 2 | 11 th August 2023 | ✓ | ✓ | ✓ |
| 3 | 7 th November 2023 | ✓ | ✓ | ✓ |
| 4 | 14 th February 2024 | ✓ | ✓ | ✓ |

**Mr. Madras Seshamani Ramachandran and Mr. Ashok Kumar Newatia ceased to be Independent Directors and Members of Audit Committee upon completion of second consecutive term with effect from close of business hours on 31st March 2024. The Committee was reconstituted by induction of Mrs. Padmaja Shailen Ruparel and Mr. Atul Aggarwal as Members of Audit Committee w.e.f. 1st April 2024.*

The required quorum was present at all meetings.

Mr. Sandeep Dinodia, Chairman of the Committee is a qualified Chartered Accountant having rich experience in Accounting and Finance. Other members of the Committee also have knowledge of accounting and finance with wide exposure in their relevant areas. The Chairman of the Board and Chief Financial Officer are the permanent invitees to the meetings. Representatives of Statutory Auditors and Internal Auditors are also invited to the meetings. All the Meeting of Audit Committee are attended by the Statutory Auditors. Cost Auditors also attended the meeting when the Cost Audit Report for the financial year 2023-24 was discussed.

The Company Secretary acts as the Secretary of the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

Mr. Sandeep Dinodia, Chairman of the Audit Committee attended the last AGM held on 27th September 2023 to answer the shareholders' queries.

b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments.

Terms of Reference:

The powers, role and terms of reference of the NRC cover the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Act. The brief terms of reference of NRC are as under:

1. To formulate 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. To formulate the criteria for and mechanism for evaluation of performance of Independent Directors and the Board of Directors.
3. To specify the manner for effective evaluation of performance of the Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
4. To devise a policy on diversity of Board of Directors.
5. To identify 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.
6. To extend or continue the term of appointment of Independent Directors, the basis of the report of performance evaluation of the Independent Directors.

7. To review and recommend remuneration of the Managing Director(s)/Whole-time Director(s) based on their performance.
8. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
9. To act as the Compensation Committee under SEBI (Share Based Employee Benefits) Regulations, 2014 (including amendment thereof) under Ester Employee Stock Option Scheme; and
10. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable

Meetings, Attendance and Composition of NRC

During the financial year 2023-24, 4 (Four) meetings of NRC were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2023-2024 are given below:

| Sr. No. | Date of NRC Meeting | Attendance of Members | | | |
|---------|--------------------------------|---|--------------------------------------|-------------------------------|------------------------------|
| | | Mr. Madras Seshamani Ramachandran* (Chairman) | Mr. Priya Shankar Dasgupta* (Member) | Mr. Arvind Singhania (Member) | Mr. Sandeep Dinodia (Member) |
| 1 | 26 th May 2023 | ✓ | ✓ | ✓ | ✓ |
| 2 | 12 th July 2023 | ✓ | ✓ | ✓ | ✓ |
| 3 | 11 th August 2023 | ✓ | ✓ | ✓ | ✓ |
| 4 | 14 th February 2024 | ✓ | Leave of absence | ✓ | ✓ |

**Mr. Madras Seshamani Ramachandran and Mr. Priya Shankar Dasgupta ceased to be Independent Directors and Chairman/Member of NRC upon completion of second consecutive term with effect from close of business hours on 31st March 2024. The Committee was reconstituted by induction of Mrs. Padmaja Shailen Ruparel as Chairperson of the NRC and induction of Mr. Atul Aggarwal as Member of the Committee w.e.f. 1st April 2024.*

The required quorum was present at all meetings.

The Company Secretary acts as the Secretary of the Committee. The minutes of each NRC meeting are placed in the next meeting of the Board.

Mr. Madras Seshamani Ramachandran, Chairman of the NRC has not attended the last AGM held on 27th September 2023 due to pre-occupation.

Performance Evaluation criteria for Independent Directors:

The Company has a Policy for Performance Evaluation of all the Independent & Non-Independent Directors of the Company. In this policy, the criteria prescribed for performance evaluation of Independent Director includes the following:

- Fulfilment of the Independence criteria as specified under the Act and SEBI (LODR) Regulations, 2015;
- Participation at the Board/Committee meetings and willingness to spend time during the meeting;
- Integrity and maintaining of confidentiality;
- Knowledge and expertise;
- Independent judgment in relation to decision making;
- Understanding about roles, responsibilities and disqualification as a Director; and
- Other criteria like objective evaluation of Board's performance, unbiased opinion on various matters, compliance of Code of Conduct and Ethics, Code for Independent Directors, Insider Trading Code etc.

The Performance evaluation adopted for year under review is given in the Board's Report which forms part of this Annual Report.

The Performance Evaluation Policy can be accessed on the Company's website at the following link:

http://www.esterindustries.com/sites/default/files/Performance_Evaluation_Policy.pdf

c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ("SRC") ensures that there is timely and satisfactory redressal of any investor queries or complaints.

Terms of Reference:

The powers, role and terms of reference of the SRC cover the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Act. The brief terms of reference of SRC are as under:

1. To look into various aspects of interest of shareholders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. To review the measures taken for effective exercise of voting rights by shareholders.
3. To review adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. To review various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. To oversee statutory compliance relating to all the securities issued, including but not limited to dividend payments, transfer of unclaimed dividend amounts/unclaimed shares to the IEPF.
6. To approve and register transfer and/or transmission of securities, issuance of duplicate security certificates, issuance of certificate on rematerialization and to carry out other related activities.
7. To carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

Meetings, Attendance and Composition of the SRC

During the financial year 2023-24, 23 (Twenty-Three) meetings of SRC were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2023-2024 are given below:

| Sr. No. | Date of SRC Meeting | Attendance of Members | | |
|---------|---------------------------------|-------------------------------------|-------------------------------|------------------------------------|
| | | Mr. Ashok Kumar Newatia* (Chairman) | Mr. Arvind Singhania (Member) | Mr. Pradeep Kumar Rustagi (Member) |
| 1 | 3 rd April 2023 | ✓ | ✓ | ✓ |
| 2 | 17 th April 2023 | ✓ | ✓ | ✓ |
| 3 | 1 st May 2023 | ✓ | Leave of absence | ✓ |
| 4 | 15 th May 2023 | ✓ | ✓ | ✓ |
| 5 | 29 th May 2023 | Leave of absence | ✓ | ✓ |
| 6 | 12 th June 2023 | ✓ | Leave of absence | ✓ |
| 7 | 26 th June 2023 | Leave of absence | ✓ | ✓ |
| 8 | 10 th July 2023 | ✓ | ✓ | ✓ |
| 9 | 24 th July 2023 | Leave of absence | ✓ | ✓ |
| 10 | 7 th August 2023 | ✓ | ✓ | ✓ |
| 11 | 21 st August 2023 | Leave of absence | ✓ | ✓ |
| 12 | 4 th September 2023 | Leave of absence | ✓ | ✓ |
| 13 | 18 th September 2023 | Leave of absence | ✓ | ✓ |
| 14 | 3 rd October 2023 | Leave of absence | ✓ | ✓ |
| 15 | 23 rd October 2023 | ✓ | Leave of absence | ✓ |
| 16 | 16 th November 2023 | Leave of absence | ✓ | ✓ |
| 17 | 20 th November 2023 | Leave of absence | ✓ | ✓ |
| 18 | 4 th December 2023 | ✓ | Leave of absence | ✓ |
| 19 | 18 th December 2023 | Leave of absence | ✓ | ✓ |
| 20 | 31 st January 2024 | ✓ | Leave of absence | ✓ |
| 21 | 12 th February 2024 | Leave of absence | ✓ | ✓ |
| 22 | 19 th February 2024 | Leave of absence | ✓ | ✓ |
| 23 | 26 th February 2024 | Leave of absence | ✓ | ✓ |

*Mr. Ashok Kumar Newatia ceased to be Independent Director and Chairman of SRC upon completion of second consecutive term with effect from close of business hours on 31st March 2024. The Committee was reconstituted by induction of Mrs. Padmaja Shailen Ruparel as Chairperson of SRC w.e.f. 1st April 2024.

The required quorum was present at all meetings. The Chairman of the Committee is a Non-Executive Director.

Ms. Poornima Gupta has been appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 12th July 2023 and she acts as the Secretary of the Committee. The minutes of each SRC meeting are placed in the next meeting of the Board.

Mr. Ashok Kumar Newatia, Chairman of the Stakeholders' Relationship Committee has attended the last AGM held on 27th September 2023.

Details of Investor Complaints

The Company and its Registrar and Share Transfer Agent address all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of

dispute over facts or other legal impediments and procedural issues. The Company endeavors to implement suggestions as and when received from the investors.

During the financial year 2023-24, the Company has received 8 Complaints from the shareholders and all of them have been resolved by furnishing requisite information/ documents. As on 31st March 2024, no complaint was pending.

d) Corporate Social Responsibility Committee

The Corporate Social Responsibility (“CSR”) Committee comprises of 4 (four) Directors, out of which two are Independent Directors.

Terms of Reference:

The powers, role and terms of reference of the CSR cover the areas as contemplated under Section 135 of the Act. The brief terms of reference of CSR are as under:

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 of the Act and rules made thereunder and review thereof.
2. To formulate and recommend to the Board an annual action plan in pursuance to CSR Policy.
3. To recommend to the Board the amount of expenditure to be incurred on CSR activities.
4. To monitor the implementation of framework of CSR Policy.
5. To review the performance of the Company in the areas of CSR.
6. To institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
7. To recommend extension of duration of existing project and classify it as on-going project or other than on-going project.
8. To submit annual report of CSR activities to the Board.
9. To consider and recommend appointment of agency/ consultant for carrying out impact assessment for CSR projects, as applicable, to the Board.
10. To review and monitor all CSR projects and impact assessment report.
11. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Meetings, Attendance and Composition of the CSR Committee

During the financial year 2023-24, 2 (Two) meetings of CSR Committee were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2023-2024 are given below:

| Sr. No. | Date of CSR Meeting | Attendance of Members | | | |
|---------|------------------------------|---|----------------------------------|-------------------------------|---------------------------------|
| | | Mr. Madras Seshamani Ramachandran* (Chairman) | Mr. Ashok Kumar Newatia (Member) | Mr. Arvind Singhania (Member) | Mrs. Archana Singhania (Member) |
| 1 | 26 th May 2023 | ✓ | ✓ | ✓ | ✓ |
| 2 | 11 th August 2023 | ✓ | ✓ | ✓ | ✓ |

**Mr. Madras Seshamani Ramachandran and Mr. Ashok Kumar Newatia ceased to be Independent Directors and Chairman/Member of CSR Committee upon completion of second consecutive term with effect from close of business hours on 31st March 2024. The Committee was reconstituted by induction of Mr. Sandeep Dinodia as Chairman of the CSR Committee and induction of Mr. Alok Dhir and Mr. Ayush Vardhan Singhania as Members of the Committee and cessation of membership of Mrs. Archana Singhania w.e.f. 1st April 2024.*

The required quorum was present at all meetings.

The Company Secretary acts as the Secretary of the Committee. The minutes of each CSR Committee Meeting are placed in the next meeting of the Board.

e) Risk Management Committee

With an embedded approach to Risk Management which puts risk and opportunity assessment at the core of the Board’s agenda, the Company has constituted a Risk Management Committee (“RMC”), in line with the SEBI (LODR) Regulations, 2015.

Terms of Reference:

The powers, role and terms of reference of the RMC cover the areas as contemplated under Regulation 21 of SEBI (LODR) Regulations, 2015. The brief terms of reference of RMC are as under:

1. To formulate a detailed Risk Management Policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information technology, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to identify, monitor, evaluate and mitigate risks associated with the business of the Company.
3. To monitor and oversee the implementation of the risk management policy including evaluating the adequacy of risk management systems.

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the Board informed about the nature and contents of its discussions, recommendations and actions to be taken.
6. To consider the appointment and removal of the Chief Risk Officer, if any and review his terms of remuneration.
7. To review and approve Company's risk appetite and tolerance with respect to line of business.
8. To obtain reasonable assurance from management that all known and emerging risks have been identified, mitigated and managed.
9. To carry out any other function as is referred to by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

Meetings, Attendance and Composition of the RMC

During the financial year 2023-24, 2 (Two) meetings of RMC were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2023-24 are given below:

| S. No. | Date of RMC Meeting | Attendance of Members | | | | | |
|--------|-------------------------------|---------------------------------|---|--------------------------------------|------------------------------|------------------------------------|---------------------------|
| | | Mr. Arvind Singhania (Chairman) | Mr. Madras Seshamani Ramachandran* (Member) | Mr. Priya Shankar Dasgupta* (Member) | Mr. Sandeep Dinodia (Member) | Mr. Pradeep Kumar Rustagi (Member) | Mr. Girish Behal (Member) |
| 1 | 12 th May 2023 | ✓ | Leave of absence | Leave of absence | Leave of absence | ✓ | ✓ |
| 2 | 7 th November 2023 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

*Mr. Madras Seshamani Ramachandran and Mr. Priya Shankar Dasgupta ceased to be Independent Directors and Members of RMC upon completion of second consecutive term with effect from close of business hours on 31st March 2024.

The required quorum was present at all meetings.

The Company Secretary acts as the Secretary of the Committee. The minutes of each RMC Meeting are placed in the next meeting of the Board.

The Risk Management Policy can be accessed on the Company's website at the following link: <https://www.esterindustries.com/sites/default/files/Ester%20Risk20Management%20Policy.pdf>.

f) Other Committee

Apart from the above statutory Committees, the Board of Directors has also constituted the following Committee to enhance the level of governance and also to meet the specific business needs. The below Committee reports to the Board of Directors of the Company.

Finance Committee (erstwhile Borrowing Committee)

The Finance Committee has been constituted to oversee the routine operations that arise in the normal course of business such as to borrow money and make investment within the limits approved by the Board and the shareholders of the Company; undertaking all kinds of Foreign Exchange and Derivatives transactions; decision on banking matters including opening & closing of bank accounts; modification in authorized signatories, availing/discontinuing internet banking; and any other service/facility as may be required from the Banks for the operation of the business.

Meetings, Attendance and Composition of the Finance Committee

During the financial year 2023-24, 12 (Twelve) meetings of Finance Committee were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2023-2024 are given below:

| Sr. No. | Date of Finance Committee Meeting | Attendance of Members | | |
|---------|-----------------------------------|-------------------------------------|-------------------------------|------------------------------------|
| | | Mr. Ashok Kumar Newatia* (Chairman) | Mr. Arvind Singhania (Member) | Mr. Pradeep Kumar Rustagi (Member) |
| 1 | 12 th April 2023 | ✓ | ✓ | ✓ |
| 2 | 11 th May 2023 | ✓ | ✓ | ✓ |
| 3 | 19 th May 2023 | ✓ | ✓ | ✓ |
| 4 | 30 th May 2023 | Leave of absence | ✓ | ✓ |
| 5 | 19 th June 2023 | ✓ | Leave of absence | ✓ |
| 6 | 29 th August 2023 | ✓ | Leave of absence | ✓ |
| 7 | 4 th September 2023 | ✓ | ✓ | ✓ |
| 8 | 9 th October 2023 | ✓ | ✓ | ✓ |
| 9 | 27 th October 2023 | ✓ | ✓ | ✓ |

| Sr. No. | Date of Finance Committee Meeting | Attendance of Members | | |
|---------|-----------------------------------|-------------------------------------|-------------------------------|------------------------------------|
| | | Mr. Ashok Kumar Newatia* (Chairman) | Mr. Arvind Singhania (Member) | Mr. Pradeep Kumar Rustagi (Member) |
| 10 | 11 th December 2023 | ✓ | ✓ | ✓ |
| 11 | 21 st December 2023 | ✓ | ✓ | ✓ |
| 12 | 20 th February 2024 | ✓ | ✓ | ✓ |

*Mr. Ashok Kumar Newatia ceased to be Independent Director and Chairman of Finance Committee upon completion of second consecutive term with effect from close of business hours on 31st March 2024. The Committee was reconstituted by redesignation of Mr. Arvind Singhania as Chairman of the Finance Committee and induction of Mr. Ayush Vardhan Singhania as Member of the Committee w.e.f. 1st April 2024.

The required quorum was present at all meetings.

4. GENERAL BODY MEETINGS

a) Annual General Meeting

The details of last three Annual General Meetings (“AGMs”) and the summary of Special resolutions passed therein are as under:

| Financial Year | Date & Time | Venue | Special Resolution Passed |
|----------------|---|---|---|
| 2022-23 | 27 th September 2023 12:00 Noon (IST) | Held Through Video Conferencing /Other Audio-Visual Means | NIL |
| 2021-22 | 28 th September 2022 11:00 A.M. (IST) | | NIL |
| 2020-21 | 27 th September 2021 11:00 A.M. (IST) | | Appointment of Mr. Ayush Vardhan Singhania as Whole Time Director of the Company. |

b) Postal Ballot

During the year, the Company had passed Special resolutions through Postal Ballot for the proposals as mentioned below:

- i) **Re-appointment of Mr. Arvind Singhania as Managing Director designated as “Chairman & CEO” of the Company to hold office for a term of 3 years i.e. from 1st April 2023 to 31st March 2026**

| | | |
|--|--|---------------|
| Voting Period | Commenced on Saturday, 27 th May 2023 at 9:00 A.M. (IST) and ended on Sunday, 25 th June 2023 at 5:00 P.M. (IST) | |
| Members as on Cut – off date i.e. Friday, 19 th May, 2023 | 40735 | |
| Declaration of Results | 26 th June, 2023 | |
| Voting Pattern | Particulars | Number |
| | Number of valid votes received | 525572 |
| | Votes in favour of the resolution | 497991 |
| | Votes against the resolution | 27581 |

- ii) **Re-appointment of Mr. Pradeep Kumar Rustagi as Whole Time Director designated as “Executive Director-Corporate Affairs” of the Company to hold office for a term of 3 years i.e., from 1st April 2023 to 31st March 2026**

| | | |
|--|--|---------------|
| Voting Period | Commenced on Saturday, 27 th May 2023 at 9:00 A.M. (IST) and ended on Sunday, 25 th June 2023 at 5:00 P.M. (IST) | |
| Members as on Cut-off date i.e. Friday, 19 th May, 2023 | 40735 | |
| Declaration of Results | 26 th June, 2023 | |
| Voting Pattern | Particulars | Number |
| | Number of valid votes received | 525483 |
| | Votes in favour of the resolution | 497880 |
| | Votes against the resolution | 27603 |

- iii) **Appointment of Mr. Atul Aggarwal (DIN: 00125825) as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 14th February 2024 upto 13th February 2029**

| | | |
|--|--|--|
| Voting Period | Commenced on Friday, 16 th February 2024 at 9:00 A.M. (IST) and ended on Saturday, 16 th March 2024 at 5:00 P.M. (IST) | |
| Members as on Cut – off date i.e. Friday, 9 th February, 2024 | 42721 | |
| Declaration of Results | 18 th March, 2024 | |

| | | |
|----------------|-----------------------------------|---------------|
| Voting Pattern | Particulars | Number |
| | Number of valid votes received | 61723944 |
| | Votes in favour of the resolution | 61717484 |
| | Votes against the resolution | 6460 |

iv) Appointment of Mr. Alok Dhir (DIN: 00034335) as an Independent Director of the Company to hold office for a term of five consecutive years i.e. from 14th February 2024 upto 13th February 2029

| | | |
|--|--|---------------|
| Voting Period | Commenced on Friday, 16 th February 2024 at 9:00 A.M. (IST) and ended on Saturday, 16 th March 2024 at 5:00 P.M. (IST) | |
| Members as on Cut – off date i.e. Friday, 9 th February, 2024 | 42721 | |
| Declaration of Results | 18 th March, 2024 | |
| Voting Pattern | Particulars | Number |
| | Number of valid votes received | 61723944 |
| | Votes in favour of the resolution | 61718089 |
| | Votes against the resolution | 5855 |

v) Issuance of upto 1,05,60,250 Equity Shares to the persons belonging to ‘Promoter & Promoter Group’ and ‘Non-Promoter’ Category on Preferential Basis

| | | |
|--|--|---------------|
| Voting Period | Commenced on Friday, 16 th February 2024 at 9:00 A.M. (IST) and ended on Saturday, 16 th March 2024 at 5:00 P.M. (IST) | |
| Members as on Cut – off date i.e. Friday, 9 th February, 2024 | 42721 | |
| Declaration of Results | 18 th March, 2024 | |
| Voting Pattern | Particulars | Number |
| | Number of valid votes received | 61724344 |
| | Votes in favour of the resolution | 61711480 |
| | Votes against the resolution | 12864 |

Scrutinizer for Postal Ballot:

The Board of Directors had appointed Mr. Akash Jain, Practicing Company Secretary, (Membership Number FCS: 9617

COP: 9432) as the Scrutinizer for conducting the postal ballot (e-voting process) in a fair and transparent manner.

Whether any resolutions are proposed to be conducted through postal ballot:

The Board has proposed to pass the following special resolution through postal ballot Notice dated 22nd May 2024:

1. Re-appointment of Mr. Ayush Vardhan Singhania (DIN: 05176205) as Whole Time Director of the Company.

Procedure for Postal Ballot:

The Postal Ballot was carried out as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Rules 20 and 22 of the Companies (Management and Administration) Rules 2014, Regulation 44 of the SEBI (LODR) Regulations, 2015 and the Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, each as amended, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs vide its General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, respectively.

5. CERTIFICATIONS/DECLARATIONS

a) Code of Conduct

The Company has adopted the Code of Conduct for all Board Members and Senior Management Personnel of the Company in line with the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015 which can be accessed on Company website at the following link: <https://www.esterindustries.com/sites/default/files/Code%20of%20Conduct.pdf>

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, and in making full and accurate disclosures in compliance with all applicable laws, rules and regulations.

The Company has received confirmation from all Board Members and Senior Management Personnel of the Company regarding their adherence to the Code. A declaration to this effect duly signed by Mr. Arvind Singhania, Chairman & CEO of the Company is annexed as **Annexure-I** to this Report.

b) Certificate required under Regulation 17(8)

The certificate required under Regulation 17(8) of SEBI (LODR) Regulations, 2015, duly signed by the Chairman & CEO and the Chief Financial Officer of the Company, was presented before the Board in the Board Meeting held on 22nd May 2024, and is annexed as **Annexure-II** to this Report.

c) Compliance Certificate on Corporate Governance

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the SEBI (LODR) Regulations, 2015. A certificate affirming the compliances of Corporate Governance requirements during financial year 2023-24 has been obtained from Mr. Akash Jain,

Practicing Company Secretary and the same is annexed as **Annexure-III** to this Report.

d) Certificate for non-disqualification of Directors

Pursuant to Regulation 34(3) and Schedule-V, Para C, Clause (10)(i) of SEBI (LODR) Regulations, 2015, the Board hereby confirms that a certificate has been obtained from the Practicing Company Secretary, stating that none of the Directors have been debarred or disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other Statutory Authority. The certificate is annexed as **Annexure-IV** to this Report.

6. POLICIES/DISCLOSURES

a) Related Party Transactions

All Related Party Transactions entered during the year were presented before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on an annual basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length basis.

All transactions entered into with Related Parties, as defined under the Act and Regulation 23 of SEBI (LODR) Regulations, 2015, during the financial year under review were in the ordinary course of business and on an arm's length pricing basis, with requisite approvals from the Audit Committee. There was no materially significant transaction with Related Parties during the financial year under review which may have any potential conflict with the interests of the Company at large. A suitable disclosure, as required by the Accounting Standards (AS18), has been made in the notes to the Financial Statements.

The Company's policy on Related Party Transactions can be accessed on the Company's website at the following link:

https://www.esterindustries.com/sites/default/files/RPT_%20Clean_Ver.pdf

b) Disclosure of pending cases/Instances of non-compliances

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any other Statutory Authority on any matter related to the capital market during the last three years.

c) Vigil Mechanism / Whistle Blower policy

The Company has adopted a Whistle Blower Policy and has established a necessary vigil mechanism for its directors and employees to report concerns about actual or suspected frauds, instances for leakage or suspected leakage of Unpublished Price Sensitive Information, any violations of legal/regulatory requirements or code of conduct/policy of the Company, incorrect or misrepresentation of any financial statements, reports etc. No person has been denied access to the chairperson of the Audit Committee. The Audit Committee monitors and reviews the investigations of the whistle blower

complaints. The said policy can be accessed on the Company's website at the following link:

http://www.esterindustries.com/sites/default/files/Whistle_blower_policy.pdf

During the year under review, no cases were reported under the whistle blower policy.

d) Nomination & Remuneration Policy

The Nomination and Remuneration policy of the Company along with criteria of making payments to Non-Executive Directors can be accessed on the Company's website at the following link:

<https://www.esterindustries.com/sites/default/files/Revised%20NRC%20Policy%20PDF.pdf>

e) Remuneration of Directors

Details of Remuneration paid to Executive Directors

Managing Director/Whole-time Director are eligible for remuneration as may be approved by Shareholders of the Company on the recommendation of the Committee and the Board of Directors.

The break-up of the pay scale and quantum of allowances, performance linked incentives, perquisites including, employer's contribution to P.F, pension scheme, medical expenses, car & driver facility etc. was decided and approved by the Board on the recommendation of the Committee.

During financial year 2023-2024, following remuneration was paid to the Executive Directors:

(₹ in Lacs)

| Name of Directors | Basic Salary | Allowances & Perquisites | Provident Fund & SAF | Total |
|-------------------------|--------------|--------------------------|----------------------|--------|
| Arvind Singhania | 144.00 | 145.12 | 17.28 | 306.4 |
| Pradeep Kumar Rustagi | 49.68 | 57.52 | 6.96 | 114.16 |
| Ayush Vardhan Singhania | 52.02 | 69.63 | 7.24 | 128.89 |

The above figures do not include gratuity and premium paid for group health insurance. Services of the Managing Director and Executive Director may be terminated by either party, giving the other party 90 days' notice or the Company paying 90 days' salary in lieu thereof. There is no separate provision for payment of severance fees.

Details of Remuneration paid to Non-Executive Directors

Non-Executive Directors are paid sitting fees of ₹ 10,000/- for attending each meeting of the Board of Directors and the Committee thereof (except Stakeholders' Relationship Committee and Finance Committee).

The details of sitting fees paid to the Non-Executive Directors during financial year 2023-24 are as follows:

| Name of the Director | Sitting Fees (₹ in Lacs) |
|-----------------------------------|-----------------------------|
| Mr. Ashok Kumar Newatia | 1.30 |
| Mr. Sandeep Dinodia | 1.60 |
| Mr. Madras Seshamani Ramachandran | 1.80 |
| Mr. Priya Shankar Dasgupta | 0.80 |
| Dr. Anand Chand Burman | 0.30 |
| Mrs. Archana Singhanian | 0.80 |
| Mrs. Padmaja Shailen Ruparel | 0.50 |
| Mr. Atul Aggarwal | 0.10 |
| Mr. Alok Dhir | Nil |

There has been no pecuniary relationship or transaction between the Company and Non-Executive Directors during the financial year 2023-24 except to the extent of receipt of sitting fees for meetings of the Board/Committee(s) of Directors attended by them.

No stock option was granted to any of the Non-Executive Director during the financial year under review.

Employee Stock Option Scheme

As on 31st March 2024, the Company had granted 248179 stock options to Eligible Employee and Executive Director. 101713 stock options were granted to Mr. Pradeep Kumar Rustagi, Executive Director- Corporate Affairs. After vesting of the option, each Option would entitle the Option holder to subscribe to 1 (one) Equity Share on the payment of the Exercise price during Exercise period.

Vesting of the options shall take place as per the following schedule:

- 10% of options shall vest at the end of a period of 1 (one) year from date of grant
- 20% of options shall vest at the end of a period of 2 (two) years from date of grant
- 30% of options shall vest at the end of a period of 3 (three) years from date of grant
- 40% of options shall vest at the end of a period of 4 (four) years from date of grant

Note: Date of Grant was 1st April 2021.

f) Compliance with the non-mandatory Requirements under Regulation 27 read with Part E of Schedule II

The Board periodically reviewed the compliance of all the applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of the SEBI (LODR) Regulations, 2015. In addition, the Company has also fulfilled the following non-mandatory requirements of Regulation 27 read with Part E of Schedule II of SEBI (LODR) Regulations, 2015:

- **Modified Opinion(s) in Audit Report** - The Auditors have issued an unmodified opinion on the financial statements of the Company for the year ended on 31st March 2024.

- **Reporting of Internal Auditor** - The Internal Auditor has been reporting directly to the Audit Committee.

g) Material Subsidiaries

During the financial year ended 31st March 2024, Ester Filmtech Limited comes under the purview of Material Non-Listed Indian Subsidiary as per the criteria given in the SEBI (LODR) Regulations, 2015. Mrs. Padmaja Shailen Ruparel, Independent Director of the Company, is also the Independent Director on the Board of material subsidiary.

The subsidiary of the Company functions with an adequately empowered Board of Directors and sufficient resources.

For more effective governance, the Company monitors the performance of subsidiary company, inter alia, by following means:

- Financial statements of unlisted subsidiary company, are reviewed by the Audit Committee and the Board of the Company.
- Minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis.

In compliance with the SEBI (LODR) Regulations, 2015, the Board has formulated the policy for determining Material Subsidiaries which can be accessed on the Company's website at the following link:

<https://www.esterindustries.com/sites/default/files/Policy%20on%20Material%20Subsidiary%20Version%20-2%2017th%20June%202020.pdf>

Details of Incorporation and Statutory Auditors of Material Subsidiary is as follows:

| Details of Incorporation | | Details of Statutory Auditors | |
|--------------------------|-----------------------------|-----------------------------------|---|
| Place | Date | Name | Date of Appointment |
| Haryana | 21 st July, 2020 | M/s. Walker Chandiook and Co. LLP | The members at the 1 st AGM held on 24 th September 2021, approved the appointment of statutory auditors for a period of 5 years till the conclusion of Annual General Meeting to be held in the year 2026. |

h) Risk Management System

The Company has in place a Risk Management Policy which can be accessed on the Company's website at the following link:

<https://www.esterindustries.com/sites/default/files/Ester%20Risk%20Management%20Policy.pdf>

The Risk Management System is periodically reviewed and evaluated by the Risk Management Committee and Board of Directors.

i) Utilization of Funds- Preferential Allotment/Qualified Institutions Placement

During the year under review, the Company raised the funds through issue of 1,05,60,250 equity shares of face value of ₹ 5/- each, for cash, at an issue price of ₹ 94.60/- per Equity Share (including premium of ₹ 89.60/- each), for an aggregate amount of up to ₹ 99,89,99,650/- to the persons belonging to the 'Promoter & Promoter Group' and 'Non-Promoter' Category on Preferential allotment basis in the Board meeting held on 28th March 2024.

Till 31st March 2024, there was no utilization of funds and therefore the company affirms that there has been no deviation or variation in utilization of proceeds raised through the preferential allotment.

j) Recommendations of Committee

There was no such instance during the financial year 2023-24, where the Board had not accepted any recommendation from any of its committees.

k) Consolidated Fees paid to Statutory Auditors

The total fees paid by the Company and its subsidiaries on a consolidated basis to its Statutory Auditors for all services for the Financial Year ended on 31st March 2024 are as under:

(Amount in lacs)

| Fee particulars | Ester | Subsidiary | Consolidated |
|------------------------|--------------|--------------|--------------|
| Audit fee | 18.5 | 4.50 | 23.00 |
| Limited Review fees | 27.00 | 7.50 | 34.50 |
| Out of pocket expenses | 3.00 | 0.40 | 3.40 |
| Total | 48.50 | 12.40 | 60.90 |

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

During the year under review, no unclaimed dividend/shares was required to be transferred to the IEPF established by the Central Government under applicable provisions of the Act. The shareholders who have not encashed their dividend relating to the dividend specified in table below are requested to immediately send their request for payment of unclaimed dividend.

| Year of Dividend | 2018-19 | 2019-20 | 2020-21 | 2020-21 | 2021-22 | 2021-22 | 2022-23 |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Nature of Dividend | Final | Final | Interim | Final | Interim | Final | Final |
| Amount of Dividend per share | ₹ 0.50/- | ₹ 2.50/- | ₹ 1.50/- | ₹ 1.90/- | ₹ 1.40/- | ₹ 1.90/- | ₹ 0.50/- |
| Date of Declaration | 16-09-2019 | 28-08-2020 | 26-10-2020 | 27-09-2021 | 12-11-2021 | 28-09-2022 | 27-09-2023 |
| Last date to claim dividend | 17-10-2026 | 29-09-2027 | 27-11-2027 | 02-11-2028 | 15-12-2028 | 30-10-2029 | 30-10-2030 |
| Proposed date of transfer of Dividend | 17-11-2026 | 28-10-2027 | 27-12-2027 | 02-12-2028 | 14-01-2029 | 29-11-2029 | 29-11-2030 |

and rules made thereunder, the Company has laid down an Anti-Sexual Harassment Policy and has constituted Internal Complaints Committees (ICC), to consider and resolve the complaints related to sexual harassment. The ICC includes external member with relevant experience. The Company has zero tolerance on sexual harassment at the workplace. The ICC also work extensively on creating awareness on relevance of sexual harassment issues including while working remotely.

During the year under review, the Company has not received any complaint pertaining to sexual harassment. All new employees go through a detailed orientation on anti-sexual harassment policy adopted by the Company.

m) Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account

During the year under review, there were no shares in Demat Suspense Account or Unclaimed Suspense Account of the Company.

n) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund

The Board has approved a Dividend Distribution Policy of the Company which can be accessed on Company's website at the following link –

<https://www.esterindustries.com/sites/default/files/Dividend%20Distribution%20Policy%20-%20Ver%202.pdf>

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

Members are requested to note that no claims shall lie against the Company in respect of the dividend/shares transferred to IEPF.

The details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are also uploaded on the Company's website and can be accessed at the following link:

<https://www.esterindustries.com/list-unclaimedunpaid-dividend>

- o) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested' by name and amount.**

During the financial year under review, the Company and Ester Filmtech Limited, the wholly owned subsidiary of the Company has not provided any loans or advances to firms/companies in which Directors are interested.

- p) **Particulars of Senior Management including changes therein since the close of the previous Financial Year:**

| Name | Designation | Changes, if any, during the financial year 2023-24 (Yes/No) |
|-----------------------------|--|---|
| Mr. Girish Behal | Business Head- Polyester Films SBU | - |
| Mr. Sourabh Agarwal | Chief Financial Officer | - |
| Mr. Anshuman Mahato | Chief Human Resources Officer | Appointed w.e.f. 26th May, 2023 |
| Mr. Yatin Purushottam Sheth | Head-Sales Marketing (Specialty Polymer) | Appointed w.e.f. 16th October 2023 |
| Mr. Rajender Singh Gaur | Head- Manufacturing operations | Appointed w.e.f. 3rd July 2023 |
| Ms. Poornima Gupta | Company Secretary & Compliance Officer | Appointed w.e.f. 12th July 2023 |

- q) **Disclosure of certain types of agreements binding listed entities**

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI (LODR) Regulations, 2015.

7. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management- shareholder relations. The Company regularly interacts with Shareholders through multiple channels of communication such as:

Financial Results

The Quarterly and Annual Financial Results are submitted with BSE Limited & National Stock Exchange of India Limited (NSE) and are also published in at least one prominent national and one regional newspaper having wide circulation as required by the SEBI (LODR) Regulations, 2015. Generally, the results are published in Financial Express and Nazariya Khabar. The up-to-date results are also available on the Company's website and can be accessed at <https://www.esterindustries.com/investors/financial-reports/quarterly-and-annual-result>

Press Releases

Press Releases of the Company on the Quarterly and Annual Financial Results are available on the Company's website www.esterindustries.com and also on the portals of the Stock Exchanges where the Company's shares are listed.

Company's Website

The Company's website www.esterindustries.com contains a dedicated section for Investors where Annual Reports, quarterly and annual results, stock exchange filings, press releases, quarterly reports, all statutory policies, information relating to investor service requests, unclaimed unpaid dividend and other shareholder information are available. The website also displays vital information relating to the Company and its performance, official press releases, presentation to analysts, transcripts and audio recordings of Earning calls.

Annual Report

Annual Report containing audited standalone accounts, consolidated financial statements together with Board's Report, Corporate Governance Report, Management Discussion and Analysis Report, Business Sustainability and Responsibility Report, Auditor's Report and other important information are circulated to the Members entitled thereto through permitted mode(s). In the AGM, the shareholders also interact with the Board and the Management.

Designated Email IDs

In terms of Regulation 46(2) of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is investor@ester.in For queries related to Shares and Dividend transferred to IEPF Authority, email may be sent to iepf@ester.in The shareholders may also send their queries at the email id of Registrar and Transfer Agent (RTA) viz. investor@masserv.com

SEBI and Stock Exchanges' Investor Grievance Redressal System

SCORES platform of SEBI and 'Investor Complaints' sections of BSE and NSE websites facilitate investors to file complaints online and get end-to-end status update of their grievances. The Company also has Online Dispute Resolution (ODR) Portal in place, which is in addition to the existing SCORES 2.0 platform which can be utilized by the investors and the Company for dispute resolution.

The Company endeavors to redress the grievances of the Investors as soon as it receives the same from the respective forums.

Stock Exchanges

All price sensitive information and matters that are material to Shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communications to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the Company's website at www.esterindustries.com.

8. GENERAL SHAREHODLER INFORMATION

a) Annual General Meeting for FY 2024

Date : 27th September 2024

Time : 12:00 Noon (IST)

Venue : Meeting is being conducted through Video Conferencing, pursuant to General Circulars issue by MCA and SEBI

b) Financial Year

Financial Year of the Company is for a period of 12 months commencing from 1st April and ending on 31st March.

c) Tentative Financial Calendar

- Results for quarter ending 30.06.2024 : August 2024
- Results for quarter ending 30.09.2024 : November 2024
- Results for quarter ending 31.12.2024 : February 2025
- Results for quarter and year ending : May 2025
31.03.2025
- Annual General Meeting for financial : September 2025
year 2024-25

d) Book Closure date

21st September 2024 to 27th September 2024 (both days inclusive)

e) Dividend payment date

Keeping in view of the financial performance of the Company, the Board has decided not to recommend any dividend for the financial year 2023-24.

f) Listing on Stock Exchanges and the Stock Code allotted

The Equity Shares of the Company are listed on the following Stock Exchanges:

| Name of Stock Exchange | Stock Code |
|---|--------------|
| BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400001 | 500136 |
| National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 | ESTER |
| ISIN of Equity Shares | INE778B01029 |

Annual Listing fees for the financial year 2024-25 have been duly paid to the above Stock Exchanges within the prescribed time period.

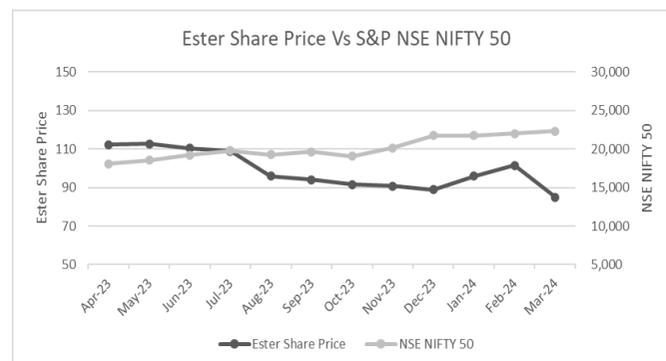
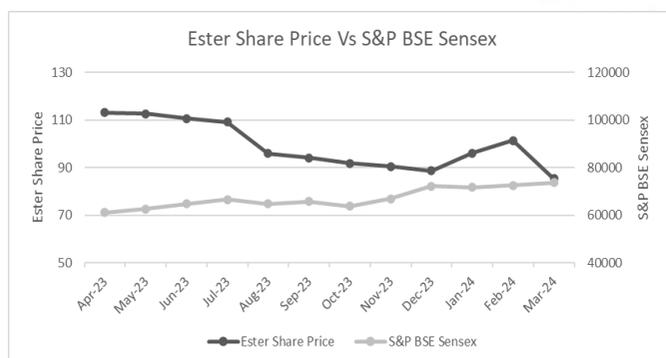
g) Stock Market Data

The monthly High and Low prices of shares traded at BSE and NSE during financial year 2023-24 are as under:

| Month | (Face value of ₹ 5/- per share) | | | |
|--------|---------------------------------|--------|---|--------|
| | BSE Limited (in ₹) | | National Stock Exchange of India Limited (in ₹) | |
| | High | Low | High | Low |
| Apr-23 | 114.9 | 85.2 | 114.85 | 87.55 |
| May-23 | 134.95 | 107.5 | 135.8 | 107.15 |
| Jun-23 | 128 | 109.15 | 128 | 109 |
| Jul-23 | 115.1 | 105.4 | 115.25 | 105.5 |
| Aug-23 | 110.85 | 88.8 | 110.85 | 88.2 |
| Sep-23 | 97.85 | 90.05 | 97.85 | 90.2 |
| Oct-23 | 99.7 | 87.45 | 99.8 | 87.5 |
| Nov-23 | 94.95 | 80.21 | 94.95 | 81.9 |
| Dec-23 | 94.2 | 86.6 | 94.3 | 86.1 |
| Jan-24 | 106.53 | 92.5 | 106.8 | 90.9 |
| Feb-24 | 110.85 | 85.9 | 110.9 | 85.6 |
| Mar-24 | 106.45 | 84.75 | 108.4 | 84.6 |

h) Performance of the share price of the Company in comparison to broad based indices

The chart below shows the comparison of the Company's share price movement on BSE Limited and National Stock Exchange of India Limited vis-à-vis the movement of the BSE Sensex and NSE Nifty respectively for the financial year ended 31st March 2024 (based on month end closing):



i) Registrar and Share Transfer Agent

MAS Services Limited,

T-34, Okhla Industrial Area, Phase - II,

New Delhi - 110 020

Phone No. - 011-26387281/82/83

Fax No. - 011-26387384

E-Mail: investor@masserv.com

Website: www.masserv.com

j) Share Transfer System and Dematerialisation of Shares & Liquidity

The Board has delegated the authority for approving transfer, transmission etc. to the Stakeholders' Relationship Committee.

Approximately the entire equity share capital of the Company is held in dematerialised form. The Company's shares are compulsorily traded in dematerialised form and are available

k) Shareholding as on 31st March 2024

Distribution of Shareholding as on 31st March 2024

| Shareholding of Nominal Value of ₹ 5/- each | No. of Shareholders | % to total holders | No. of shares | % to total shares |
|---|---------------------|--------------------|-----------------|-------------------|
| 1-2500 | 36073 | 87.074 | 4006855 | 4.265 |
| 2501-5000 | 2541 | 6.134 | 2054451 | 2.187 |
| 5001-10000 | 1322 | 3.191 | 2004636 | 2.134 |
| 10001-15000 | 503 | 1.214 | 1291609 | 1.375 |
| 15001-20000 | 264 | 0.637 | 945571 | 1.006 |
| 20001-25000 | 194 | 0.468 | 908205 | 0.967 |
| 25001-50000 | 299 | 0.722 | 2139960 | 2.278 |
| 50001 & Above | 232 | 0.56 | 80602722 | 85.79 |
| Total | 41428 | 100.00 | 93954009 | 100.00 |

for trading with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The shareholders can hold the Company's shares with any depository participant registered with the depositories.

As on 31st March 2024, out of 9,39,54,009 Equity Shares of ₹ 5/- each, 8,27,19,759 shares (88.04%) were held in demat form and balance 1,12,34,250 shares (11.95%) were held in physical form.

The Company had allotted 1,05,60,250 equity shares to the persons belonging to 'Promoter & Promoter Group' and 'Non-Promoter' Category on Preferential allotment basis in the Board meeting held on 28th March 2024 and listing application for the said equity shares has been filed with both the Stock Exchanges and the same was under process as on 31st March 2024. Therefore, the above-mentioned equity shares have not been credited to their demat accounts and were showing in the physical holding as on 31st March 2024. But later on, after receipt of the listing and trading approvals the entire newly allotted equity shares have been credited to the demat account of the allottees.

Thus, after credit of aforementioned shares in the demat account, out of 9,39,54,009 Equity Shares of ₹ 5/- each, 9,32,80,009 shares (99.28%) were held in demat form and balance 6,74,000 shares (0.71%) were held in physical form.

Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations, 2015, the Company obtain certificates from a practicing Company Secretary (i) on a yearly basis to the effect that all the transfers are completed within the statutory stipulated period and (ii) on a quarterly basis regarding reconciliation of the share capital audit of the Company confirming that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. A copy of these certificates so received is submitted to both the Stock Exchanges viz. NSE and BSE.

All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to RTA of the Company at the address given above.

There was no instance of suspension of trading in the Company's shares during the financial year 2023-24.

Shareholding Pattern as on 31st March 2024:

| Category of Shareholder | No. of Shareholders | No. of Shares | % to total shares |
|--|---------------------|-----------------|-------------------|
| A. PROMOTER AND PROMOTER GROUP | | | |
| 1. Indian | | | |
| Individual/HUF | 4 | 2935351 | 3.12 |
| Bodies Corporate | 2 | 31327 05 | 3.33 |
| Sub Total (A1) | 6 | 60680 56 | 6.46 |
| 2. Foreign | | | |
| Bodies Corporate | 2 | 52615012 | 56 |
| Sub Total (A2) | 2 | 52615012 | 56 |
| Total Shareholding of Promoter and Promoter Group (A = A1 + A2) | 8 | 58683068 | 62.46 |
| B. PUBLIC SHAREHOLDING | | | |
| 1. Institutions | | | |
| a. Mutual Funds/UTI | 1 | 10000 | 0.01 |
| b. Financial Institutions/Banks | 5 | 3800 | - |
| c. Foreign Portfolio Investor | 3 | 34684 | 0.04 |
| Sub Total (B1) | 9 | 48484 | 0.05 |
| 2. Non-Institutions | | | |
| a. Bodies Corporate | 152 | 4038554 | 4.3 |
| b. Resident Individuals | 40750 | 21164859 | 22.53 |
| c. Non-Resident Individual | 490 | 866078 | 0.92 |
| d. Foreign Company | 1 | 8086861 | 8.61 |
| e. IEPF Authority | 1 | 10390 58 | 1.11 |
| f. Any other | 17 | 270470 | 0.03 |
| Sub Total (B2) | 41411 | 35222457 | 37.49 |
| Total Public Shareholding (B = B1 + B2) | 41420 | 35270941 | 37.54 |
| GRAND TOTAL (A) + (B) | 41428 | 93954009 | 100 |

l) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, their conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on 31st March 2024, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

m) Commodity price risk or foreign exchange risk and hedging activities

Despite Company being a Net Foreign Exchange earner, it is not absolved of Foreign Exchange Risk due to time difference of Inflows and Outflows.

Company's hedging instruments comprise foreign exchange forward contracts which are not intended for trading or speculation purposes and are used only to hedge company's foreign exchange denominated assets & liabilities.

The decision of whether and when to execute foreign exchange hedging instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. Company keeps a close watch on the exchange rate movement.

n) Plant locations

1. Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand
2. Plot No. A-113, 114, 128, Phase – I, Eldeco Sidcul Industrial Park, Sitarganj, Distt. Udham Singh Nagar, Uttarakhand
3. Industrial Park, Chandanvelly, Plot No.9, Survey No. 190 & 195, Chandanvelly(V), Shabad (M), Ranga Reddy District-501503, Telanagana*

*Owned by Ester Filmtech Limited, wholly-owned subsidiary of the Company

o) Address for Correspondence

| Registered Office | Corporate office | Registrar and Share Transfer Agent |
|--|---|---|
| Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand Phone: (05943)-250153-57 Fax: (05943)-250158 | Plot No.11, Block-A, Infocity-I, Sector 34, Gurgaon-122 001, Haryana Phone: (0124)-4572100 Fax: (0124)-4572199 E-Mail: investor@ester.in Website: www.esterindustries.com | MAS Services Limited T-34, Okhla Industrial Area, Phase - II, New Delhi – 110 020 Phone No. – 011-26387281/82/83 Fax No. – 011-26387384 E-Mail: investor@masserv.com Website: www.masserv.com |

p) Credit Rating

CRISIL Ratings Limited has assigned the following ratings for credit limit of the Company.

| Tenure | Facility | Rating* |
|------------|-------------------------------|---|
| Long term | Fund based | CRISIL A-/Negative (Downgraded from 'CRISIL A/ Negative') |
| Short term | Fund based and Non-Fund based | CRISIL A2+(Downgraded from 'CRISIL A1') |

*Please refer to CRISIL website www.crisil.com for definition of the rating assigned.

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Arvind Singhania, Chairman & CEO of Ester Industries Limited (“the Company”) hereby confirm that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to the Company, for the financial year 2023-24.

Place: New Delhi
Date: 22nd May 2024

Sd/-
Arvind Singhania
Chairman & CEO
(DIN: 00934017)

**CEO AND CFO CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To
**The Board of Directors
Ester Industries Limited**

We, Arvind Singhania, Chairman & CEO and Sourabh Agarwal, Chief Financial Officer of the Company, do hereby certify that:

- a. We have reviewed the Standalone and Consolidated financial statements and the cash flow statement for the financial year ended 31st March 2024 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March 2024 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - (1) significant changes, if any, in internal control over financial reporting during the year;
 - (2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: New Delhi
Date: 22nd May, 2024**

**Sd/-
Arvind Singhania
Chairman & CEO
(DIN: 00934017)**

**Sd/-
Sourabh Agarwal
Chief Financial Officer**

CERTIFICATE ON CORPORATE GOVERNANCE

CIN: L24111UR1985PLC015063

To

The Members of**M/s Ester Industries Limited**

Sohan Nagar, P.O. Charubeta, Khatima-262308

Udham Singh Nagar, Uttarakhand

1. We have examined all the relevant records of Ester Industries Limited (“the Company”) for the purpose of certifying compliance of conditions of Corporate Governance for the year ended 31st March, 2024 as stipulated in Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) pursuant to the Listing Agreement of the Company with the National Stock Exchange of India Limited and the BSE Limited (collectively referred to as the ‘Stock exchanges’).

Management Responsibility for compliance with the conditions of Listing Regulations

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

My Responsibility

4. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March 2024.

Opinion

6. In our opinion and to the best of my information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2024.

Restriction on Use

7. We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.
8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

**For M/s Akash Jain
Practicing Company Secretary****Sd/-****Akash Jain****Membership No.: F9617****CP No.: 9432****PR 838/2020****ICSI UDIN: F009617F000831361****Place: Gurugram****Date: 26th July 2024**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Ester Industries Limited
Sohan Nagar, P.O. Charubeta, Khatima-262308
Udham Singh Nagar, Uttarakhand

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act')
- ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents') as submitted by the Directors of Ester Industries Limited CIN L24111UR1985PLC015063 ("**the Company**") and having its registered office at Sohan Nagar, P.O. Charubeta, Khatima-Udham Singh Nagar, Uttarakhand- 262308 to the Board of Directors of the Company ("**the Board**") for the Financial Year 2023-24 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with, Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with, the provisions of the Act.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended **31st March, 2024**, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

| Sr. No. | Name of Director | DIN | Date of Appointment in Company | Date of Cessation |
|---------|------------------------------------|----------|--------------------------------|-------------------|
| 1 | Mr. Arvind Singhanian | 00934017 | 01/07/1994 | -- |
| 2 | Mrs. Archana Singhanian | 01096776 | 04/08/2014 | -- |
| 3 | Mr. Pradeep Kumar Rustagi | 00879345 | 14/02/2011 | -- |
| 4 | Mr. Sandeep Dinodia | 00005395 | 25/05/2015 | -- |
| 5 | Mr. Priya Shankar Dasgupta* | 00012552 | 14/02/2011 | -- |
| 6 | Dr. Anand Chand Burman* | 00056216 | 12/08/2010 | -- |
| 7 | Mrs. Padmaja Shailen Ruparel | 01383513 | 01/04/2020 | -- |
| 8 | Mr. Madras Seshamani Ramachandran* | 00943629 | 19/09/2008 | -- |
| 9 | Mr. Ashok Kumar Newatia* | 01057233 | 01/07/1997 | -- |
| 10 | Mr. Ayush Vardhan Singhanian | 05176205 | 01/06/2021 | -- |
| 11 | Mr. Atul Aggarwal | 00125825 | 14/02/2024 | |
| 12 | Mr. Alok Dhir | 00034335 | 14/02/2024 | - |

*Mr. Ashok Kumar Newatia, Mr. Madras Seshamani Ramachandran, Dr. Anand Chand Burman and Mr. Priya Shankar Dasgupta ceased to be the Directors w.e.f. close of business hours of 31st March 2024 upon completion of their term as Independent Directors.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the financial year ended 31st March 2024.

For M/s Akash Jain
Practicing Company Secretary

Sd/-
Akash Jain
Membership No.: F9617
CP No.: 9432
PR 838/2020

Place: Gurugram
Date: 26th July 2024

ICSI UDIN: F009617F000831328

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A – GENERAL DISCLOSURES

I. Details of the Listed Entity

| | | |
|-----|---|--|
| 1. | Corporate Identity Number (CIN) of the Company | L24111UR1985PLC015063 |
| 2. | Name of the Company | ESTER INDUSTRIES LIMITED |
| 3. | Year of Incorporation | 1985 |
| 4. | Registered office address | Sohan Nagar, PO Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand |
| 5. | Corporate address | Plot No. 11, Block-A, Infocity-I, Sector -34, Gurugram-122001, Haryana |
| 6. | E-mail | investor@ester.in |
| 7. | Telephone | +91 (0124) 4572100 |
| 8. | Website | www.esterindustries.com |
| 9. | Financial year for which reporting is being done | 1 st April 2023 to 31 st March 2024 |
| 10. | Name of the Stock Exchange(s) where shares are listed | 1. BSE Limited; and 2. The National Stock Exchange of India Limited |
| 11. | Paid-up Capital | ₹ 4697.7 lacs |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Poornima Gupta Company Secretary & Compliance Officer Email – poornima.gupta@ester.in Contact – 0124 - 4572208 |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) | Disclosures under this report are made on standalone basis and pertain only to Ester Industries Limited |
| 14. | Name of assurance provider | Not applicable. The company is not amongst top 150 listed entities as on 31 st March, 2024 |
| 15. | Type of assurance obtained | |

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover) –

| Description of Main Activity | Description of Business Activity | % of turnover of the entity |
|------------------------------|---|-----------------------------|
| Packaging Film Business | Packaging Film Business consist of Polyester Chips, BOPET Films, Metallized BOPET Films and Coated Films. Varieties of Films that are produced are Shrink PET Film, Holographic Film, Window Film, Metalized Paper etc. It serves customers both in National and International Markets. | 88.15 |
| Specialty Polymer Business | Specialty Polymers serve end user applications like carpets, textiles, technical textiles packaging and electronics. It primarily serves customers in International Markets. | 11.85 |

17. Products/services sold by the entity (accounting for 90% of the entity's turnover) –

| Sr. No. | Product/Services | NIC Code | % of total turnover contributed |
|---------|--------------------|----------|---------------------------------|
| 1. | Polyester Chips | 22201 | 10.25 |
| 2. | BOPET Film | 22201 | 77.90 |
| 3. | Specialty Polymers | 22201 | 11.85 |

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 2 | 1 | 3 |
| International | 0 | 0 | 0 |

19. Markets served:

a) Number of locations

| Locations | Value (in numbers) |
|----------------------------------|--------------------|
| National (No. of states) | Pan-India |
| International (No. of countries) | 46 |

b) What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover of Company on standalone basis is 35.09%.

c) A brief on types of customers

The Company's customer base consists of organizations under flexible packaging, labels, FMCG, manufacturing, carpets, textiles, technical textiles, automotive and electronics.

IV. Employees

20. Details as at the end of Financial Year 2023-24:

a) Employees and Workers (including differently abled):

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------------|------------|------------|-------------|-----------|------------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| Employees | | | | | | |
| 1. | Permanent (D) | 401 | 391 | 97.5 | 10 | 2.5 |
| 2. | Other than permanent (E) | 36 | 36 | 100 | 0 | 0 |
| 3. | Total employees (D + E) | 437 | 427 | 97.7 | 10 | 2.3 |
| Workers | | | | | | |
| 4. | Permanent (F) | 121 | 121 | 100 | 0 | 0 |
| 5. | Other than permanent (G) | 338 | 338 | 100 | 0 | 0 |
| 6. | Total employees (F + G) | 459 | 459 | 100 | 0 | 0 |

b) Differently abled Employees and Workers:

| Sr. No | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--------------------------------|-----------|----------|------------|----------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| Differently abled Employees | | | | | | |
| 1. | Permanent (D) | 1 | 1 | 100 | 0 | 0 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total employees (D + E) | 1 | 1 | 100 | 0 | 0 |
| Differently abled Workers | | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5. | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | Total employees (F + G) | 0 | 0 | 0 | 0 | 0 |

21. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and % of Females | |
|--|-----------|----------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 12 | 2 | 16.67 |
| Key Management Personnel (including Charman & Managing Director and Whole Time Directors) | 5 | 1 | 20 |

22. Turnover rate for permanent employees and workers

| Particulars | FY 2023-24 (Turnover rate in %) | | | FY 2022-23 (Turnover rate in %) | | | FY 2021-22 (Turnover rate in %) | | |
|---------------------|------------------------------------|--------|-------|------------------------------------|--------|-------|------------------------------------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 18.39 | 47 | 18 | 24.57 | 25 | 31.74 | 20.74 | - | 20.74 |
| Workers | 5.62 | 0 | 5.62 | 8.78 | - | 8.78 | 6.31 | - | 6.31 |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

| Sr. No. | Name | Holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---------|------------------------|---|-----------------------------------|--|
| 1. | Wilemina Finance Corp. | Holding Company | 52.49 | No |
| 2. | Ester Filmtech Limited | Wholly Owned Subsidiary | 100 | No |

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in Rs.) (FY 2023-24): ₹ 85,538.87 Lacs

(iii) Net worth (in Rs.) (FY 2023-24): ₹ 82,623.37 Lacs

VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGBRC) –

| Stakeholder group from whom the complaint is received | Grievance Redressal Mechanism in Place (Yes/No) If yes, then provide web-link for grievance redress policy | FY 2023-24 | | | FY 2022-23 | | |
|---|---|--|--|---------|--|--|---------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes. Manual Register maintained at factories and office for Grievances | 0 | 0 | None | 2 | 0 | None |
| Investors (other than shareholders) | Yes investor@ester.in | 0 | 0 | | 0 | 0 | |
| Shareholders | Yes MAS Services Limited serves as the appointed Registrar and Share Transfer Agents for addressing any shareholders inquiries, requests and grievances. Shareholders can also lodge their grievances at scores portal www.scores.gov.in or by writing to the Company at investor@ester.in | 8 | 0 | | 21 | 0 | |

| Stakeholder group from whom the complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | FY 2023-24 | | | FY 2022-23 | | |
|---|--|--|--|---------|--|--|---------|
| | If yes, then provide web-link for grievance redress policy | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Employees and workers | Yes https://www.esterindustries.com/sites/default/files/Whistle_blower_policy.pdf | 0 | 0 | | 0 | 0 | |
| Customers | Yes. We have a well-defined procedure for redressal of customer complaints. | 54 | 1 | | 38 | 3 | |
| Value chain partners | Yes. We have a well-defined procedure for redressal of Complaints, if any of value chain partners. | 0 | 0 | | 0 | 0 | |

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | Approach to adapt or mitigate | Positive / negative Financial implications |
|---------|--------------------------------|--|---|--|--|
| 1. | Air emissions | Risk | Penalties and fines may be imposed for breaching prescribed limits of emissions imposed by State Pollution Control Board (SPCB) | Monitoring all emissions in both the manufacturing locations of the Company. | Negative |
| 2. | Waste Management | Risk | Waste Management practices that are not efficient, adequate and effective may be a risk to environment | We have adopted waste management practices that are efficient and effective to the environment | Negative |
| 3. | Energy Management | Opportunity | Company continues to incur expenditure for optimizing energy consumption that leads to reducing GHG emissions | N.A. | Positive |
| 4. | Occupational Health and Safety | Risk | Occupational health & safety risks due to the nature of operations of the Company | We have Environment Health and Safety (EHS) system in place to ensure minimal industrial accidents | Negative |
| 5. | Water conservation | Opportunity | Recycling and reuse of water using Effluent Treatment Plant (ETP) facilities that ensures minimal wastage of water resource. | N.A. | Positive |

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | Approach to adapt or mitigate | Positive / negative Financial implications |
|---------|--------------------------------------|--|--|-------------------------------|--|
| 6. | GHG emission reduction | Opportunity | Implement energy efficient measures, use of fuels and electricity from renewable resources to implement initiatives undertaken towards GHG emission reduction. | N.A. | Positive |
| 7. | Corporate Governance Practices | Opportunity | Code of Conduct of the Company incorporates the principles by which the Company and its employees are guided. | N.A. | Positive |
| 8. | Community relations and engagement | Opportunity | CSR activities undertaken by the Company focus on healthcare, sanitation, education, eradication of hunger, poverty and malnutrition leads to development of people in the region. | N.A. | Positive |
| 9. | Innovation, Research and Development | Opportunity | Continuous R&D efforts ensure development of new products for the market. | N.A. | Positive |

SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements

| Disclosure Questions | | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|----|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | | | |
| 1. | a. | Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b. | Has the policy been approved by the Board? (Yes/No) | Yes | No | Yes | Yes | Yes | No | No | Yes | No |
| | | | <i>The policies pertaining to Principles No. 2, 6, 7 and 9 have been implemented. Management has started the process of getting these policies approved by the Board of Directors.</i> | | | | | | | | |
| | c. | Web-link of the policies, if available | The policies pertaining to P1, P3, and P4 are available on the website of the Company and can be accessed at https://www.esterindustries.com/policies and rest all policies are available on the intranet of the Company. | | | | | | | | |
| 2. | | Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. | | Do the enlisted policies extend to your value chain partners? (Yes/No) | No | No | No | No | No | No | No | No | No |
| 4. | | Name of the national and international codes/certifications/labels/standards (e.g. Forest stewardship council, Fairtrade, Rainforest alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle. | ISO 50001:2018 Food Safety System certification 22000 ISO 45001:2018 ISO 14001: 2015 ISO 9001:2015 Certificate OEKO-TEX STANDARD 100 Global Recycled Standard (4.0) ISCC-PLUS-Cert-IN201-20231139 | | | | | | | | |

| Disclosure Questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | | | | | | | | | | |
|---|---|--|-----|-----|-----|-----|-----|-----|-----|-----|--|----|----|----|----|----|----|----|----|--|
| 5. | Specific commitments, goals, and targets set by the entity with defined timelines, if any. | In line with our identified material topics, we have taken the following targets and commitments: 1. Continue to have Injury Free Workplace 2. Enhance women participation across organization 3. Minimize the impact of its activities on the environment by reducing carbon emissions | | | | | | | | | | | | | | | | | | |
| 6. | Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met. | There is a mechanism in place to monitor actual performance vis-à-vis targets and commitments. Actual performance will be updated as part of our ESG disclosures. | | | | | | | | | | | | | | | | | | |
| Governance, leadership and oversight | | | | | | | | | | | | | | | | | | | | |
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | It has been our belief that sustainability and growth co-exist and an organization's long-term success to a large extent is determined by its response to environment, society and governance. To achieve sustainability, inclusivity and prosperity, we are making concerted efforts to bring about equalities within and beyond the organization, earn and retain the trust of our stakeholders, and build a greener tomorrow. We make/sell the products which meet the statutory requirement as prescribed by relevant authorities and deliver solutions in the form of leading, sustainable, and trustworthy products in our area of operation. All the production and distribution activities follow the prescribed Waste Management requirements. | | | | | | | | | | | | | | | | | | |
| 8. | Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies | Mr. Arvind Singhania, Chairman & CEO under the guidance of the Board of Directors and its Committees, is responsible for implementation and oversight of the Business Responsibility and Sustainability Policies. | | | | | | | | | | | | | | | | | | |
| 9. | Does the entity have a specified committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details. | The Board members periodically monitor the financial, environmental, and social performance of the Company while addressing key risks and opportunities. The Company also has a Risk Management Committee which reviews entity wide risks including ESG risks. | | | | | | | | | | | | | | | | | | |
| 10. | Details of review of NGRBCs by the company | | | | | | | | | | | | | | | | | | | |
| | Subject for review | Indicate whether the review was undertaken by Director / committee of the board/ any other committee | | | | | | | | | Frequency (Annually/ half-yearly/ quarterly/ any other – please specify) | | | | | | | | | |
| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
| | Performance against above policies and follow up action | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | The policies are reviewed as needed | | | | | | | | | |
| | Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | The compliances are checked quarterly, and policies are updated as and when required | | | | | | | | | |
| 11. | Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | No Independent assessment/evaluation was conducted. However, the Company conducts the review of the policies internally, as and when required. | | | | | | | | | |
| 12. | If answer to question (1) above is "No" i.e., not all principles are covered by a policy, reasons to be stated | Not Applicable | | | | | | | | | | | | | | | | | | |

SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|---|
| Board of Directors | 7 | The Board of Directors are familiarized inter alia on the following: 1. Business Performance updates 2. Business and Sustainability strategy 3. Governance, Compliance and Regulatory updates | 100 |
| Key Managerial Personnel | 7 | The KMPs are familiarized inter alia on the following: 1. Company's Code of Conduct/Prevention of Insider Trading/UPSI 2. POSH 3. Business Performance updates 4. Governance, Compliance and Regulatory updates 5. Vigil Mechanism/Business Ethics Proposal | 100 |
| Employees other than BOD and KMPs | 12 | 1. POSH 2. Health Awareness sessions with External Expert 3. Anti Bribery/corruption and trade secrets 4. Work Ethics | 68 |
| Workers | 8 | Health and safety and skill upgradation, on the job trainings etc. | 76 |

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

During FY 2023-24, there were no fines/penalties/punishment/award/compounding fees/settlement as prescribed in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed:**

Not applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.**

Ester has a dedicated anti-bribery policy. Besides this, the company also has Code of Conduct ("Code"). All the employees are required to abide by the values and ethics of the company as stated in the Code. The Code compels the employees to be ethical, accountable and transparent in their day-to-day office work and addresses issues beyond corruption and bribery. It also lays down additional provisions for the board members as well as Key Management Personnel (KMP) for compliance with the code. Link to Ester's Code of Conduct: <https://www.esterindustries.com/policies> and Anti-bribery policy is available on the intranet of the Company.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| Particulars | FY 2023-24 | FY 2022-23 |
|-------------|------------|------------|
| Directors | NIL | NIL |
| KMPs | | |
| Employees | | |
| Workers | | |

6. Details of complaints with regard to conflict of interest –

| Particulars | FY 2023-24 | | FY 2022-23 | |
|--|------------|----------------|------------|----------------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | Not Applicable | 0 | Not Applicable |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | Not Applicable | 0 | Not Applicable |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, as we do not have any instances of corruption/conflicts of interest against Directors and KMPs.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

| | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 15.70 days | 17.50 days |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2023-24 | FY 2022-23 |
|----------------------------|--|--|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | Remark: In the vendor master, there was no need to classify vendors in traders/ manufacturer category before SEBI notified amendment in BRSR format and hence this information cannot be ascertained. We have started to modify vendor master and will be able to provide required details from FY 25 onwards. | |
| | b. Number of trading houses where purchases are made from | | |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | | |
| Concentration of Sales | a. Sales to dealers/distributors as % of total sales | 20% | 27% |
| | b. Number of dealers /distributors to whom sales are made | 72 | 143 |
| | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | 64% | 63% |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 0.28% | 0.04% |
| | b. Sales (Sales to related parties / Total Sales) | 8% | 1% |
| | c. Loans & advances (Loans & advances given to related parties/Total loans & advances) | Nil | Nil |
| | d. Investments (Investments in related parties /Total Investments made) | 84% | 64% |

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

Essential Indicators

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve product and processes' environmental and social impacts to total R&D and capex investments made by the entity, respectively.

| Particulars | FY 2023-24 | FY 2022-23 | Details of improvements in Environmental and social impacts |
|-------------|--|------------|---|
| R&D | Company makes investments in projects targeting reduction in emissions, improved health and safety of the employees and minimizing adverse impact on environment. However, we have not measured the impact specifically. | | |
| Capex | | | |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Innovation and Sustainability are at the core of Ester's endeavours and fundamental to its strategy and vision. We believe in nurturing long term relationship with our value chain partners which is based on trust, fairness and transparency. The Company follows a Standard Operating Procedure (SOP) while onboarding a supplier. This SOP consists of parameters including and not limited to economic viability, business continuity, product quality, adherence to standard environment, health and safety compliances and certifications, approval from R&D, etc.

b. If yes, what percentage of inputs were sourced sustainably?

83%

We are committed to building a responsible and sustainable supply chain framework that aligns with our core values and supports a better future for all.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Ester engages with certified e-waste handlers for disposal of e-waste. The Company receives disposable and re-cycling certificates from the respective e-waste vendors.

Plastics - Capabilities have been developed by Ester to recycle non-usable metallized BOPET film using the de-metallization process. This process has enabled Ester to reduce consumption of virgin raw material. Also, hazardous waste gets disposed of through certified vendors.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No. However we are registered as an Authorized Re-cycler of Polyester waste and have applied for the registration under the category of importer and intermediate material manufacturer on the CPCB plastic EPR portal.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS-

Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|--------------|--------------------|------------|--------------------|-------------|--------------------|-------------|---------------------|-----------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 391 | 229 | 58.56 | 391 | 100 | 0 | 0 | 391 | 100 | 0 | 0 |
| Female | 10 | 5 | 50 | 10 | 100 | 10 | 100 | 0 | 0 | 0 | 0 |
| Total | 401 | 234 | 58.35 | 401 | 100 | 5 | 1.25 | 391 | 97.5 | 0 | 0 |
| Other than Permanent Employees | | | | | | | | | | | |
| Male | 36 | 36 | 100 | 0 | 0 | 0 | 0 | 36 | 100 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 36 | 36 | 100 | 0 | 0 | 0 | 0 | 36 | 100 | 0 | 0 |

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|--------------------------|-------------------------|------------------|------------|--------------------|------------|--------------------|----------|--------------------|------------|---------------------|-----------|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent Workers | | | | | | | | | | | |
| Male | 121 | 121 | 100 | 121 | 100 | 0 | 0 | 121 | 100 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 121 | 121 | 100 | 121 | 100 | 0 | 0 | 121 | 100 | 0 | 0 |

| Category | % of workers covered by | | | | | | | | | | |
|-------------------------------------|-------------------------|------------------|----------|--------------------|----------|--------------------|----------|--------------------|-----------|---------------------|-----------|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Other than Permanent Workers | | | | | | | | | | | |
| Male | 338 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 338 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Note: Other than permanent workers are contracted via 3rd party and responsibility of their well-being lies with the contractors only and we ensure that the contractors meet with the statutory requirements.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Cost incurred on well- being measures as a % of total revenue of the company | 0.09% | 0.07% |

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|----------------|--|--|---|--|--|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority |
| PF | 100 | 100 | Yes | 100 | 100 | Yes |
| Gratuity | 100 | 100 | N.A. | 100 | 100 | N.A. |
| ESI | 35 | 7 | Yes | 38 | 10 | Yes |
| Superannuation | 13 | 0 | Yes | 15 | 0 | Yes |

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices of Ester are accessible to all its employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Ester is committed to providing and promoting an atmosphere in which employees can realize their maximum potential at the workplace.

We have Equal Opportunity Policy and the objective of this policy is to provide equal opportunities to all its employees and all qualifying applicants for employment, without regard to their race, religion, caste, colour, ancestry, marital status, sex, age, nationality and disability. The Company strives to maintain a work environment that is free from any discrimination based on above considerations.

The Equal Opportunity Policy is available on the intranet of the Company.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

| Gender | Permanent Employees | | Permanent Workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief

| (If Yes, then give details of the mechanism in brief) | |
|---|--|
| Permanent workers | The Company has a Whistle Blower Policy and Code of Conduct in place which provides guidance to workers to raise any concern or issue that they may prefer to bring to the notice of the management. |
| Other than permanent workers | Other than permanent workers in the Company are contracted via 3rd parties and their grievance redressal mechanism rests with the contractors. Company ensures that all norms and regulations are adhere to while working in the plants. |
| Permanent employees | The Company has a Whistle Blower Policy and Code of Conduct in place which provides guidance to employees to raise any concern or issue that they may prefer to bring to the notice of the management. |
| Other than Permanent Employees | Other than permanent employees in the Company are contracted via 3rd parties. Company ensures that all norms and regulations are adhere to while working in the Company. |

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|----------------------------------|--|--|---------|--|--|---------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D/C) |
| Total Permanent Employees | 401 | 0 | 0 | 419 | 0 | 0 |
| Male | 391 | 0 | 0 | 416 | 0 | 0 |
| Female | 10 | 0 | 0 | 3 | 0 | 0 |
| Total Permanent Workers | 121 | 121 | 100 | 129 | 129 | 100 |
| Male | 121 | 121 | 100 | 129 | 129 | 100 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 |

8. Details of training given to employees and workers:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|------------------|------------|-------------------------------|-------------|----------------------|-------------|------------|-------------------------------|-------------|----------------------|-------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 391 | 265 | 67.7 | 94 | 24 | 416 | 20 | 4.8 | 24 | 5.77 |
| Female | 10 | 1 | 10 | 2 | 20 | 3 | 0 | 0 | 0 | 0 |
| Total | 401 | 266 | 66.3 | 96 | 23.9 | 419 | 20 | 4.77 | 24 | 5.73 |
| Workers | | | | | | | | | | |
| Male | 121 | 92 | 76 | 34 | 28 | 129 | 8 | 6.2 | 12 | 9.3 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 121 | 92 | 76 | 34 | 28 | 129 | 8 | 6.2 | 12 | 9.3 |

9. Details of performance and career development reviews of employees and workers:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------|------------|------------|------------|------------|------------|------------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 391 | 391 | 100 | 416 | 416 | 100 |
| Female | 10 | 10 | 100 | 3 | 3 | 100 |
| Total | 401 | 401 | 100 | 419 | 419 | 100 |
| Workers | | | | | | |
| Male | 121 | 0 | 0 | 129 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 121 | 0 | 0 | 129 | 0 | 0 |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, occupational health and safety management system has been implemented for health and well-being of the employees of the Company. It covers the entire operations including manufacturing facilities and offices. Awareness sessions are conducted on EHS related aspects for the employees and workers. The Company organizes various programs and discussions with medical practitioners. Systems have been implemented in accordance with the applicable standards.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Cross Functional Audit
- Theme-based inspection
- Audit by Management
- Why-why analysis
- Work permit system
- Near miss reporting system
- Gemba walk
- Hazard identification & Risk assessment with Shop floor employees
- Internal & External audit
- Work zone monitoring, analysis of Noise assessment

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has processes for workers to report the work-related hazards and to remove themselves from such risks. Workers are given trainings and awareness sessions on a regular basis on identifying work related hazards. Additionally, everyone is encouraged to report work related hazards to the plant EHS department to ensure timely corrective action.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

We have qualified doctors and paramedics staff to manage Health Care Centre in factories. We have retained doctors who visit our office/factories on regular basis to provide non-occupational medical and healthcare advice in general. The employees are also entitled to visit retained doctor's clinic as and when required.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 2.2 | 0 |
| | Workers | 0.75 | 2.79 |
| Total recordable work-related injuries | Employees | 2 | 0 |
| | Workers | 1 | 1 |
| Number of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace –

- Review of CAPA (Corrective and Preventive Actions) status of past incidents.
- All reportable incidents (major or minor), including near misses are recorded and appropriate actions are taken to address the safety concerns.
- An EHS Apex committee has been instituted which meets on a quarterly basis to discuss and find solutions to the safety/health related issues that have been recorded. A closure of such issues is critical, which is monitored at the Plant Head level.
- Further, EHS committees have also been formed at a department level, which monitor the Health & Safety incidents/issues on a monthly basis.
- Awareness and reinforcement through Safety & Health trainings. We conduct trainings basis our EHS training calendar. 'Tool Box talk' is conducted on regular basis before deployment of employee on a job. We ensure 100% of new employees to go through EHS induction program.

- For any health related matters or emergencies we have a dispensary on the premises, along with a fully equipped ambulance at plant.
- There are periodic Safety Audits to identify any unsafe condition or unsafe acts.

13. Number of complaints on the following made by employees and workers:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | - | 0 | 0 | - |
| Health & Safety | 0 | 0 | - | 0 | 0 | - |

14. Assessments for the year

| Category | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions

Corrective actions defined and executed through the EHS Committee are as follows:

- Strengthened “permit of work” system.
- Strengthened “Change Management System”.
- Training on SOP related to critical activities.
- Upgradation of fire separation of OLC-2 shop.
- Upgradation of Firefighting pump & underground water line change to overhead water line.
- Using the retractable-type knife.
- Guarding all rotatory part.
- Established the emergency escape route and charted out a new emergency exit.
- Installed water sprinkler system to mitigate any ammonia gas leakage.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. Ester Industries Limited has recognized both, internal stakeholder which includes employees and leadership and external stakeholder which includes external channels such as regulators, investors and community.

Ester has conducted a full-fledged materiality assessment which involves a process of stakeholder engagement. The company reached out to various groups of identified stakeholders through one-on-one calls with investors, supply partners and employees to gauge their view.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as vulnerable & marginalized group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other | Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------|---|--|--|--|
| Regulatory bodies | No | <ul style="list-style-type: none"> • Regulatory fillings • Meetings • Emails • Through Industry Associations | As per requirement | <ul style="list-style-type: none"> • Compliance requirement • Upcoming rules and regulations • Industry representation on key matters |

| Stakeholder Group | Whether identified as vulnerable & marginalized group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other | Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------|---|---|--|---|
| Shareholders | No | <ul style="list-style-type: none"> Regulatory fillings Company website Quarterly publication of results in newspapers followed by earning call Periodic Analysts' briefing | As per requirement | <ul style="list-style-type: none"> Financial and non-financial Performance Response to queries |
| Suppliers | No | <ul style="list-style-type: none"> Emails Periodic meetings Visits to supplier's facilities Website | As per requirement | <ul style="list-style-type: none"> Business opportunities, quality and safety of inputs Supplier evaluation programme Materials management Issues faced by Company/ suppliers Query and grievance redressal |
| Customers | No | <ul style="list-style-type: none"> Emails Meetings Conferences Joint efforts on product development | Regularly | <ul style="list-style-type: none"> Product innovation and life-cycle efficiency Resolution of Customer Complaints Quality and Safety New products offerings |
| Employees | No | <ul style="list-style-type: none"> Emails Notice board Meetings Open house sessions with Senior management Grievance mechanism Performance feedback Focused trainings and awareness sessions Intranet | Regularly | <ul style="list-style-type: none"> Career growth prospects Learning and development programs Trainings Rewards and Recognition Occupational Health and Safety Work environment and policies Grievance redressal mechanism Ethics and transparency IT enablement & digitisation Employee-oriented work policies |
| Local Communities | No | CSR projects | Regularly | <ul style="list-style-type: none"> Social concerns in the region Minimising negative environmental impact Local employment Local infrastructure development and providing education facilities |

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------------|------------|--|-------------|------------|--|--------------|
| | Total (A) | No. of employees / workers covered (B) | % (B/A) | Total (C) | No. of employees / workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 401 | 240 | 59.8 | 419 | 242 | 57.76 |
| Other than permanent | 36 | 0 | 0 | 45 | 0 | 0 |
| Total Employees | 437 | 240 | 54.9 | 464 | 242 | 52.15 |
| Workers | | | | | | |
| Permanent | 121 | 85 | 70.2 | 129 | 98 | 75.97 |
| Other than permanent | 338 | 0 | 0 | 516 | 0 | 0 |
| Total Workers | 459 | 85 | 18.5 | 645 | 98 | 15.19 |

Note: Currently, we have a Code of Conduct and Policy on Sexual Harassment in place which covers the aspects of human right. The employees are mandated to abide by these policies before joining the Company. Additionally, extracts of the Factory Act prohibiting child/bonded labour and minimum wages are displayed in factory and office premises for perusal of all employees.

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|-----------------------------|------------|-----------------------|-------------|------------------------|--------------|------------|-----------------------|-------------|------------------------|--------------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Permanent | 401 | 0 | 0 | 401 | 100 | 419 | 0 | 0 | 419 | 100 |
| Male | 391 | 0 | 0 | 391 | 100 | 416 | 0 | 0 | 416 | 100 |
| Female | 10 | 0 | 0 | 10 | 100 | 3 | 0 | 0 | 3 | 100 |
| Other than Permanent | 36 | 0 | 0 | 36 | 100 | 45 | 0 | 0 | 45 | 100 |
| Male | 36 | 0 | 0 | 36 | 100 | 45 | 0 | 0 | 45 | 100 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Workers | | | | | | | | | | |
| Permanent | 121 | 0 | 0 | 121 | 100 | 129 | 0 | 0 | 129 | 100 |
| Male | 121 | 0 | 0 | 121 | 100 | 129 | 0 | 0 | 129 | 100 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other than Permanent | 338 | 206 | 60.9 | 132 | 39.05 | 516 | 354 | 68.6 | 162 | 31.39 |
| Male | 338 | 206 | 60.9 | 132 | 39.05 | 516 | 354 | 68.6 | 162 | 31.39 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

3. Details of remuneration/salary/wages –

a. Median remuneration/Wages:

| Category | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BOD) | 10 | 1,45,000 | 2 | 65,000 |
| Key Managerial Personnel* | 4 | 1,29,54,582 | 1 | 13,33,956 |
| Employees other than BOD and KMP | 387 | 5,01,000 | 9 | 8,67,198 |
| Workers | 121 | 3,88,736 | 0 | 0 |

*Company Secretary Ms. Poornima Gupta (KMP) was appointed w.e.f. 12th July 2023.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format.

| Category | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Gross wages paid to females as % of total wages | 2.56% | 0.98% |

4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

We attach lot of value to 'Human Rights' and are committed to create healthy working environment for all our employees to ensure protection of such rights.

Yes, the Company has a Whistle Blower Policy, Code of Conduct and various other policies in place to address human rights impacts or issues caused or contributed to by the business. The Chairman of the Audit Committee is responsible for addressing any human rights issues brought to his attention caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At Ester, guidance on human rights issues is covered as a part of its Code of Conduct. The Company has a Whistle Blower Policy that allows and encourages its stakeholders to raise concerns about the violations against the Code of Conduct. Necessary actions are taken to address the concerns/issues in the best interest of the aggrieved person and the Company, by the Chairman of the Audit Committee.

6. Number of Complaints on the following made by employees and workers:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 0 | 0 | NA | 0 | 0 | NA |
| Discrimination at workplace | 0 | 0 | NA | 0 | 0 | NA |
| Child Labour | 0 | 0 | NA | 0 | 0 | NA |
| Forced Labour/Involuntary Labour | 0 | 0 | NA | 0 | 0 | NA |
| Wages | 0 | 0 | NA | 0 | 0 | NA |
| Other human rights related issues | 0 | 0 | NA | 0 | 0 | NA |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| Category | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| Complaints on POSH as a % of female employees/workers | 0 | 0 |
| Complaints on POSH upheld | 0 | 0 |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Whistle Blower policy mentions a clause on maintaining confidentiality of complainant/ensuring protection against victimization. It states that the disclosures of wrongful conduct are submitted on a confidential basis or submitted anonymously. Such disclosures are confidential to the extent possible, convenient with the need to conduct an adequate investigation. The Company is obligated to take stringent actions against any director, supervisor or employee found to have so violated this clause.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No. However, necessary steps are being taken to ensure that human rights form part of our business agreements and contacts.

10. Assessments of the year

| Category | % of your plants and offices that were assessed (by the entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | 100 |
| Forced/involuntary labour | 100 |
| Sexual harassment | 100 |
| Discrimination at workplace | 100 |
| Wages | 100 |
| Others – please specify | 100 |

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|------------|-----------------|------------------|
| From renewable sources | | | |
| Total electricity consumption (A) | GJ | 0 | 0 |
| Total fuel consumption (B) | GJ | 6,64,465 | 7,00,739 |
| Energy consumption through other sources (C) | GJ | 0 | 0 |
| Total energy consumed from renewable. sources (A+B+C) | GJ | 6,64,465 | 7,00,739 |
| From non-renewable sources | | | |
| Total electricity consumption (D) | GJ | 2,68,920 | 2,88,112 |
| Total fuel consumption (E) | GJ | 28,291 | 86,813 |
| Energy consumption through other sources (F) | GJ | 0 | 0 |
| Total energy consumed from non- renewable sources (D+E+F) | GJ | 2,97,211 | 3,74,925 |
| Total energy consumed (A+B+C+D+E+F) | GJ | 9,61,676 | 10,75,664 |
| Energy intensity per rupee of turnover* (Total energy consumed / Revenue from operations) | GJ/ ₹ Lacs | 11.24 | 8.86 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity(PPP) (Total energy consumed / Revenue from operations adjusted for PPP) | GJ/ ₹Lacs | 257.23 | 202.81 |
| Energy intensity in terms of physical output | GJ/MT | 15.10 | 16.94 |

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2023-24 | FY 2023-24 |
|--|-----------------|-----------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 0 | 0 |
| (ii) Groundwater | 3,58,797 | 4,06,677 |
| (iii) Third party water | 0 | 0 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 3,58,797 | 4,06,677 |
| Total volume of water consumption (in kilolitres) | 3,58,797 | 4,06,677 |
| Water intensity per rupee of turnover (Total Water consumed / Revenue from operations) (KL/₹ Lacs) | 4.19 | 3.35 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP) (KL/₹ Lacs) | 95.97 | 76.68 |
| Water intensity in terms of physical Output (KL/MT) | 5.64 | 6.40 |

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88.

4. Provide the following details related to water discharged

| Parameter | FY 2023-24 | FY 2023-24 |
|--|-----------------|-----------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of Treatment | 0 | 0 |
| (ii) To Groundwater | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of Treatment | 0 | 0 |
| (iii) To Seawater | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of Treatment | 0 | 0 |
| (iv) Sent to third-parties | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of Treatment | 0 | 0 |
| (v) Others | | |
| - No treatment | 0 | 0 |
| - With treatment – (We have an ETP with 3 stages of RO and STP) | 1,44,386 | 1,61,229 |
| Total water discharged (in kilolitres) | 1,44,386 | 1,61,229 |

5. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation

We have implemented a mechanism for zero liquid discharge (ZLD) at our factory in Khatima and for the Sitarganj unit, we have entered into an agreement with CETP (Common Effluent Treatment Plant).

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|-------------------------------------|------|------------|------------|
| NOx | MT | 39.84 | 37.09 |
| SOx | MT | 14.18 | 13.42 |
| Particulate matter (PM) | MT | 83.59 | 110.43 |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | - | - |
| Others-Please specify | - | - | - |

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|-------------|-------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 11464 | 10238 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 66474 | 54050 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | tCO₂e/₹ Lacs | 0.91 | 0.53 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for purchasing power parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | tCO ₂ e/₹ Lacs | 20.85 | 12.12 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | tCO ₂ e/MT | 1.22 | 1.01 |

8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.

The Company has taken several initiatives to increase energy efficiency and reduce emissions. Some of the initiatives taken in financial year 2023-24 are as follows:

- In Chill roll of Film Plant-2, energy efficient water pump and motor has been installed. This has resulted in savings of 95,040 kWh per annum.
- A new energy-efficient Kaeser air dryer was installed in place of a less efficient air dryer resulting in a savings of 40,000 kWh per annum.
- During the winter season, we have stopped Air Washers & Exhaust Blower of Film Plant- 3 which has resulted in savings of about 4,11,000 kWh per annum.
- The online and offline grinder is being shut down within 10 minutes of idle running of Film Plant- 3 resulting in savings of about 5,900 kWh per annum.
- Motion sensitive lights and fans were installed in offices and workshops which has resulted in savings of 3,416 kWh per annum.

9. Provide details related to waste management by the entity, in the following format -

| Parameter | FY 2023-24 | FY 2022-23 |
|---|-----------------|-----------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 1089.46 | 1009.73 |
| E-waste (B) | 4.65 | 2.10 |
| Bio-medical waste (C) | 0.016 | 0.009 |
| Construction and demolition waste (D) | 0 | 0 |
| Battery waste (E) | 10.51 | 36.62 |
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste. (G) <i>(it consists of Process Residue, Waste Chemical, Used /Waste Oil, ETP Sludge and Empty Drums /Container)</i> | 173.96 | 250.45 |
| Other Non-hazardous waste generated (H). <i>(It consists of Boiler Ash)</i> | 7452.12 | 8001.60 |
| Total (A+B + C + D + E + F + G + H) | 8730.716 | 9300.509 |
| Waste Intensity per rupee of turnover <i>(Total waste generated/Revenue from Operations)</i> <i>(MT/₹ Lacs)</i> | 0.10 | 0.08 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) <i>(Total waste generated / Revenue from operations adjusted for PPP) (MT/₹ Lacs)</i> | 2.34 | 1.75 |
| Waste intensity in terms of physical output <i>[Total waste generated/Total production</i> <i>(in MT)]</i> | 0.14 | 0.15 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Re-cycled | 1263.42 | 1183.69 |
| (ii) Re-used | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| Total | 1263.42 | 1183.69 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 0 | 0 |
| (ii) Landfilling | 7455.67 | 8006.78 |
| (iii) Other disposal operations | 0 | 0 |
| Total | 7455.67 | 8006.78 |

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The waste management systems are well defined to manage operational waste. Company generates low volume of hazardous waste. It has system in place for safe collection, transportation and disposal of the same through authorized vendors. We are also registered as an Authorized Re-cycler of Polyester waste.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format –

| Sr. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--|--------------------------------|--------------------|---|
| Not Applicable. The Company has no operations/offices in/around ecologically sensitive areas | | | |

12. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year –

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|----------------------|------|---|--|-------------------|
| The Company has not assessed any environmental impact during the financial year 2023-24 | | | | | |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances, in the following format:

| Sr. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---------------------------------------|---|---------------------------------|
| The company is in compliance with all the environmental regulations of the country. There have been no incidents of non-compliance from Company's end related to the environment during the financial year 2023-24. | | | | |

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

We are affiliated with 4 trade and industry chambers/associations at the national and state level.

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to.

| Sr. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|---------|---|--|
| 1 | PHDCCI - PHD Chamber of Commerce and Industry | National |
| 2 | Plexconcil – The Plastics Export Promotion Council | National |
| 3 | Polyester Film Industry Association | National |
| 4 | Polyester Textile Apparel Industry Association | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|--|-------------------|-------------------------|
| The Company has not received any adverse order for anti-competitive conduct from any regulatory authorities during the financial year 2023-24. | | |

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year -

| Name and brief details of project | SIA Notification No. | Date of Notification | Whether conducted by independent external agency (Yes/ No) | Results communicated in public domain (Yes/ No) | Relevant web link |
|--|----------------------|----------------------|--|---|-------------------|
| Not Applicable. No project taken up during the current financial year which requires Social Impact Assessment. | | | | | |

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity -

| Sr. No. | Name of project for which R&R is ongoing | State | District | No. of project affected families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|--|--|-------|----------|---|--------------------------|---------------------------------------|
| No population or their livelihoods have been displaced because of the operations undertaken by the Company. Hence no Rehabilitation and Resettlement (R&R) activities is applicable to us. | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

We engage with local communities on a regular basis. Company has a mechanism in place to receive complaints (if any) raised by the communities that it operates in. We take necessary and adequate actions to address such complaints.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| Category | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Directly sourced from MSMEs/ small producers (out of total purchases from within and from outside India) | 9.33 | 8.96 |
| Directly from within India | 90.8 | 75.7 |

5. Job creation in smaller towns—Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

| Location | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural | 51 | 54 |
| Semi- Urban | 0 | 0 |
| Urban | 0 | 0 |
| Metropolitan | 49 | 46 |

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

There is a system in place for gathering and resolving customer complaints. Our Customers Relationship Management team, marketing and sales personnel regularly interacts with the customers through visits/calls/meetings to assess & evaluate their feedback and incorporate the solutions in future dealings. Our endeavor is to resolve the complaints received/ issues raised in the shortest possible time.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

| Category | As a % to total turnover |
|---|--------------------------|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | Not Applicable |

3. Number of consumer complaints in respect of the following:

| Category | FY 2023-24 | | Remarks | FY 2022-23 | | Remarks |
|--------------------------------|--------------------------|---------------------------------------|---------|--------------------------|---------------------------------------|---------|
| | Received during the year | Pending resolution at the end of year | | Received during the year | Pending resolution at the end of year | |
| Data privacy | 0 | 0 | None | 0 | 0 | None |
| Advertising | 0 | 0 | | 0 | 0 | |
| Cyber-security | 0 | 0 | | 3 | 0 | |
| Delivery of essential services | 0 | 0 | | 0 | 0 | |
| Restrictive trade practices | 0 | 0 | | 0 | 0 | |
| Unfair trade practices | 0 | 0 | | 0 | 0 | |
| Other | 54 | 1 | | 38 | 3 | |

4. Details of instances of product recalls on account of safety issues

| Category | Number | Reason for Call |
|-------------------|--------|-----------------|
| Voluntary recalls | 0 | Not Applicable |
| Forced recalls | 0 | Not Applicable |

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link to the policy.

In today's date and time, continuity of operations is dependent on security and confidentiality of its information systems and associated data. There is a cyber risk management and security policy which is accessible to all the employees on the intranet of the Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services

No corrective actions were taken or underway on the above-mentioned parameters.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches- 0
- Percentage of data breaches involving personally identifiable information of customers- 0
- Impact, if any, of the data breaches- Not Applicable

Independent Auditor's Report

To the Members of Ester Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Ester Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive loss), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. 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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive loss), its cash
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Revenue recognition – Sale of products</p> <p>Refer Note 4.5.1 and Note 25 to the accompanying standalone financial statements for the material accounting policy on revenue recognition and details of revenue recognized during the year in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115').</p> <p>Revenue of the Company majorly comprises of revenue from sale of polyester films and specialty polymers. The Company sells its products through various distribution channels involving a high volume of sale transactions.</p> <p>The Company recognises revenue at a point in time when the control of products being sold is transferred to the customer and there is no unfulfilled obligation. The revenue is measured based on the transaction price specified in the contract, net of discounts and goods and services tax.</p> <p>Revenue recognition is determined to be an area involving significant audit risk primarily as there is a risk that revenue is recognised on sale of goods before the control in the goods is transferred and hence, requires significant auditor attention.</p> | <p>Our audit procedures included, but were not limited, to the following:</p> <ul style="list-style-type: none">• Obtained an understanding of the process of identification and recording of revenue transactions and assessed the appropriateness of the Company's revenue recognition accounting policies in accordance with Ind AS 115;• Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition;• Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc;• Evaluated on a sample basis, the terms and conditions of the contracts, including incoterms to assess the accuracy and completeness of revenue recognised during the year in accordance with Ind AS 115; |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>Revenue is also a key performance indicator of the Company and accordingly, testing occurrence of revenue transactions is a key focus area for our audit.</p> <p>Considering the volume of sales transactions, materiality of amount involved and significant attention required by auditor as mentioned above, revenue recognition has been considered as a key audit matter for the current year audit</p> | <ul style="list-style-type: none"> • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the specific period before and after year-end, with supporting documents such as invoices, agreements with customers and proof of deliveries, to ensure that the correct amount of revenue is recorded in the correct period; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; and • Assessed the adequacy and appropriateness of disclosures made in the standalone financial statement in accordance with the requirements of applicable accounting standards. |

| Key Audit Matter | How our audit addressed the key audit matter |
|--|--|
| <p>Impairment assessment of investment in subsidiary</p> <p>Refer Note 4.9(ii) for the accounting policy and Note 7A for disclosures of the accompanying standalone financial statements.</p> <p>The Company has investment amounting to ₹37,300 lacs in Ester Filmtech limited, wholly owned subsidiary ('subsidiary'), which is 28.88 % of total assets as at 31 March 2024.</p> <p>The subsidiary has incurred losses and the carrying value of such investments exceed the net worth of the subsidiary. Considering the existence of aforesaid impairment indicators, the Company has performed impairment assessment on carrying amount of the investment in accordance with Ind AS 36, Impairment of assets ('Ind AS 36'), by estimating the recoverable value with the involvement of a valuation expert engaged by the management.</p> <p>The recoverable value of the investment is determined using discounted cash flow model which requires management to make significant judgement and estimates including estimates around inputs that are not directly observable from market information and certain other unobservable inputs such as projections of future cash flows, long-term growth rates and discount rates used. Changes to these assumptions could lead to material changes in estimated recoverable amount, resulting in impairment.</p> | <p>Our audit procedures included, but were not limited, to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process for identification of indicators of impairment and evaluated the design and tested the operating effectiveness of internal controls over such identification and impairment assessment of investment in subsidiary; • Obtained the management's external valuation specialist's report on determination of recoverable value and assessed the competency, objectivity and capabilities of management's expert; • Involved auditor's valuation experts to assess the appropriateness of the valuation methodologies used by the management expert and the key assumptions including long-term growth rates, discount rates amongst others used in computing the recoverable amount; • Obtained management's future cash flow forecasts and tested the mathematical accuracy of the underlying value in use calculations; • Evaluated the reasonableness of future cash flows forecasts used by the management by comparing this with approved business plan, our understanding of the business of the subsidiary, industry benchmarks and data from historic performances; • Obtained the sensitivity analysis performed by the management in respect of the key assumptions such as discount rate and long-term growth rate and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in the carrying value; and |

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| <p>Considering the materiality of the amounts involved, inherent subjectivity, high estimation uncertainty and significant management judgement and estimations involved, impairment assessment of investment in subsidiary has been considered as a key audit matter for the current year audit.</p> | <ul style="list-style-type: none"> Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements in accordance with the requirements of applicable accounting standards. |

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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.

8. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) 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, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
- h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company, as detailed in Note 38 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. 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 31 March 2024;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 48 (g) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 48 (h) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall,

whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2024. Further, the final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for a accounting software used for maintaining books of accounts as described in note 46 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 24507568BKEJWC5156

Place: New Delhi
Date: 22 May 2024

Annexure A referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Ester Industries Limited on the standalone financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 6A to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Sohan nagar, P.O. Charubeta, Khatima, Distt. Udham Singh nagar, Uttarakhand and at Plot No.11, Block A, Sector 33 & 34, Gurgaon -122001 with gross carrying values of ₹ 547.85 lacs and ₹ 1,426.51 lacs as at 31 March 2024, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.
- Further, for properties where the Company is a lessee, the lease arrangements have been duly executed in favour of the Company.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt.
- (b) As disclosed in Note 18 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.
- (iii) The Company has not provided any security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in and provided guarantee to companies during the year, in respect of which:

- (a) The Company has provided guarantee to Subsidiary during the year as per details given below:

| Particulars | Guarantees (₹ in lacs) |
|---|---------------------------|
| Aggregate amount provided during the year: | 6,982.91 |
| - Subsidiary | |
| Balance outstanding as at balance sheet date in respect of above cases: | 51,149.60 |
| - Subsidiary | |

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made and guarantees provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund,

employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Gross Amount (₹ in lacs) | Amount paid under protest (₹ in lacs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------------|----------------|--------------------------|---------------------------------------|--|---|
| Central Excise Act, 1944 | Excise Duty | 197.66 | Nil | FY 1998-99 FY 1990-91 FY 1991-92 | Commissioner (Appeals), Central Excise, Ghaziabad, UP |
| Central Excise Act, 1944 | Excise Duty | 16.04 | Nil | FY 1987-88 FY 1988-99 FY 1994-95 | Assistant Commissioner, Central Excise, Rampur |
| Central Excise Act, 1944 | Excise Duty | 18.81 | Nil | FY 1987-98 FY 1992-93 FY 1993-94 | Commissioner, Central Excise, Meerut, UP |
| Central Excise Act, 1944 | Excise Duty | 12.95 | 5.23 | FY 1991-92 to FY 1992-93 | Joint Commissioner, Meerut II, UP |
| Central Excise Act, 1944 | Excise Duty | 5.59 | Nil | FY 2009-10 | Commissioner (Appeals), Central Excise, Rampur, UP |
| Central Excise Act, 1944 | Excise Duty | 6.95 | 3.95 | FY 1994-95 | Commissioner (Appeals), Noida, UP |
| Central Excise Act, 1944 | Excise Duty | 476.73 | Nil | March 1997 to March 1998 | Appellate Tribunal, New Delhi |
| Finance Act, 1994 | Service Tax | 30.78 | 8.00 | FY 2016-17 to FY 2018-19 | Superintendent CGST, Khatima, Uttarakhand |
| Finance Act, 1994 | Service Tax | 13.53 | Nil | FY 2011-12 | Assistant Commissioner, Central Excise, Rampur, UP |
| Finance Act, 1994 | Service Tax | 123.3 | Nil | FY 2010-11 to FY 2014-15 | Superintendent Adjudication, Meerut – II |
| The Customs Act, 1962 | Custom Duty | 14.65 | Nil | FY 1997-98 to FY 1998-99 | Additional Commissioner Customs (DEEC), Mumbai |
| The Customs Act, 1962 | Custom Duty | 43.05 | Nil | FY 1998-99 | Commissioner of Customs, Mumbai |
| Goods & Services Tax, 2017 | GST | 2.41 | 2.41 | FY 2018-19 | Asstt. Comm., Trade Tax Mobile Squad, Moradabad, U.P. |
| Goods & Services Tax, 2017 | GST | 249.68 | 53.85 | FY 2017-18 to FY 2019-20; FY 2023-24 | Joint Commissioner (Appeals), Haldwani, Uttarakhand |
| Goods & Services Tax, 2017 | GST | 17.52 | Nil | FY 2018-19 | Deputy Commissioner (Audit)-I, State Tax, Rudrapur (Adjudication Officer) |
| Income Tax Act, 1961 | Income Tax | 18.00 | Nil | AY 1993-94 to AY 1995-96 | Income Tax - Assessing officer & Commissioner of Income Tax (Appeals) Delhi |

| Name of the statute | Nature of dues | Gross Amount (₹ in lacs) | Amount paid under protest (₹ in lacs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|--------------------------|---------------------------------------|---|---|
| Income Tax Act, 1961 | Income Tax | 42.87 | Nil | AY 1997-98, AY 2004-05 & Reassessment AY 2004-05 | The Hon'ble Supreme Court of India |
| Income Tax Act, 1961 | Income Tax | 11.54 | Nil | AY 2006-07, AY 2007-08, AY 2011-12, AY 13-14 & AY 2019-20 | Income Tax - Assessing officer |
| Income Tax Act, 1961 | Income Tax | 89.74 | Nil | AY 2014-15, AY 2018-19 and AY 2020-21 | Commissioner of Income Tax (Appeals), New Delhi |

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment of equity shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the whole amount so raised has remained unutilized and have been invested in readily realisable liquid investments.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistleblower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

- (xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has incurred cash losses amounting to ₹ 1,642.61 lacs in the current financial year but had not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the

audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx)(a) According to the information and explanations given to us, the Company has not transferred unspent amounts towards Corporate Social Responsibility in respect of other than ongoing projects to a Fund specified in Schedule VII to the Act as required under second proviso to sub-section (5) of section 135 of the said Act. However, the time period of six months from the end of financial year as permitted under second proviso to sub-section (5) of section 135 of the Act, has not lapsed till the date of our report.
- (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.
- (xxi) The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 24507568BKEJWC5156

Place: New Delhi
Date: 22 May 2024

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Ester Industries Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered

Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies

and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 24507568BKEJWC5156

Place: New Delhi
Date: 22 May 2024

STANDALONE BALANCE SHEET

as at 31 March 2024
(All amounts are ₹ in lacs, unless otherwise stated)

(₹ in lacs)

| | | As at 31 March 2024 | As at 31 March 2023 |
|---|-----|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6A | 39,564.48 | 37,008.33 |
| Right of use asset | 6B | 56.85 | 57.61 |
| Capital work-in-progress | 6C | 8,173.47 | 7,758.95 |
| Intangible assets | 6A | 32.04 | 64.80 |
| Financial assets | | | |
| Investments | 7A | 37,300.00 | 27,000.00 |
| Loans | 8A | 45.33 | 32.33 |
| Other financial assets | 9A | 870.13 | 1,149.87 |
| Income tax assets (net) | 24A | 406.11 | 497.95 |
| Other non-current assets | 10 | 792.46 | 2,802.75 |
| Total non-current assets | | 87,240.87 | 76,372.59 |
| Current assets | | | |
| Inventories | 11 | 11,279.53 | 13,769.53 |
| Financial assets | | | |
| Investments | 7B | 6,927.03 | 15,393.36 |
| Trade receivables | 12 | 10,823.14 | 13,671.68 |
| Cash and cash equivalents | 13 | 9,996.11 | 2,834.97 |
| Bank balances other than cash and cash equivalents | 14 | 608.21 | 2,200.89 |
| Loans | 8B | 33.95 | 56.49 |
| Other financial assets | 9B | 56.40 | 81.44 |
| Other current assets | 15 | 2,204.70 | 3,242.07 |
| Total current assets | | 41,929.07 | 51,250.43 |
| Total assets | | 1,29,169.94 | 1,27,623.02 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 16A | 4,697.70 | 4,169.69 |
| Other equity | 17 | 77,925.67 | 73,271.38 |
| Total equity | | 82,623.37 | 77,441.07 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 18A | 13,011.59 | 17,451.69 |
| Lease liability | 39 | 1.25 | 1.25 |
| Provisions | 19A | 955.76 | 914.23 |
| Deferred tax liabilities (net) | 20 | 1,626.56 | 3,038.19 |
| Other non-current liabilities | 21A | 1,619.94 | 1,818.10 |
| Total non-current liabilities | | 17,215.10 | 23,223.46 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 18B | 23,677.56 | 21,134.17 |
| Trade payables | | | |
| a) total outstanding dues of micro enterprises and small enterprises | 22 | 466.73 | 387.35 |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises | 22 | 3,158.74 | 2,210.39 |
| Other financial liabilities | 23 | 801.27 | 1,442.53 |
| Other current liabilities | 21B | 546.32 | 930.84 |
| Provisions | 19B | 419.06 | 308.04 |
| Current tax liabilities (net) | 24B | 261.79 | 545.17 |
| Total current liabilities | | 29,331.47 | 26,958.49 |
| Total equity and liabilities | | 1,29,169.94 | 1,27,623.02 |

Material accounting policy information

1-5

The accompanying notes are integral part of the standalone financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Nitin Toshniwal
Partner

Sd/-
Arvind Singhania
Chairman & CEO

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs

Sd/-
Sourabh Agarwal
Chief Financial Officer

Sd/-
Poornima Gupta
Company Secretary

Membership No.507568

DIN: 00934017

DIN: 00879345

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

| | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-----------|-------------------------------------|-------------------------------------|
| (₹ in lacs) | | | |
| Income | | | |
| Revenue from operations | 25 and 42 | 85,538.87 | 1,07,747.88 |
| Other income | 26 | 2,626.71 | 1,721.60 |
| Total income | | 88,165.58 | 1,09,469.48 |
| Expenses | | | |
| Cost of material consumed | | 60,502.91 | 66,670.67 |
| Changes in inventories of finished goods and work-in-progress | 27 | (1,015.40) | 1,811.01 |
| Employee benefits expense | 28 | 5,480.00 | 5,138.82 |
| Finance costs | 29 | 3,733.01 | 3,015.50 |
| Depreciation and amortisation expenses | 6 | 4,279.65 | 3,901.58 |
| Other expenses | 30 | 20,914.23 | 24,124.56 |
| Total expenses | | 93,894.40 | 1,04,662.14 |
| (Loss)/ profit before tax from continuing operations | | (5,728.82) | 4,807.34 |
| Tax expense related to continuing operations | 31 | | |
| Current tax | | | |
| Current year | | - | 1,125.36 |
| Prior years | | (8.20) | 147.50 |
| Deferred tax credit | | (1,387.19) | (48.52) |
| Total tax expenses related to continuing operations | | (1,395.39) | 1,224.34 |
| (Loss)/ profit for the year from continuing operations | | (4,333.43) | 3,583.00 |
| Profit before tax from discontinued operations | 41 | - | 16,324.30 |
| Tax expense related to discontinued operations | 41 | - | 3,802.87 |
| Profit for the year from discontinued operations | | - | 12,521.43 |
| (Loss)/ profit after tax | | (4,333.43) | 16,104.43 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement loss on defined benefit plans | | (100.99) | 35.22 |
| Income tax effect | | 24.44 | (8.15) |
| Total other comprehensive (loss)/ income for the year, net of tax | | (76.55) | 27.07 |
| Total comprehensive (loss)/ income | | (4,409.98) | 16,131.50 |
| Earnings per equity share | | | |
| Basic and Diluted EPS from continuing operations (₹) | 32 | (5.19) | 4.30 |
| Basic and Diluted EPS from discontinued operations (₹) | | | 15.01 |
| Basic and Diluted EPS from continuing and discontinued operations (₹) | 32 | (5.19) | 19.31 |

Material accounting policy information 1-5

The accompanying notes are integral part of the standalone financial statements.
This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Nitin Toshniwal
Partner

Sd/-
Arvind Singhania
Chairman & CEO
Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs
DIN: 00934017 DIN: 00879345

Sd/-
Sourabh Agarwal
Chief Financial Officer
Sd/-
Poornima Gupta
Company Secretary

Membership No.507568

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

Place: New Delhi Place: New Delhi
Date: 22 May 2024 Date: 22 May 2024

Place: New Delhi
Date: 22 May 2024

Place: New Delhi
Date: 22 May 2024

STANDALONE STATEMENT OF CASH FLOW for the year ended 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

(₹ in lacs)

| Particulars | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------|-------------------------------------|-------------------------------------|
| A Cash flows from operating activities | | | |
| (Loss)/ profit before tax | | | |
| Continuing operations | | (5,728.82) | 4,807.34 |
| Discontinued operations | | - | 16,324.30 |
| Profit before tax including discontinued operations | | (5,728.82) | 21,131.64 |
| Adjustments for: | | | |
| Depreciation and amortisation expense | 6 | 4,279.65 | 3,977.72 |
| Share based payment expense | | 32.81 | 47.72 |
| Loss on sale of property, plant and equipments (net) | 30 | 89.09 | 94.67 |
| Finance costs | 29 | 3,383.24 | 2,702.49 |
| Interest income on financial assets measured at amortised cost | 26 | (312.14) | (351.30) |
| Unrealised foreign exchange gain (net) | | (24.99) | (11.32) |
| Bad debts, advances and irrecoverable balances written off | 30 | 48.49 | 4.68 |
| Profit on sale of investments (net) | 26 | (1,225.33) | (56.76) |
| Profit on sale of business | | - | (14,555.95) |
| Provisions/ liabilities no longer required written back | 26 | (18.88) | (11.82) |
| Mark to market loss on derivative contracts | | 8.46 | - |
| Income recognised on account of government assistance | 26 | (236.51) | (251.67) |
| Provision for doubtful debts | | 8.64 | 10.82 |
| Provision for doubtful advances | | - | 15.39 |
| Gain on fair valuation of financial assets | 26 | (211.19) | (309.43) |
| Provision for obsolete inventories | 30 | 49.63 | 7.30 |
| Operating profit before working capital changes and other adjustments: | | 142.15 | 12,444.18 |
| Working capital changes and other adjustments: | | | |
| Decrease in current and non-current loans | | 9.54 | 1.47 |
| Decrease in other non-current and current assets | | 1,024.63 | 1,473.33 |
| Decrease in inventories | | 2,440.37 | 2,695.00 |
| Decrease in other financial and non-financial liabilities | | (636.40) | (465.81) |
| Increase in provisions | | 51.56 | 47.11 |
| Decrease/ (increase) in other non-current and current financial assets | | 25.04 | (188.76) |
| Decrease/ (increase) in trade receivables | | 2,818.87 | (225.42) |
| Increase/ (decrease) in trade payables | | 864.15 | (996.58) |
| Cash flow from operating activities post working capital changes | | 6,739.91 | 14,784.52 |
| Income tax paid (net of refunds) | | (183.34) | (998.89) |
| Net cash flow from operating activities (A) | | 6,556.57 | 13,785.63 |
| B Cash flows from investing activities | | | |
| Purchase of property plant and equipments (including capital work-in-progress, and intangible assets) | | (5,691.95) | (12,694.22) |
| Proceeds from sale of property plant and equipment | | 73.42 | 63.70 |
| Proceeds/ (investment) from bank deposits (net) | | 1,831.18 | (1,910.44) |
| Proceeds from pledged deposits (net) | | 72.29 | 256.70 |
| Interest received | | 444.25 | 192.99 |
| Proceed from sale of business | | - | 26,326.27 |
| Income tax paid on profit on sale of business | | - | (3,357.77) |
| Cost incurred on sale of business | | - | (583.33) |
| Investment in subsidiary | | (10,300.00) | (8,931.56) |

(₹ in lacs)

| Particulars | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------|-------------------------------------|-------------------------------------|
| Purchase of investment | | (3,141.86) | (21,475.15) |
| Sales of investment | | 13,042.47 | 6,505.45 |
| Net cash used in investing activities (B) | | (3,670.20) | (15,607.36) |
| C Cash flows from financing activities | | | |
| Proceeds from long-term borrowings | | 2,638.00 | 9,287.36 |
| Repayment of long-term borrowings | | (7,619.95) | (5,292.58) |
| Proceeds from issue of share capital | | 9,990.00 | - |
| Share issue expenses | 47 | (13.57) | - |
| Cash payment for interest portion of lease liabilities | | (0.15) | (1.38) |
| Cash payment for principal portion of lease liabilities | | - | (46.88) |
| Proceeds from short-term borrowings (net) | | 3,029.68 | 2,574.48 |
| Finance cost paid | | (3,332.27) | (2,568.78) |
| Dividend paid | | (416.97) | (1,584.48) |
| Net cash flow from financing activities (C) | | 4,274.77 | 2,367.74 |
| D Net increase in cash and cash equivalents (A+B+C) | | 7,161.14 | 546.01 |
| E Cash and cash equivalents at the beginning of the year (refer note no.13) | | 2,834.97 | 2,288.96 |
| F Cash and cash equivalents at the end of the year (D+E) (refer note no.13) | | 9,996.11 | 2,834.97 |

Refer note 18 for change in liabilities arising from financing activities

Reconciliation of cash and cash equivalents as per statement of cash flows

| | | | |
|--|----|-----------------|-----------------|
| Cash in hand | | 2.83 | 3.01 |
| Balances with banks: | | | |
| In current accounts | | 2.03 | 4.58 |
| Bank deposits with original maturity upto 3 months | | 9,991.25 | 2,827.38 |
| Total of cash and cash equivalents | 13 | 9,996.11 | 2,834.97 |

This is the statement of cash flows referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner

Membership No.507568

Place: New Delhi
Date: 22 May 2024

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs
DIN: 00879345

Place: New Delhi
Date: 22 May 2024

Place: New Delhi
Date: 22 May 2024

Sd/-
Sourabh Agarwal
Chief Financial Officer

Place: New Delhi
Date: 22 May 2024

Sd/-
Poornima Gupta
Company Secretary

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY as at 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

Equity share capital

(₹ in lacs)

| Particulars | Opening balance as at 01 April 2022 | Changes in equity share capital during the year | Balance as at 31 March 2023 | Changes in equity share capital during the year | Balance as at 31 March 2024 |
|----------------------|-------------------------------------|---|-----------------------------|---|-----------------------------|
| Equity share capital | 4,169.69 | - | 4,169.69 | 528.01 | 4,697.70 |

Other equity

(₹ in lacs)

| Particulars | Equity component of redeemable financial instrument | Reserves and surplus | | | | | Total | |
|---|---|----------------------|-----------------|----------------------------|-----------------|-----------------------------------|------------|-------------------|
| | | Securities premium | Capital reserve | Capital redemption reserve | General reserve | Share options outstanding account | | Retained earnings |
| Balance as at 01 April 2022 | 13.21 | 6,121.01 | 3,520.74 | 335.37 | 1,528.16 | 62.11 | 47,096.06 | 58,676.66 |
| Profit for the year | - | - | - | - | - | - | 16,104.43 | 16,104.43 |
| Other comprehensive income | | | | | | | | |
| Re-measurement gain on defined benefit plans (net of tax) | - | - | - | - | - | - | 27.05 | 27.05 |
| Share based payment expense (Refer note no. 43) | - | - | - | - | - | 47.72 | - | 47.72 |
| Transactions with owners | | | | | | | | |
| Dividend paid | - | - | - | - | - | - | (1,584.48) | (1,584.48) |
| Adjustment on account of partial repayment of redeemable financial instrument (foreign currency loan) | (13.21) | - | - | - | - | - | 13.21 | - |
| Balance as at 31 March 2023 | - | 6,121.01 | 3,520.74 | 335.37 | 1,528.16 | 109.83 | 61,656.27 | 73,271.38 |
| (Loss)/profit for the year | - | - | - | - | - | - | (4,333.43) | (4,333.43) |
| Other comprehensive income | | | | | | | | |
| Re-measurement losses on defined benefit plans (net of tax) | - | - | - | - | - | - | (76.55) | (76.55) |
| Share based payment expense (Refer note no. 43) | - | - | - | - | - | 32.81 | - | 32.81 |
| Addition during the year | - | 9,462.00 | - | - | - | - | - | 9,462.00 |
| Share issue expenses (Refer note no. 47) | - | (13.57) | - | - | - | - | - | (13.57) |
| Transactions with owners | | | | | | | | |
| Dividend paid | - | - | - | - | - | - | (416.97) | (416.97) |
| Balance as at 31 March 2024 | - | 15,569.44 | 3,520.74 | 335.37 | 1,528.16 | 142.64 | 56,829.32 | 77,925.67 |

This is the statement of change in equity referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Nitin Toshniwal
Partner

Sd/-
Arvind Singhania
Chairman & CEO

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs

Sd/-
Sourabh Agarwal
Chief Financial Officer

Sd/-
Poornima Gupta
Company Secretary

Membership No.507568

DIN: 00934017

DIN: 00879345

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

1. Nature of operations

Ester Industries Limited ('the Company') is a manufacturer of polyester film and engineering plastics. The Company is domiciled in India and its registered office is situated at Pilibhit Road, Sohan Nagar PO – Charubeta, Khatima District – Udham Singh Nagar, Uttarakhand – 262308.

2. General information and compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The financial statements for the year ended 31 March 2024 along with the comparative financial information were authorized and approved for issue by the Board of Directors on 22 May 2024. The revision to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the financial statements have been prepared on a historical cost basis except for following items:

| Items | Measurement basis |
|--|---|
| Certain financial assets and liabilities | Fair value as explained in relevant accounting policies. |
| Net defined benefits (assets)/liability | Fair value of plan assets less present value of defined benefits obligations. |
| Share based payment | Fair value as explained in relevant accounting policies. |

4. Summary of material accounting policies

The financial statements have been prepared using the material accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements.

4.1 Current versus non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their

realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

4.2 Property, plant and equipment (PPE) and capital work in progress

Recognition and initial measurement

Property plant and equipment, capital work in progress are stated at their cost of acquisition. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful life estimated by the management. The identified components are depreciated separately over their respective useful life; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment.

| Asset class | Useful life |
|---|--------------------------|
| Factory buildings* | 2 to 30 years |
| Administrative buildings* | 12 to 61.35 years |
| Plant and equipment* | 2 to 40 years |
| Furniture and fixtures* | 5 to 15.79 years |
| A.C. and Refrigeration | 10 years |
| Office equipment* | 2 to 10 years |
| Computers* | 3 to 6.16 years |
| Vehicles | 8 years |
| Batteries under UPS project (Plant and equipment) * | 5 years |
| Leasehold improvements | Over the period of lease |

Depreciation on the amount of additions made to fixed assets due to upgradations / improvements is provided over the remaining useful life of the asset to which it relates. Depreciation on fixed assets added/disposed off during the year is provided on a pro-rata basis to the date, the asset is retired from active use.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

* For these class of assets, based on detailed technical assessment, the management believes that the useful life as given above best represents the period over which management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

4.3 Intangible assets

Recognition and initial measurement

Intangible assets (softwares and patents) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

Software's are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortisation expense.

De-recognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

4.4 Inventories

Inventories are valued as follows:

Raw materials, components and stores and spares

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

4.5 Revenue recognition

4.5.1 Revenue

Revenue arises mainly from the sale of manufactured goods. To determine whether to recognise revenue, the Company follows a 5-step process:

- 1) Identifying the contract with a customer
- 2) Identifying the performance obligations
- 3) Determining the transaction price
- 4) Allocating the transaction price to the performance obligations
- 5) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price (net of variable consideration), which is the consideration, net of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method. The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below.

Advance from customers ("contract liability") is recognised when the Company has received consideration from the customer before it delivers the goods.

Sale of goods

Revenue from sale of goods is recognized when control over ownership of the goods have been passed to the buyer. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal

customer acceptance depending on customer terms. The Company collects sales taxes, value added taxes ("VAT") and GST on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Export benefits

Export benefits constituting duty draw back, merchandise export from India scheme and advance license scheme are accounted for on accrual basis when there is reasonable assurance that the Company will comply with the conditions attached to them and the export benefits will be received. Export benefits under duty draw back and merchandise export from India scheme are considered as other operating income.

4.5.2 Other income

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are recognised as deferred income and are credited to statement of profit and loss based on the conditions for which the grant was obtained and presented within other income.

Interest

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Insurance claims income

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

4.6 Leases

The Company as a lessee

The Company's leased asset classes primarily consist of leases for certain equipments and building, including warehouses and related facilities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

4.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

4.8 Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

4.9 Financial instruments

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets (except for trade receivables) and financial liabilities are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are initially measured at the transaction price. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

- i. **Financial assets carried at amortised cost** – A 'financial asset' is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in equity instruments of subsidiary**– Investments in equity instruments of subsidiary are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.
- iii. **Investments in other equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- iv. **Investments in mutual funds** - The Company has measured its investment in mutual fund at FVTPL in its financial statements. Profit or loss on fair value of mutual fund is recognised in statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Forward contracts

The Company has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.10 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss is recognised based on the 12 months probability of default or life time probability of default and the expected loss good default estimated for each financial asset.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

4.11 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

The Company offsets current tax assets and current tax liabilities; deferred tax assets and deferred tax liabilities; where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current in current accounts and other short term highly liquid investments with original maturity of three months and less.

4.13 Employee benefits

Provident fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution plan as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. In addition, for other employees, the provident fund trust set-up by the Company is treated as a defined benefit plan to the extent the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognized as an expense in the period in which services are rendered by the employee.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Company's defined benefit plan is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences

The Company also provides benefit of compensated absences to its employees which are in the nature of long -term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

Superannuation fund

Contribution made towards superannuation fund (funded by payments to Life Insurance Corporation of India) is charged to statement of profit and loss on accrual basis.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.14 Provisions

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

4.15 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

4.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, right issue and share split transaction.

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.

4.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing and Sale of Polyester film and Engineering plastics.

Inter segment transfers

Inter segment transfers of goods, as marketable products produced by separate segments of the Company for captive consumption, are not accounted for in the books of account of the Company. For the purpose of segment disclosures, however, inter segment transfers have been taken at cost.

Allocation of common costs

Common allocable costs are allocated to each segment in proportion to the turnover of the segment, except where a more logical allocation is possible.

Unallocated items

Corporate income and expense are considered as a part of un-allocable income and expense, which are not identifiable to any business segment.

4.18 Significant management judgement and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Government grants – Grants receivables are based on estimates for utilisation of grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted prospectively over the balance life of asset.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory - The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the financial statements.

Provisions – At each balance sheet date basis management estimate, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Impairment of non-financial assets- If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

4.19 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed

to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification. Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- a) Represents a separate major line of business or geographical area of operations,
- b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- c) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss

4.20 Share based payment

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered (equity settled transactions).

Under the equity settled share-based payment, the fair value on the grant date of the Options given to employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options on the grant date is calculated using an appropriate valuation model.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. An additional expense is recognised for any modification that increases the total fair value of the shares-based payments transactions, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. When the options are exercised, the Company issues fresh equity shares.

5. Recent accounting pronouncements

The Ministry of Corporate Affairs had notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind As which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any Items in the Company's financial statements.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments had no impact on the Company's standalone financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments had no impact on the Company's standalone financial statements.

For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS as at 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

6A. Property, plant and equipment and intangible assets

(₹ in lacs)

| Particulars | Property, plant and equipment | | | | | | | Intangible assets | |
|---|-------------------------------|-----------------|---------------|-------------------|------------------------|---------------------|-------------------|-------------------|----------------|
| | Land-freehold | Building | Vehicles | Office equipments | Furniture and fixtures | Plant and equipment | Total | Software | Total |
| Gross carrying amount | | | | | | | | | |
| As at 01 April 2022 | 1,653.36 | 6,308.23 | 644.69 | 239.05 | 402.02 | 45,020.12 | 54,267.47 | 262.05 | 262.05 |
| Additions | 321.01 | 2,406.95 | 315.88 | 157.16 | 105.65 | 2,675.84 | 5,982.49 | 78.62 | 78.62 |
| Disposal/adjustments | - | (2,364.48) | (226.95) | (36.32) | (85.83) | (2,109.60) | (4,823.18) | (1.67) | (1.67) |
| As at 31 March 2023 | 1,974.37 | 6,350.70 | 733.62 | 359.89 | 421.84 | 45,586.36 | 55,426.78 | 339.00 | 339.00 |
| Additions | - | 506.69 | 176.63 | 40.21 | 10.03 | 6,229.78 | 6,963.34 | 1.44 | 1.44 |
| Disposal/adjustments | - | (68.56) | (64.12) | (151.18) | - | (684.83) | (968.69) | (40.49) | (40.49) |
| As at 31 March 2024 | 1,974.37 | 6,788.83 | 846.13 | 248.92 | 431.87 | 51,131.31 | 61,421.43 | 299.95 | 299.95 |
| Accumulated Depreciation/ Amortisation | | | | | | | | | |
| As at 01 April 2022 | - | 1,148.16 | 146.53 | 97.62 | 169.92 | 14,738.86 | 16,301.09 | 215.89 | 215.89 |
| Depreciation/Amortisation charge for the year | | | | | | | | | |
| Continuing operation | - | 209.24 | 115.93 | 39.96 | 38.08 | 3,402.64 | 3,805.85 | 59.07 | 59.07 |
| Discontinued operation | - | 6.80 | 1.94 | 0.99 | 0.45 | 64.19 | 74.37 | 0.26 | 0.26 |
| Disposal/adjustments | - | (2.30) | (171.01) | (12.06) | (52.44) | (1,525.05) | (1,762.86) | (1.02) | (1.02) |
| As at 31 March 2023 | - | 1,361.90 | 93.39 | 126.51 | 156.01 | 16,680.64 | 18,418.45 | 274.20 | 274.20 |
| Depreciation/Amortisation charge for the year | | | | | | | | | |
| Continuing operation | - | 230.74 | 134.82 | 49.66 | 38.29 | 3,791.34 | 4,244.85 | 34.04 | 34.04 |
| Disposal/adjustments | - | (64.34) | (46.20) | (142.22) | - | (553.59) | (806.35) | (40.33) | (40.33) |
| As at 31 March 2024 | - | 1,528.30 | 182.01 | 33.95 | 194.30 | 19,918.39 | 21,856.95 | 267.91 | 267.91 |
| Net block | | | | | | | | | |
| As at 31 March 2022 | 1,653.36 | 5,160.07 | 498.16 | 141.43 | 232.10 | 30,281.26 | 37,966.38 | 46.16 | 46.16 |
| Continuing operation | 1,653.36 | 4,832.68 | 473.81 | 132.54 | 225.48 | 29,441.04 | 36,758.91 | 45.11 | 45.11 |
| Discontinued operation | - | 327.39 | 24.35 | 8.89 | 6.62 | 840.22 | 1,207.47 | 1.05 | 1.05 |
| As at 31 March 2023 | 1,974.37 | 4,988.80 | 640.23 | 233.38 | 265.83 | 28,905.72 | 37,008.33 | 64.80 | 64.80 |
| Continuing operation | 1,974.37 | 4,988.80 | 640.23 | 233.38 | 265.83 | 28,905.72 | 37,008.33 | 64.80 | 64.80 |
| As at 31 March 2024 | 1,974.37 | 5,260.53 | 664.12 | 214.97 | 237.57 | 31,212.92 | 39,564.48 | 32.04 | 32.04 |
| Continuing operation | 1,974.37 | 5,260.53 | 664.12 | 214.97 | 237.57 | 31,212.92 | 39,564.48 | 32.04 | 32.04 |

Footnotes:

- (i) Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (ii) Refer note 18 for information on property, plant and equipment pledged as security by the Company.
- (iii) Disposals include property, plant and equipment of discontinued operations. Refer note 41.

6B. Right of use asset

(₹ in lacs)

| Particulars | Land | Plant and equipment | Total |
|---------------------------------|---------------|---------------------|-----------------|
| Gross carrying amount | | | |
| As at 01 April 2022 | 797.07 | 319.88 | 1,116.95 |
| Additions | - | - | - |
| Disposal/adjustments | (737.19) | (319.88) | (1,057.07) |
| As at 31 March 2023 | 59.88 | - | 59.88 |
| As at 31 March 2024 | 59.88 | - | 59.88 |
| Accumulated depreciation | | | |
| As at 01 April 2022 | 3.68 | 277.91 | 281.59 |
| Charge for the year | | | |
| Continuing operation | 0.75 | 35.91 | 36.66 |
| Discontinued operation | 1.52 | - | 1.52 |
| Disposal on lease | (3.68) | (313.82) | (317.50) |
| As at 31 March 2023 | 2.27 | - | 2.27 |
| Charge for the year | | | |
| Continuing operation | 0.76 | - | 0.76 |
| As at 31 March 2024 | 3.03 | - | 3.03 |
| Net carrying amount | | | |
| As at 31 March 2023 | | | |
| Continuing operation | 57.61 | - | 57.61 |
| As at 31 March 2024 | | | |
| Continuing operation | 56.85 | - | 56.85 |

(i) Disposals include right of use asset of discontinued operations. Refer note 41.

6C. Capital work-in-progress

| Description | Amount |
|---|-----------------|
| As at 01 April 2022 | 1,890.53 |
| Continuing operation | 1,620.21 |
| Discontinued operation | 270.32 |
| Additions | 9,133.83 |
| Capitalised | (903.92) |
| Disposal (engineering plastic business) | (2,361.49) |
| As at 31 March 2023 | 7,758.95 |
| Continuing operation | 7,758.95 |
| Additions | 5,124.81 |
| Capitalised | (4,710.29) |
| As at 31 March 2024 | 8,173.47 |
| Continuing operation | 8,173.47 |

The capital work-in- progress ageing schedule for the years ended 31 March 2024 and 31 March 2023 is as follows:

Amount in capital work-in 31 March 2024 (₹ in lacs)

| Description | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|------------------|-----------|-----------|-------------------|----------|
| Capital work-in-progress | 4,090.59 | 3,408.39 | 446.27 | 5.24 | 7,950.49 |
| Capital work-in-progress temporarily suspended | - | 220.16 | - | 2.82 | 222.98 |

Amount in capital work-in 31 March 2023

(₹ in lacs)

| Description | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|------------------|-----------|-----------|-------------------|----------|
| Capital work-in-progress | 6,565.21 | 1,065.98 | 27.28 | - | 7,658.47 |
| Capital work-in-progress temporarily suspended | - | 100.48 | - | - | 100.48 |

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original/ revised plan.

7. Investments

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| A) Non-current | | |
| Investment carried at amortized cost - Equity Shares | | |
| Subsidiary company | | |
| Ester Filmtech Limited - equity shares (unquoted)* | 37,300.00 | 27,000.00 |
| [373,000,000 (31 March 2023 : 27,000,000) shares of ₹ 10 each] | | |
| Aggregate amount of unquoted investments | 37,300.00 | 27,000.00 |

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| B) Current | | |
| Quoted investments carried at fair value through profit and loss - Mutual Funds | | |
| ICICI Prudential Overnight fund Direct Plan Growth | - | 152.84 |
| NIL Units (31 March 2023 : 12,647.57) | | |
| ICICI Prudential blue chipfund-Direct Plan Growth | 62.77 | 214.47 |
| Units 59,895.49 (31 March 2023 : 2,92,997.18) | | |
| ICICI Prudential Nifty 50 Index Fund -Direct Plan Growth | - | 269.22 |
| Units NIL (31 March 2023 : 1,51,583.80) | | |
| IIFL Wealth Prime Ltd 364 D cp 03.10.2023 | - | 1,637.70 |
| Units NIL (31 March 2023 : 340.00) | | |
| 360 One Prime Limited CP | 1,498.61 | - |
| Units 300 (31 March 2023 : NIL) | | |
| IIFL Wealth Prime Ltd 31 Jul 2024 | 1,010.79 | 939.95 |
| Units 89.00 (31 March 2023 : 89.00) | | |
| KMIL 27-Aug-24 MLD | 1,599.79 | 1,502.01 |
| Units 145.00 (31 March 2023 : 145) | | |
| IIFLWPL-7%28 FEB 2024 | - | 1,294.84 |
| Units NIL (31 March 2023 : 119) | | |
| IIFLWPL-7%-28FEB2024 | - | 608.56 |
| Units NIL (31 March 2023 : 56) | | |
| MIRAE ASSET Overnight Fund Direct Plan - Growth | - | 68.05 |
| Units NIL (31 March 2023 : 5921.62) | | |
| MIRAE ASSET Large Cap Fund -Direct Plan -Growth | 50.66 | 193.38 |
| Units 47,193.91 (31 March 2023 : 2,28,926.84) | | |
| SBI Overnight Fund Direct Growth | - | 32.81 |
| Units NIL (31 March 2023 : 898.98) | | |
| SBI Nifty Next 50 Index Fund -Direct Plan -Growth | - | 118.94 |
| Units NIL (31 March 2023 : 11,51,119.60) | | |
| UTI Overnight Fund - Direct Plan Growth | - | 42.43 |
| Units NIL (31 March 2023 : 1,382.72) | | |
| UTI Flexi Cap Fund -Direct Plan Growth | 41.92 | 161.51 |
| Units 14557.39 (31 March 2023 : 69,476.67) | | |
| Bharat Bond of- Direct Plan Growth | - | 1,544.44 |
| Units NIL (31 March 2023 : 126,38,290.91) | | |
| IIFL Commercial Yield Fund | 1,086.91 | 1,024.15 |
| Units 97,65,708.95 (31 March 2023 : 97,65,708.95) | | |
| UTI MMF-Direct Plan Growth | - | 209.15 |
| Units NIL (31 March 2023 : 7,937.70) | | |
| TATA Treasury Advantage Fund - Direct Plan | - | 309.87 |
| Units NIL (31 March 2023 : 9,071.34) | | |
| KOTAK Corporate Bond fund direct growth | - | 619.35 |
| Units NIL (31 March 2023 : 18,904.17) | | |
| ABSL Nifty Sdl Plus PSU Bond Sep 2026 60 | - | 1,243.48 |

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Quoted investments carried at fair value through profit and loss - Mutual Funds (cont'd) | | |
| Units NIL (31 March 2023 : 118,85,065.698) | | |
| Aditya Birla Sun Life Corporate Bond Fund | - | 310.40 |
| Units NIL (31 March 2023 : 3,28,851.233) | | |
| Aditya Birla Sun Life Banking & PSU DEBT | - | 309.54 |
| Units NIL (31 March 2023 : 1,00,067.015) | | |
| HDFC Credit Risk Debt Fund Collections | 335.73 | 310.23 |
| Units 14,36,806.111 (31 March 2023 : 14,36,806.111) | | |
| Nifty PSU Bond Plus SDL Sep 2007 | - | 1,244.40 |
| Units NIL (31 March 2023 : 119,19,657.521) | | |
| UTI Nifty 50 Index Fund - Regular Plan Growth | - | 174.07 |
| Units NIL (31 March 2023 : 1,49,198.94) | | |
| HDFC Large and Mid Cap Fund - Direct Growth Plan | - | 175.34 |
| Units NIL (31 March 2023 : 88,439.62) | | |
| UTI Flexi Cap Fund -Direct Plan Growth | 208.58 | 168.40 |
| Units 72,440.58 (31 March 2023 : 72,440.58) | | |
| ICICI Prudential Value Discovery Fund -Direct Plan Growth | - | 180.49 |
| Units NIL (31 March 2023 : 60,743.69) | | |
| SBI Contra Fund - Direct Plan -Growth | - | 181.34 |
| Units NIL (31 March 2023 : 74,911.93) | | |
| BOI balanced advantage fund | - | 102.10 |
| Units NIL (31 March 2023 : 5,55,534.57) | | |
| BOI multicap fund regular plan-Growth | - | 49.90 |
| Units NIL (31 March 2023 : 499,975) | | |
| BOI Liquid fund-Flexi Cap Fund | 135.40 | - |
| Units 4,48,351.688 (31 March 2023 : NIL) | | |
| BOI Liquid fund-Flexi Cap Fund | 67.70 | - |
| Units 2,24,175.844 (31 March 2023 : NIL) | | |
| Tata Arbitrage Fund | 260.60 | - |
| Units 19,77,123.542 (31 March 2023 : NIL) | | |
| Tata Equity Plus Absolute Returns Fund | 262.31 | - |
| Units 25,015.774 (31 March 2023 : NIL) | | |
| BOB Mutual Fund BNP Paribas | 204.29 | - |
| Units 19,02,872.534 (31 March 2023 : NIL) | | |
| Boi Mutual Fund Nfo Collection A/C | 100.97 | - |
| Units 9,99,950.002 (31 March 2023 : NIL) | | |
| Total current investment | 6,927.03 | 15,393.36 |
| Aggregate amount of quoted investments (this represents market value as well) | 6,927.03 | 15,393.36 |
| Aggregate amount of impairment in the value of investments | - | - |

* With respect to investment amounting to ₹ 37,300 lacs (previous year ₹ 27,000 lacs), management, during the year, has done a detailed evaluation on the recoverability of the investment given wherein valuation of the subsidiary has been conducted by an independent valuer as at 31 March 2024 using the 'Discounted Cash Flow valuation model'.

The key assumptions used for computation of value in use are the growth rate and discount rate as specified below. The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

(₹ in lacs)

| Key assumptions | As at 31 March 2024 |
|----------------------|------------------------|
| Discount rate | 4.00% |
| Terminal growth rate | 7.70% |

Growth rates:

The growth rates reflect the long-term average growth rates for the product lines and industries of the segments (all publicly available)

Discount rates:

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of related to the Group.

Basis such assessment done, management believes that the investment given would be recoverable and accordingly no provision has been recorded in respect of recoverability of investment balance as at year end.

8. Loans

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|------------------------------------|------------------------|------------------------|
| A) Non-current | | |
| Loans considered good- unsecured | | |
| Loans to employees | 45.33 | 32.33 |
| Total non-current loans (A) | 45.33 | 32.33 |
| B) Current | | |
| Loans considered good- unsecured | | |
| Loans to employees | 33.95 | 56.49 |
| Total current loans (B) | 33.95 | 56.49 |
| Total loans (A+B) | 79.28 | 88.82 |

There are no debt/ loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

9. Other financial assets

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| A) Non-current (carried at amortised cost) (Unsecured considered good) | | |
| Bank deposits with maturity of more than 12 months (refer note 14) | 3.83 | 252.63 |
| Security deposits* | 866.30 | 897.24 |
| Total non-current other financial assets (A) | 870.13 | 1,149.87 |
| B) Current (Unsecured considered good) | | |
| Derivative asset (carried at fair value through profit and loss (FVTPL)) | - | 2.04 |
| Security deposits (carried at amortised cost) | 56.40 | 68.40 |
| Others (carried at amortised cost) | - | 11.00 |
| Total current other financial assets (B) | 56.40 | 81.44 |
| Total other financial assets(A+B) | 926.53 | 1,231.31 |

* Deposits includes deposits with Uttarakhand Power Corporation Limited which carries interest of 6.75% per annum (31 March 2023: 4.25% per annum).

10. Other non-current assets

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Capital advances | 771.80 | 2,795.02 |
| Prepaid expenses | 18.07 | 5.14 |
| Balances with government authorities | 2.59 | 2.59 |
| Total other non-current assets | 792.46 | 2,802.75 |

11. Inventories**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Raw materials {including goods in transit ₹ 504.99 lacs (31 March 2023: ₹ 316.27 lacs)} | 3,124.66 | 6,407.21 |
| Work-in-progress | 1,625.98 | 1,376.45 |
| Finished goods {including goods in transit ₹ 1,574.91 lacs (31 March 2023: ₹ 1,032.06 lacs)} | 3,918.26 | 3,152.39 |
| Stores and spares {including goods in transit ₹ 9.54 lacs (31 March 2023: ₹ 24.82 lacs)} | 2,610.63 | 2,833.48 |
| Total inventories | 11,279.53 | 13,769.53 |

- (i) During the year ended 31 March 2024, ₹ 62.76 lacs (31 March 2023: ₹ 21.99 lacs) was recognised as an expense for inventories carried at net realisable value.
- (ii) The Company has closing provision balance of ₹ 378.62 lacs for raw material and ₹ 64.56 lacs for stores and spares as at 31 March 2024 (31 March 2023 : raw material ₹ 184.68 lacs and stores and spares ₹ 62.22 lacs).

12. Trade receivables**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Trade receivables considered good - unsecured | 10,853.39 | 13,688.45 |
| Less: allowance for expected credit losses | (30.25) | (16.77) |
| | 10,823.14 | 13,671.68 |
| Trade receivables credit impaired | - | 4.85 |
| Less: allowance for credit impairment | - | (4.85) |
| | - | - |
| Total trade receivables | 10,823.14 | 13,671.68 |

* For credit risk related disclosures, refer note 34(i)A(b).

- (i) Trade receivables ageing schedule is as follows:

(₹ in lacs)

| Particulars | As at 31 March 2024 | | | | | |
|--|---|----------------------|-----------|-----------|----------------------|------------------|
| | Outstanding for following period from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | 10,799.53 | 19.67 | - | 3.93 | - | 10,823.13 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | 9.74 | 3.41 | 15.97 | 1.14 | - | 30.26 |
| Gross trade receivables | | | | | | 10,853.39 |
| Less: allowance for trade receivables | | | | | | (30.25) |
| Total trade receivables | | | | | | 10,823.14 |

(₹ in lacs)

| Particulars | As at 31 March 2023 | | | | | |
|--|---|----------------------|-----------|-----------|----------------------|------------------|
| | Outstanding for following period from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | 13,671.68 | - | - | - | - | 13,671.68 |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | 13.89 | 1.18 | 1.13 | 0.33 | 0.24 | 16.77 |
| (iii) Undisputed trade receivables – credit impaired | - | - | 4.85 | - | - | 4.85 |
| Gross trade receivables | | | | | | 13,693.30 |
| Less: allowance for trade receivables | | | | | | (21.62) |
| Total trade receivables | | | | | | 13,671.68 |

13. Cash and cash equivalents**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Cash on hand | 2.83 | 3.01 |
| Balances with banks | | |
| In current accounts | 2.03 | 4.58 |
| Bank deposits with original maturity upto 3 months* | 9,991.25 | 2,827.38 |
| Total cash and cash equivalents | 9,996.11 | 2,834.97 |

* This pertains to amount received for allotment of equity shares. This can be utilised only for purposes defined in offer letter, i.e., general corporate purpose, investment in subsidiary and repayment of borrowings.

14. Bank balances other than cash and cash equivalents**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Earmarked bank balances | | |
| Unpaid dividend accounts * | 74.18 | 74.37 |
| Unpaid CSR Account * | 161.11 | - |
| Bank deposits** | | |
| Deposits with remaining maturity for less than 12 months | 372.92 | 2,126.52 |
| Deposits with remaining maturity for more than 12 months | 3.83 | 252.63 |
| Total | 612.04 | 2,453.52 |
| Less:- Amount disclosed under non-current financial assets (refer note 9) | (3.83) | (252.63) |
| Total other bank balances | 608.21 | 2,200.89 |

* The Company can utilise these balances only toward settlement of the respective unpaid dividend and CSR expenses.

** Margin money deposit (including interest accrued) of ₹ 376.75 lacs (31 March 2023: ₹ 5,206.53 lacs) are subject to lien of lending banks for securing letter of credit, bank guarantee and other facilities sanctioned by them.

15. Other current assets**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Considered good | | |
| Receivables under export benefit scheme | 280.56 | 443.26 |
| Advance to vendors | 277.51 | 1,035.66 |
| Prepaid expenses | 337.60 | 555.99 |
| Balances with government authorities | 1,010.45 | 1,195.83 |
| Other advances* | 298.58 | 11.33 |
| | 2,204.70 | 3,242.07 |
| Considered doubtful | | |
| Receivables under export benefit scheme | 44.70 | 44.70 |
| Other advances | 50.27 | 50.27 |
| Less: Provision of export benefit receivable | (44.70) | (44.70) |
| Less: Provision of other advances | (50.27) | (50.27) |
| | - | - |
| Total other current assets | 2,204.70 | 3,242.07 |

* Consists of balances to be recovered from Export Credit Guarantee Corporation of ₹ 277.88 lacs (31 March 2023: NIL)

16 A. Equity share capital

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Number | Amount (₹ in lacs) | Number | Amount (₹ in lacs) |
| i) Authorised | | | | |
| Equity shares of ₹ 5 each | 15,00,00,000 | 7,500.00 | 15,00,00,000 | 7,500.00 |
| Equity shares of ₹ 10 each | 4,79,60,000 | 4,796.00 | 4,79,60,000 | 4,796.00 |
| | | 12,296.00 | | 12,296.00 |
| ii) Issued, subscribed and fully paid up | | | | |
| Equity shares of ₹ 5 each | 9,39,54,009 | 4,697.70 | 8,33,93,759 | 4,169.69 |
| | | 4,697.70 | | 4,169.69 |

iii) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Number | Amount (₹ in lacs) | Number | Amount (₹ in lacs) |
| Equity shares | | | | |
| Balance at the beginning of the year | 8,33,93,759 | 4,169.69 | 8,33,93,759 | 4,169.69 |
| Add: Equity shares issued during the year (Refer note no. 37) | 1,05,60,250 | 528.01 | - | - |
| Balance at the end of the year | 9,39,54,009 | 4,697.70 | 8,33,93,759 | 4,169.69 |

iv) Rights, preferences and restrictions attached to equity share

The Company has only one class of equity share having a par value of ₹ 5 per share. Each equity shareholder is entitled for one vote per share. The Company declares and pays dividend in Indian rupees (₹). The final dividend proposed by the Board of Director is subject to the approval of the shareholder in the ensuing annual general meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

v) Shares held by Holding/ Ultimate Holding Company and/ or their Subsidiaries/ Associates

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Number | Amount (₹ in lacs) | Number | Amount (₹ in lacs) |
| Name of the equity shareholder | | | | |
| Wilemina Finance Corporation, Holding Company | | | | |
| Equity shares of ₹ 5 each fully paid | 4,93,18,012 | 2,465.90 | 4,90,55,012 | 2,452.75 |
| | 4,93,18,012 | 2,465.90 | 4,90,55,012 | 2,452.75 |

vi) Shareholding of promoters are as follows:

| Promoter Name | As at 31 March 2024 | | |
|------------------------------------|---------------------|-------------------|----------------------------|
| | No. of Shares | % of total shares | % change during the period |
| Arvind Singhania | 26,32,285 | 2.80 | 1754756.67% |
| Uma Devi Singhania | 175 | - | - |
| Jai Vardhan Singhania | 1,24,858 | 0.13 | - |
| Ayush Vardhan Singhania | 1,78,033 | 0.19 | - |
| Fenton Investments Private Limited | 4,90,000 | 0.52 | - |
| MOVI Limited | 32,97,000 | 3.51 | (7.39%) |
| Wilemina Finance Corporation | 4,93,18,012 | 52.49 | 0.54% |
| Modi Rubbers limited | 26,42,705 | 2.81 | 100.00% |

| Promoter Name | As at 31 March 2023 | | |
|-----------------------|---------------------|-------------------|----------------------------|
| | No. of Shares | % of total shares | % change during the period |
| Arvind Singhania | 150 | - | - |
| Uma Devi Singhania | 175 | - | 16.67% |
| Jai Vardhan Singhania | 1,24,858 | 0.15 | - |

| Promoter Name | As at 31 March 2023 | | |
|------------------------------------|---------------------|-------------------|----------------------------|
| | No. of Shares | % of total shares | % change during the period |
| Ayush Vardhan Singhania | 1,78,033 | 0.21 | - |
| Fenton Investments Private Limited | 4,90,000 | 0.59 | - |
| MOVI Limited | 35,60,000 | 4.27 | (14.42%) |
| Wilemina Finance Corporation | 4,90,55,012 | 58.82 | 1.24% |

vii) Details of shareholder holding more than 5% shares in the Company

| | As at 31 March 2024 | | As at 31 March 2023 | |
|--|---------------------|--------|---------------------|--------|
| | Number | % | Number | % |
| Wilemina Finance Corporation, Holding Company | | | | |
| Equity shares of ₹ 5 each fully paid | 4,93,18,012 | 52.49% | 4,90,55,012 | 58.82% |
| Vettel International Limited, Public Shareholder | | | | |
| Equity shares of ₹ 5 each fully paid | 80,86,861 | 8.61% | 80,86,861 | 9.70% |

viii) No shares were allotted as fully paid up by way of bonus issue and/or brought back in the current reporting year and in last five years immediately preceding the current reporting year.

16 B. Preference shares

(₹ in lacs)

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|--------------------|---------------------|--------------------|
| | Number | Amount (₹ in lacs) | Number | Amount (₹ in lacs) |
| i) Authorised | | | | |
| Cumulative convertible preference shares of ₹ 50 each | 6,00,000 | 300.00 | 6,00,000 | 300.00 |
| Redeemable cumulative preference shares of ₹ 50 each | 80,00,000 | 4,000.00 | 80,00,000 | 4,000.00 |
| | | 4,300.00 | | 4,300.00 |

No preference shares have been issued as yet.

17. Other equity (refer statement of changes in equity)

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------|---------------------|---------------------|
| Reserves and surplus | | |
| Capital reserve | 3,520.74 | 3,520.74 |
| Securities premium * | 15,569.44 | 6,121.01 |
| Capital redemption reserve | 335.37 | 335.37 |
| General reserve | 1,528.16 | 1,528.16 |
| Retained earnings | 56,829.32 | 61,656.27 |
| Share options outstanding account | 142.64 | 109.83 |
| Total | 77,925.67 | 73,271.38 |

* Net off share issue expenses ₹13.57 lacs (FY 2023 ₹ NIL)

i) Nature and purpose of other reserves

Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

Capital redemption reserve

The same has been created in accordance with provision of Companies Act, 2013 against redemption of preference shares.

General reserve

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

Retained earnings

Retained earnings represents surplus/loss in the Statement of Profit and Loss.

Share options outstanding account

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The share options outstanding account is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 43 for further details of the scheme.

Equity component of redeemable financial instrument

The same has been created in accordance with Indian accounting standard (Ind AS) 109 against the Redeemable financial instrument (foreign currency loan) and it will be transfer to Retained earning when loan fully repaid.

18. (A) Borrowings

(₹ in lacs)

| A) Non-current* | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Secured loans | | |
| Term loans from: | | |
| Banks | 4,682.16 | 7,634.55 |
| Financial institution | 8,130.91 | 9,555.90 |
| Vehicle loans | 198.52 | 261.24 |
| Total borrowings - non-current | 13,011.59 | 17,451.69 |

Refer Note 18 (B) for current maturity of long term debt of ₹ 6,280.48 lacs (31 March 2023 ₹ 6,766.77 lacs)

* For liquidity risk related disclosures, refer note 34(i)B.

I. Term loans

- From Canara Bank of ₹ NIL (31 March 2023 : ₹ 301.71 lacs) as capex loan for augmentation of capital expenditure (modification, de-bottlenecking, modernization, cost reduction and maintenance capex). The term loan bearing floating interest at the MCLR plus 0.65% per annum. The term loan is repayable in 60 equal monthly instalments starting from September 2019. #
- From Karnataka Bank Limited of ₹ 931.44 lacs (31 March 2023 : ₹ 1,366.09 lacs) as capex loan for capital expenditure (purchase of plant and equipments). The term loan bearing floating interest at the MCLR plus 0.50% per annum. The term loan is repayable in 60 unequal monthly instalments starting from October 2020. ##
- From Tata Capital Limited of ₹ NIL (31 March 2023 : ₹ 122.86 lacs) as corporate loan for augmentation of working capital bearing floating interest at the LTLR minus 9.50% per annum. The corporate loan is repayable in 16 unequal quarterly instalments starting from Sep 2019. #
- From Tata Capital Limited of ₹ 659.86 lacs (31 March 2023 : ₹ 1,220.01 lacs) for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited). The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon and first and exclusive charge over the hypothecation of certain plant and equipments installed at factory premises at Uttarakhand and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 9.10% per annum. The loan is repayable in 54 equal monthly instalments starting from Dec 2020.
- From Tata Capital Limited of ₹ 1,387.28 lacs (31 March 2023 : ₹ 2,614.84 lacs) for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan bearing floating interest at the LTLR minus 11.25% per annum. The loan is repayable in 60 equal monthly instalments starting from June 2022. ##
- From Tata Capital Limited of ₹ 735.38 lacs (31 March 2023 : ₹ 877.24 lacs) for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon and first and exclusive charge over the hypothecation of certain plant and equipments installed at factory premises at Uttarakhand and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 11.25% per annum. The loan is repayable in 84 equal monthly instalments starting from June 2022.
- From Tata Capital Limited of ₹ 2,426.62 lacs (31 March 2023 : ₹ NIL) for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon and further secured by irrevocable personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 11.80% per annum. The loan is repayable in 84 monthly instalments starting from Oct 2023.
- From Bajaj Finance Limited of ₹ 1,792.33 lacs (31 March 2023 : ₹ 2,386.49 lacs) as loan for general corporate and capex purpose. The term loan bearing floating interest linked to BFL IRR at the rate of 8.00% per annum. The term loan is repayable in 60 equal monthly instalments starting from April 2022. ##
- From Bajaj Finance Limited of ₹ 2,390.1 lacs (31 March 2023 : ₹ 2,984.07 lacs) as loan for general corporate and capex purpose. The term loan bearing floating interest linked to BFL IRR at the rate of 7.35% per annum. The term loan is repayable in 20 equal quarterly instalments starting from May 2023. ##
- From IDFC Limited of ₹ NIL (31 March 2023 : ₹ 315.96 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the MCLR plus 1.50% per annum. The term loan is repayable in 12 equal quarterly instalments starting from Dec 2020. #
- From IDFC Limited of ₹ 215.9 lacs (31 March 2023 : ₹ 860.45 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the MCLR plus 0.30% per annum. The term loan is repayable in 37 equal monthly instalments starting July 2021. #

Term loans (cont'd)

- l) From Axis Finance Limited of ₹ 1,992.64 lacs (31 March 2023 : ₹ 2,784.82 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the MCLR plus .85% per annum. The term loan is repayable in 18 unequal quarterly instalments starting March 2022.##
- m) From QNB Bank of ₹ 2,848.9 lacs (31 March 2023 : ₹ 3,983.25 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the MCLR plus 1.80% per annum. The term loan is repayable in 42 equal monthly instalments starting April 2023.#
- n) From Shinhan Bank of ₹ 3,549.17 lacs (31 March 2023 : ₹ 3,990.16 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the repo rate plus 2.10% per annum. The term loan is repayable in 18 equal quarterly instalments starting Dec 2023.##
- # Above term loans are secured by first pari passu charge on fixed assets of the Company (both present and future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited & Vehicles and second Pari passu charge on current assets and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania.
- ## Above term loans are secured by first pari passu charge on fixed assets of the Company (both present and future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and second Pari passu charge on current assets and further secured by irrevocable personal guarantee of Mr. Arvind Singhania.
- II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the loans. Vehicle loans bearing interest rates ranging from 7.25% per annum to 10.25% per annum. These loans are repayable in monthly instalments till Jan 2028.

| 18. (B) Current Borrowings* | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Secured | | |
| Loans repayable on demand | | |
| Working capital loans from banks | 12,406.09 | 11,038.05 |
| Other loans | | |
| Bills discounting | 64.96 | - |
| Acceptances | 4,926.03 | 3,329.35 |
| Current Maturities of long term loan | 6,280.48 | 6,766.77 |
| Total borrowings - current | 23,677.56 | 21,134.17 |

* For liquidity risk related disclosures, refer note 34(i)B.

Working capital loans, bills discounting, acceptances and buyer's credit for raw materials : These loans are secured by first charge by way of hypothecation of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of its holding Company and personal guarantee of Mr. Arvind Singhania. Working capital, bill discounting facilities, acceptances and buyer's credit for raw materials are further secured by way of second charge in respect of immovable properties and movable fixed assets except fixed assets that are exclusively charged to Tata Capital Financial Services Limited. The working capital loans from banks bear floating interest rate at MCLR plus ranging from 0.65% per annum to 1.20% per annum. The bill discounting from banks bear floating interest rate ranging from 7.45% per annum to 9.25% per annum.

The quarterly returns/statements of current assets filed by the Company with banks or financial institutions in relation to secured borrowings / sanctioned loans, wherever applicable, are in agreement with the books of accounts

The changes in the entities liabilities arising from financing and non financing activities can be classified as follows: (₹ in lacs)

| Particulars | Non-current borrowings | Current borrowings | Lease liabilities |
|---|------------------------|--------------------|-------------------|
| 01 April 2023 | 17,451.69 | 21,134.17 | 1.25 |
| Cash flows: | | | |
| - Repayments | (7,619.95) | - | (0.15) |
| - Proceeds net of amortisation of upfront fees | 2,638.00 | 3,029.68 | - |
| - Net impact of reclassification as per schedule III | 486.29 | (486.29) | - |
| Non cash: | | | |
| - Finance cost adjustment for effective interest rate | 55.56 | - | 0.15 |
| 31 March 2024 | 13,011.59 | 23,677.56 | 1.25 |
| 01 April 2022 | 15,826.66 | 16,114.99 | 48.13 |
| Cash flows: | | | |
| - Repayments | (5,292.58) | - | (48.26) |
| - Proceeds net of amortisation of upfront fees | 9,287.36 | 2,574.48 | - |
| - Net impact of reclassification as per schedule III | (2,444.70) | 2,444.70 | - |
| Non cash: | | | |
| - Finance cost adjustment for effective interest rate | 74.95 | - | 1.38 |
| 31 March 2023 | 17,451.69 | 21,134.17 | 1.25 |

19. Provisions

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| A) Provisions - non-current | | |
| Provision for gratuity (refer note 40) | 728.02 | 709.73 |
| Provision for compensated absence | 227.74 | 204.50 |
| Total provisions - non-current | 955.76 | 914.23 |
| B) Provisions - current | | |
| Provision for gratuity (refer note 40) | 333.11 | 236.53 |
| Provision for compensated absence | 85.95 | 71.51 |
| Total provisions - current | 419.06 | 308.04 |
| Total provisions (A+B) | 1,374.82 | 1,222.27 |

20. Deferred tax liabilities (net)

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Deferred tax liabilities | 3,217.27 | 3,382.13 |
| Less: Deferred tax assets | 1,590.71 | 343.94 |
| Deferred tax liabilities (net) | 1,626.56 | 3,038.19 |

| Particulars | As at 01 April 2023 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at 31 March 2024 |
|--|------------------------|--|---|------------------------|
| Deferred tax liabilities arising on account of : | | | | |
| Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 3,382.13 | (164.86) | - | 3,217.27 |
| Total | 3,382.13 | (164.86) | - | 3,217.27 |
| Deferred tax assets arising on account of : | | | | |
| Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 333.44 | 90.06 | - | 423.50 |
| Employee benefits | - | (24.44) | 24.44 | - |
| Brought forward losses/ depreciation | - | 1,156.04 | - | 1,156.04 |
| Others | 10.50 | 0.67 | - | 11.17 |
| Total | 343.94 | 1,222.33 | 24.44 | 1,590.71 |
| Deferred tax liabilities (net) | 3,038.19 | (1,387.19) | (24.44) | 1,626.56 |

(₹ in lacs)

| Particulars | As at 01 April 2022 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at 31 March 2023 |
|--|------------------------|--|---|------------------------|
| Deferred tax liabilities arising on account of : | | | | |
| Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 3,539.32 | (157.19) | - | 3,382.13 |
| Redeemable financial instrument | 1.31 | (1.31) | - | - |
| Total | 3,540.63 | (158.50) | - | 3,382.13 |
| Deferred tax assets arising on account of : | | | | |
| Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 462.07 | (128.63) | - | 333.44 |
| Employee benefits | - | 8.15 | (8.15) | - |
| Others | - | 10.50 | - | 10.50 |
| Total | 462.07 | (109.98) | (8.15) | 343.94 |
| Deferred tax liabilities (net) | 3,078.56 | (48.52) | 8.15 | 3,038.19 |

21. Other liabilities

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| A) Non-current | | |
| Deferred income* | 1,619.94 | 1,818.10 |
| Total non current liabilities (A) | 1,619.94 | 1,818.10 |
| B) Current | | |
| Deferred income* | 224.94 | 234.87 |
| Revenue received in advance | 77.87 | 250.70 |
| Statutory dues | 243.51 | 445.27 |
| Total current liabilities (B) | 546.32 | 930.84 |
| Total other liabilities (A+B) | 2,166.26 | 2,748.94 |

* Represents government assistance in form of duty benefit availed under Export Promotion Capital Goods ('EPCG') scheme on purchase of property, plant and equipment accounted for as government grants and being amortised over useful life of such assets.

22. Trade payable

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Trade payables | | |
| Trade payables | | |
| -total outstanding dues of micro enterprises and small enterprises* | 466.73 | 387.35 |
| -total outstanding dues of creditors other than micro enterprises and small enterprises | 3,158.74 | 2,210.39 |
| Total trade payables | 3,625.47 | 2,597.74 |

* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2024:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | | |
| Principal amount* | 573.09 | 479.91 |
| Interest due thereon | - | - |
| ii. The amount paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | | |
| Principal amount | - | - |
| Interest due thereon | - | - |
| iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | - | - |
| iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23. | - | - |

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

* includes capital creditors of ₹ 106.36 lacs. (31 March 2023: ₹ 92.56 lacs) (refer note 23).

Trade payables ageing is as follows:

(₹ in lacs)

| Particulars | As at 31 March 2024 | | | | |
|---|--|-----------|--------------|-------------------|----------|
| | Outstanding for following periods from the due date of payment | | | | |
| | Less than 1 Year | 1-2 Years | 2 to 3 years | More than 3 Years | Total |
| (i) Micro enterprises and small enterprises | 463.94 | 2.79 | - | - | 466.73 |
| (ii) Others | 3,151.68 | 1.49 | 2.98 | 2.59 | 3,158.74 |

(₹ in lacs)

| Particulars | As at 31 March 2023 | | | | |
|---|--|-----------|--------------|-------------------|----------|
| | Outstanding for following periods from the due date of payment | | | | |
| | Less than 1 Year | 1-2 Years | 2 to 3 years | More than 3 Years | Total |
| (i) Micro enterprises and small enterprises | 383.23 | - | 4.12 | - | 387.35 |
| (ii) Others | 2,126.92 | 73.45 | 7.38 | 2.64 | 2,210.39 |

23. Other financial liabilities

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| Current | | |
| Capital creditors* | 247.88 | 583.75 |
| Unpaid dividend | 74.18 | 74.37 |
| Deposits from dealer/ customer and others | 34.20 | 35.12 |
| Derivative liability | 8.47 | - |
| Employee related payables | 251.98 | 576.23 |
| Interest accrued | 52.64 | 57.38 |
| Other payable# | 131.92 | 115.68 |
| Total other financial liabilities | 801.27 | 1,442.53 |

*includes payable to micro enterprises and small enterprises of ₹ 106.36 lacs (31 March 2023 ₹ 92.56 lacs).

includes sales commission payable of ₹ 96.42 lacs (31 March 2023 ₹ 82.16 lacs).

24 A. Income tax assets (net)

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| Advance income tax (net of provisions ₹ 8,088.25 lacs (31 March 2023 ₹ 20,916.36 lacs)) | 406.11 | 497.95 |

24 B. Income tax liabilities (net)

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------|---------------------|
| Provision for tax (net of advance tax ₹ 18,427.78 lacs (31 March 2023 ₹ 5,079.34 lacs)) | 261.79 | 545.17 |

25. Revenue from operations#

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|----------------------------------|----------------------------------|
| Sale of products | 84,207.48 | 1,06,000.89 |
| Other operating revenue (refer note (i) below) | 1,331.39 | 1,746.99 |
| Total revenue from operations | 85,538.87 | 1,07,747.88 |

i) Other operating revenue comprises of the following income:

| | | |
|--------------------------------------|-----------------|-----------------|
| Sales of scrap | 257.95 | 237.35 |
| Other income from tolling | 294.17 | 393.85 |
| Duty drawback earned | 779.27 | 1,115.79 |
| Total revenue from operations | 1,331.39 | 1,746.99 |

Refer note 41

26. Other income

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Interest on: | | |
| - Fixed deposits carried at amortised cost | 64.64 | 200.15 |
| - Commercial Papers & others | 189.02 | 78.62 |
| - Loan to Subsidiary | - | 39.16 |
| - Other financial assets carried at amortised cost | 58.48 | 33.37 |
| Insurance claim | 316.14 | 83.47 |
| Provisions/liabilities no longer required written back | 18.88 | 11.82 |
| Profit/(loss) on sale of investments | 1,225.33 | 56.76 |
| Foreign exchange fluctuation gain (net) | 45.52 | 538.87 |
| Income recognised on account of government assistance* | 236.51 | 251.67 |
| Gain on fair valuation of financial assets | 211.19 | 309.43 |
| Miscellaneous income** | 261.00 | 118.28 |
| Total other income | 2,626.71 | 1,721.60 |

* This represent income recognised in relation Export Promotion Capital Goods ('EPCG'), considered as government assistance.

** Refer note 37.

27. Changes in inventories of finished goods and work-in-progress

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Closing stock | | |
| Continuing operations | | |
| - Finished goods | 3,918.26 | 3,152.39 |
| - Work-in-progress | 1,625.98 | 1,376.45 |
| | 5,544.24 | 4,528.84 |
| Opening Stock | | |
| Continuing operations | | |
| - Finished goods | 3,152.39 | 4,455.02 |
| - Work-in-progress | 1,376.45 | 1,884.83 |
| | 4,528.84 | 6,339.85 |
| Discontinued operations | | |
| - Finished goods | - | 1,427.24 |
| - Work-in-progress | - | 34.11 |
| | - | 1,461.35 |
| Total changes in inventories | (1,015.40) | 3,272.36 |

28. Employee benefits expense#

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Salaries and wages | 4,773.20 | 4,373.36 |
| Share based expenses expense (refer note 43) | 32.81 | 47.72 |
| Contribution to provident fund and other funds | 311.84 | 303.99 |
| Gratuity (refer note 40) | 141.72 | 134.58 |
| Staff welfare expenses | 220.43 | 279.17 |
| Total employee benefits expense | 5,480.00 | 5,138.82 |

Refer note 41

29. Finance cost

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------------|-------------------------------------|-------------------------------------|
| Interest : | | |
| -Term loans | 2,020.49 | 1,949.24 |
| -Working capital | 1,362.60 | 751.87 |
| -Lease liabilities | 1,362.60 | 751.87 |

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---------------------------------|-------------------------------------|-------------------------------------|
| -Statutory dues | 26.61 | 38.03 |
| -Buyers credit for raw material | - | 0.53 |
| -Others | 1.90 | 1.46 |
| Other borrowing costs* | 321.26 | 272.99 |
| Total finance cost | 3,733.01 | 3,015.50 |

*Bank charges majorly comprises of Letter of credit charges, Bank guarantee charges and working capital demand loan (WCDL) processing fees.

30. Other expenses#

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Manufacturing expenses | | |
| Consumption of stores and spare parts | 1,631.84 | 2,136.19 |
| Consumption of packing material | 1,615.64 | 1,912.71 |
| Power and fuel | 10,047.84 | 11,447.24 |
| Material handling charges | 570.27 | 609.53 |
| Provision for obsolete inventories | 49.63 | - |
| Total manufacturing expenses (A) | 13,915.22 | 16,105.67 |
| Selling expenses | | |
| Freight | 2,510.27 | 2,963.95 |
| Commission and brokerage | 191.32 | 164.15 |
| Total selling expenses (B) | 2,701.59 | 3,128.10 |
| Administration and other expenses | | |
| Rent | 60.80 | 94.19 |
| Rates and taxes | 41.18 | 51.78 |
| Insurance | 530.72 | 687.06 |
| Repairs and maintenance: | | |
| - Building | 131.30 | 235.62 |
| - Plant and equipment | 309.33 | 632.99 |
| - Others | 404.26 | 427.01 |
| Corporate social responsibility expenditure (refer note (i) below) | 297.08 | 345.22 |
| Travelling and conveyance | 507.04 | 610.55 |
| Communication expenses | 49.62 | 64.11 |
| Legal and professional charges | 858.87 | 559.70 |
| Printing and stationery | 18.92 | 20.30 |
| Donations (other than political parties) | 1.20 | 6.82 |
| Director's sitting fees | 7.10 | 9.60 |
| Auditors' remuneration (refer note (ii) below) | 48.50 | 46.25 |
| Loss on sale of property, plant and equipment (net) | 89.09 | 79.73 |
| Bad debts, advances and irrecoverable balances written off | 48.49 | 0.05 |
| Provision for doubtful debts/advances | 8.64 | 26.21 |
| Security services | 438.82 | 423.05 |
| Mark to market Loss on derivative contracts | 10.51 | - |
| Miscellaneous expenses | 435.95 | 570.55 |
| Total administrative and other expenses (C) | 4,297.42 | 4,890.79 |
| Total other expenses (A+B+C) | 20,914.23 | 24,124.56 |

Refer note 41

i) Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting health care, promoting education, rural development projects and environment sustainability. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

| Particulars | (₹ in lacs) | |
|---|---|--|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| i) Amount required to be spent by the company during the year | 297.08 | 345.22 |
| ii) Amount of expenditure incurred as follows: | | |
| - Constructions/ acquisition of any assets | - | - |
| - Others (refer point (v) below) | 69.59 | 140.02 |
| - Less Set off from the excess amount spent in FY 2021-22 | - | 5.81 |
| iii) Shortfall at the end of year* | 227.49 | 199.39 |
| iv) Reason for shortfall | ₹ 219.71 lacs pertain to the following ongoing projects and ₹ 7.78 lacs pertain to other than ongoing projects: 1. Promoting Education in khatima directly– ₹ 50.61 lacs 2. Promoting Education and ensuring Environment Sustainability in Hyderabad through Nauka Foundation - ₹ 24.12 lacs 3. Promoting education in Saraf Public School – ₹ 144.98 lacs | ₹ 193.28 lacs pertain to on going project for Saraf international school and ₹ 6.11 lacs pertain to other than ongoing projects. |
| v) Nature of CSR activities | Promoting Education, promoting health care including preventive healthcare and sanitation, ensuring environment sustainability and eradiating hunger, poverty and malnutrition. | Promoting health care, promoting education, rural development projects and eradiating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation |

* The unspent amount will be transferred to unspent CSR account within 30 days from the end of the financial year in case of ongoing project and within 6 months in case of other than ongoing project, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

Unspent amount for other than ongoing projects

(₹ in lacs)

| Particulars | Amount |
|--|--------|
| Unspent amount as at 31 March 2023 | 6.11 |
| Amount deposited in Specified Fund of Sch. VII within 6 months | 6.11 |
| Amount required to be spent during the year | 50.48 |
| Amount spent during the year | 42.70 |
| Unspent amount as at 31 March 2024 | 7.78 |

Unspent amount for ongoing projects

(₹ in lacs)

| Particulars | Amount |
|---|--------|
| Unspent amount as at 31 March 2023 | |
| - with Company | |
| - in Separate CSR unspent account | 193.28 |
| Amount required to be spent during the year | 246.60 |
| Amount spent during the year | |
| - from Company's Bank account | 26.89 |
| - from separate CSR unspent account | 32.17 |
| Unspent amount as at 31 March 2024 | |
| - with Company | 219.71 |
| - in Separate CSR unspent account | 161.11 |

ii) Auditors' remuneration

| Particulars | (₹ in lacs) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| - Audit fee (excluding taxes) | 45.50 | 43.00 |
| - Out of pocket expenses (excluding taxes) | 3.00 | 3.25 |
| | 48.50 | 46.25 |

31. Tax expenses

| | (₹ in lacs) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Tax expenses related to continuing operation | | |
| Current tax | - | 1,125.36 |
| Tax earlier years | (8.20) | 147.50 |
| Deferred tax | (1,387.19) | (48.52) |
| Tax expenses related to discontinued operation | | |
| Current tax | - | 3,802.87 |
| Income tax expense recognised in the statement of profit and loss | (1,395.39) | 5,027.21 |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss are as follows:

| | | |
|--|-------------------|------------------|
| Accounting (loss)/ profit before income tax continuing operation | (5,728.82) | 4,807.34 |
| Accounting profit before income tax discontinued operation | - | 16,324.30 |
| At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%) | (1,441.94) | 5,318.83 |
| Effect of income taxable at lower rate due to slump sale (discontinued operation) | - | (305.49) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Tax impact of expenses which will never be allowed | 91.75 | 139.56 |
| Earlier year tax paid in current year | (8.20) | 147.50 |
| Adjustments recognised in the current year in relation to the previous year | (37.00) | (273.19) |
| Income tax expense | (1,395.39) | 5,027.21 |

32. Earning per share (EPS)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Net (loss)/ profit as attributable for equity shareholders (₹ in lacs) | | |
| - From continuing operations | (4,333.43) | 3,583.00 |
| - From discontinued operations | - | 12,521.43 |
| | (4,333.43) | 16,104.43 |
| Weighted average number of equity shares for basic EPS | 8,35,09,488 | 8,33,93,759 |
| Weighted average number of equity shares adjusted for the effect of dilution* | 8,35,09,488 | 8,33,93,759 |
| Basic and diluted earnings per equity share (₹) | | |
| - From continuing operations | (5.19) | 4.30 |
| - From discontinued operations | - | 15.01 |
| - From continuing and discontinued operations | (5.19) | 19.31 |

*In current year potential ordinary shares (i.e. Employee stock options) are anti-dilutive and therefore excluded from the weighted average number of equity shares for the purpose of computing diluted earning per share.

33. Fair value disclosures

(i) Fair value hierarchy

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

(ii) Valuation technique used to determine fair value

- A. Specific valuation techniques used to value mutual funds include - the use of net asset value for mutual funds on the basis of the statement received from investee party.
- B. Derivative asset/ liability is measured using forward contract exchange rates at the balance sheet rate as confirmed from banks/ financial institutions.

(iii) Financial assets measured at fair value – recurring fair value measurements

| (₹ in lacs) | | | |
|------------------------------------|---------|-----------------|------------------|
| Particulars | Level | 31 March 2024 | 31 March 2023 |
| Financial assets | | | |
| Investments in mutual funds | Level 1 | 6,927.03 | 15,393.36 |
| Derivative asset | Level 2 | - | 2.04 |
| Total financial assets | | 6,927.03 | 15,395.40 |
| Financial liabilities | | | |
| Derivative liability | Level 2 | 8.47 | - |
| Total financial liabilities | | 8.47 | - |

(iv) Fair value of instruments measured at amortised cost for which fair value are disclosed

| (₹ in lacs) | | | | | |
|------------------------------------|---------|------------------|------------------|------------------|------------------|
| Particulars | Level | 31 March 2024 | | 31 March 2023 | |
| | | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | | |
| Loans | Level 3 | 45.33 | 45.33 | 32.33 | 32.33 |
| Investments in subsidiary | Level 3 | 37,300.00 | 37,300.00 | 27,000.00 | 27,000.00 |
| Security deposits | Level 3 | 866.30 | 866.30 | 897.24 | 897.24 |
| Total financial assets | | 38,211.63 | 38,211.63 | 27,929.57 | 27,929.57 |
| Borrowings* | Level 3 | 19,292.07 | 19,292.07 | 24,218.46 | 24,218.46 |
| Lease liabilities | Level 3 | 1.25 | 1.25 | 1.25 | 1.25 |
| Total financial liabilities | | 19,293.32 | 19,293.32 | 24,219.71 | 24,219.71 |

The above disclosures are presented for non-current financial assets (excluding bank deposits) and non-current financial liabilities. Carrying value of current financial assets and current financial liabilities (trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities) represents the best estimate of fair value.

* Long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

34. Financial risk management

The accounting classification of each category of financial instruments, and their carrying amounts are set as below:

| (₹ in lacs) | | | | |
|------------------------------------|-----------------|------------------|------------------|------------------|
| Particulars | 31 March 2024 | | 31 March 2023 | |
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| Financial assets | | | | |
| Investments - mutual funds | 6,927.03 | - | 15,393.36 | - |
| Investments in subsidiary | - | 37,300.00 | - | 27,000.00 |
| Trade receivables | - | 10,823.14 | - | 13,671.68 |
| Loans | - | 79.28 | - | 88.82 |
| Cash and cash equivalents | - | 9,996.11 | - | 2,834.97 |
| Other bank balances | - | 612.04 | - | 2,453.52 |
| Derivative assets | - | - | 2.04 | - |
| Other financial assets | - | 922.70 | - | 976.64 |
| Total financial assets | 6,927.03 | 59,733.27 | 15,395.40 | 47,025.63 |
| Financial liabilities | | | | |
| Borrowings | - | 36,689.15 | - | 38,585.86 |
| Lease liabilities | - | 1.25 | - | 1.25 |
| Trade payables | - | 3,625.47 | - | 2,597.74 |
| Security deposits | - | 34.20 | - | 35.12 |
| Derivative liabilities | 8.47 | - | - | - |
| Other financial liabilities | - | 767.07 | - | 1,407.41 |
| Total financial liabilities | 8.47 | 41,117.14 | - | 42,627.38 |

(i) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Standalone financial statements.

| Risk | Exposure arising from | Measurement | Management |
|----------------------------------|--|-----------------------------|--|
| Credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments | Ageing analysis | Diversification of bank deposits and investments, credit limits and letter of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (₹) | Cash flow forecasting | Forward contract/hedging, if required |
| Market risk - Interest rate risk | Long-term borrowings at variable rates | Sensitivity analysis | Negotiation of terms that reflect market factors |
| Price risk - security price | Investments in mutual funds | Sensitivity analysis | Diversification of portfolio, with focus on strategic investments |

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, investments, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

| Description | Asset group | Provision for expected credit loss |
|----------------------|--|--|
| Low credit risk | Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets | 12 month expected credit loss |
| Moderate credit risk | Trade receivables | Life time expected credit loss |
| High credit risk | Trade receivables | Life time expected credit loss or fully provided for |

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period (including extension). Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Below is the bifurcation of assets in various categories of risk:

(₹ in lacs)

| Description | Particulars | 31 March 2024 | 31 March 2023 |
|------------------|--|---------------|---------------|
| Low credit risk | Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets | 29,330.05 | 35,399.41 |
| High credit risk | Trade receivables | 30.25 | 21.62 |

ii) Concentration of financial assets

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and security and earnest money deposits given for business purposes.

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------|---------------|---------------|
| Polyester film | 8,868.59 | 9,320.02 |
| Speciality Polymer | 1,954.55 | 4,351.66 |

b) Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses or lifetime expected credit losses for following financial assets:

31 March 2024

(₹ in lacs)

| Particulars | Estimated gross carrying amount at default | Expected credit losses (including credit impaired) | Carrying amount net of impairment provision |
|-------------------------------|--|--|---|
| Trade receivables | 10,853.39 | 30.25 | 10,823.14 |
| Loans | 79.28 | - | 79.28 |
| Cash and cash equivalents | 9,996.11 | - | 9,996.11 |
| Other bank balances | 612.04 | - | 612.04 |
| Other financial assets | 922.70 | - | 922.70 |
| Investments | 6,927.03 | - | 6,927.03 |
| Total financial assets | 29,390.55 | 30.25 | 29,360.30 |

31 March 2022

(₹ in lacs)

| Particulars | Estimated gross carrying amount at default | Expected credit losses (including credit impaired) | Carrying amount net of impairment provision |
|-------------------------------|--|--|---|
| Trade receivables | 13,693.30 | 21.62 | 13,671.68 |
| Loans | 88.82 | - | 88.82 |
| Cash and cash equivalents | 2,834.97 | - | 2,834.97 |
| Other bank balances | 2,453.52 | - | 2,453.52 |
| Derivative assets | 2.04 | - | 2.04 |
| Other financial assets | 976.64 | - | 976.64 |
| Investments | 15,393.36 | - | 15,393.36 |
| Total financial assets | 35,442.65 | 21.62 | 35,421.03 |

Expected credit loss for trade receivables under simplified approach

As at 31 March 2024

(₹ in lacs)

| Particulars | Less than 6 months | 6 months- 1 year | 1- 2 years | 2- 3 years | More than 3 years |
|-------------------------------------|--------------------|------------------|------------|-------------|-------------------|
| Gross carrying value | 10,809.27 | 23.08 | 15.97 | 5.07 | - |
| Credit impaired | - | - | - | - | - |
| Expected loss rate | 0.09% | 14.77% | 100.00% | 22.29% | - |
| Expected credit loss (impairment) | 9.74 | 3.41 | 15.97 | 1.13 | - |
| Carrying amount (net of impairment) | 10,799.53 | 19.67 | - | 3.94 | - |

As at 31 March 2023

(₹ in lacs)

| Particulars | Less than 6 months | 6 months- 1 year | 1- 2 years | 2- 3 years | More than 3 years |
|-------------------------------------|--------------------|------------------|------------|------------|-------------------|
| Gross carrying value | 13,685.57 | 1.18 | 5.98 | 0.33 | 0.24 |
| Credit impaired | - | - | 4.85 | - | - |
| Expected loss rate | 0.10% | 100.00% | 100.00% | 100.00% | 100.00% |
| Expected credit loss (impairment) | 13.89 | 1.18 | 1.13 | 0.33 | 0.24 |
| Carrying amount (net of impairment) | 13,671.68 | - | - | - | - |

(₹ in lacs)

| Reconciliation of loss allowance | Amount |
|--|--------------|
| Loss allowance as on 01 April 2023 | 21.62 |
| Increase in loss allowance due to expected credit loss | 13.48 |
| Decrease in credit impaired | (4.85) |
| Loss allowance as on 31 March 2024 | 30.25 |

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in lacs)

| 31 March 2024 | Less than 1 year | 1 - 3 years | More than 3 years | Total |
|---------------------------------|------------------|------------------|-------------------|------------------|
| Non-derivatives | | | | |
| Borrowings (including interest) | 25,293.15 | 11,123.23 | 4,286.52 | 40,702.90 |
| Trade payables | 3,625.47 | - | - | 3,625.47 |
| Other financial liabilities | 801.27 | - | - | 801.27 |
| Total | 29,719.89 | 11,123.23 | 4,286.52 | 45,129.64 |

(₹ in lacs)

| 31 March 2023 | Less than 1 year | 1 - 3 years | More than 3 years | Total |
|---------------------------------|------------------|------------------|-------------------|------------------|
| Non-derivatives | | | | |
| Borrowings (including interest) | 23,035.77 | 13,991.96 | 6,634.76 | 43,662.49 |
| Trade payables | 2,597.74 | - | - | 2,597.74 |
| Other financial liabilities | 1,442.53 | - | - | 1,442.53 |
| Total | 27,076.04 | 13,991.96 | 6,634.76 | 47,702.76 |

The Company had access to following funding facilities :

As at 31 March 2024

(₹ in lacs)

| Funding facilities | Total Facility | Drawn | Not drawn |
|--------------------|------------------|------------------|------------------|
| Less than 1 year | 30,079.00 | 19,563.00 | 10,516.00 |
| Total | 30,079.00 | 19,563.00 | 10,516.00 |

As at 31 March 2023

(₹ in lacs)

| Funding facilities | Total Facility | Drawn | Not drawn |
|--------------------|------------------|------------------|------------------|
| Less than 1 year | 30,900.00 | 15,591.35 | 15,308.65 |
| Total | 30,900.00 | 15,591.35 | 15,308.65 |

(C) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

Interest rate risk exposure

The Company's variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------|------------------|------------------|
| Variable rate borrowing | 36,326.71 | 38,175.37 |
| Fixed rate borrowing | 363.69 | 411.74 |
| Total borrowings | 36,690.40 | 38,587.11 |

Sensitivity

Profit or loss and other equity is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Interest sensitivity* | | |
| Interest rates – decrease by 50 basis point (31 March 2023: 50 basis point) | 135.92 | 142.83 |
| Interest rates – increase by 50 basis point (31 March 2023: 50 basis point) | (135.92) | (142.83) |

* Holding all other variables constant

The Company is exposed to interest rate risk on account of variable rate borrowings. The company's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time.

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Foreign currency risk exposure

| Particulars | Currency | Amount in Foreign Currency (In absolute figures) | | Amount (₹ in lacs) | |
|------------------------------|----------|---|---------------|-----------------------|---------------|
| | | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Financial assets | | | | | |
| Trade receivable | USD | 7,818,958 | 10,463,148 | 6,517.88 | 8,601.75 |
| | GBP | 123,235 | 62,531 | 129.73 | 63.69 |
| | EURO | 979,297 | 1,822,130 | 883.03 | 1,629.17 |
| Financial liabilities | | | | | |
| Trade payables | EURO | 7,304 | 20,837 | 6.59 | 18.65 |
| | USD | 346,755 | 76,370 | 289.23 | 62.82 |
| | USD | 254,940 | 609,190 | 209.61 | 500.88 |
| Acceptances | EURO | - | 117,000 | - | 104.67 |

Sensitivity

The following table illustrates the sensitivity of profit or loss in regards to the Company's financial assets and financial liabilities and the USD/INR exchange rate, EUR/INR exchange rate and GBP/INR exchange rate 'all other things being equal'. It assumes a +/- 2.02% change of the INR/USD exchange rate for the year ended at 31 March 2024 (2023: 4.92%). A +/- 5.82% change is considered for the INR/EUR exchange rate for the year ended at 31 March 2024 (2023: 8.75%). A +/- 6.58 % change is considered for the INR/GBP exchange rate for the year ended at 31 March 2024 (2023: 11.60%). All of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

(₹ in lacs)

| Particulars | Impact on profit after tax and other equity | |
|---|---|---------------|
| | 31 March 2024 | 31 March 2023 |
| USD sensitivity | | |
| INR/USD increase by 2.02% (31 March 2023- 4.92%) | 90.98 | 295.93 |
| INR/USD decrease by 2.02% (31 March 2023- 4.92%) | (90.98) | (295.93) |
| GBP sensitivity | | |
| INR/GBP increase by 6.58% (31 March 2023- 11.60%) | 6.39 | 5.53 |
| INR/GBP decrease by 6.58% (31 March 2023- 11.60%) | (6.39) | (5.53) |
| EUR sensitivity | | |
| INR/EUR increase by 5.82% (31 March 2023- 8.75%) | 38.17 | 98.60 |
| INR/EUR decrease by 5.82% (31 March 2023- 8.75%) | (38.17) | (98.60) |

(iii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and other equity is sensitive to higher/ lower prices of instruments on the Company's profit/(loss) for the year -

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|-----------------|
| Investments in mutual funds | | |
| Price increase by (5%) - FVTPL instrument | 259.17 | 575.94 |
| Price decrease by (5%) - FVTPL instrument | (259.17) | (575.94) |

35. Segment reporting

The Company operates in three segments manufacturing and sale of polyester film ,engineering plastics and speciality polymer. The Company has chosen business segments considering the dominant source of nature of risks and returns, internal organisation, management structure and the manner chief operating decision maker (CODM) review the financial performance of the business for allocating the economic resources. A brief description of the reportable segment is as follows:

Polyester chips and film: Polyester chips andfilms that are used in primarily flexible packaging and other industrial application. Polyester film is known for high tensile strength, chemical and dimensional stability, transparency,reflective, gas and aroma barrier properties and electrical insulation. PET chips is the main raw material used to manufacture the film.

Engineering plastics-Discontinued : Engineeringplastics are group of plastic materials that exhibit superior mechanical and thermal properties over the more commonly used commodity plastics. Engineering plastics are equipped with certain electrical properties which enable it to be used in specific industries such as automotive, telecommunication, electrical, electronics and lighting, consumer durable etc.

Speciality Polymer: Speciality Polymers are Polymers that are high performance material catering to the global needs of the industries / applications such as carpets, textiles, food and beverages, consumer electronics, industrial etc. which cannot be met by commodity PET grades.

A. Segment Disclosure

Year ended 31 March 2024

(₹ in lacs)

| Particulars | Polyester chips andfilm | Speciality Polymers | Total of segments | Unallocable | Net Total | Engineering plastics (Discontinued) |
|---|-------------------------|---------------------|-------------------|-------------------|--------------------|-------------------------------------|
| Revenue | | | | | | |
| External customers | 75,404.91 | 10,133.96 | 85,538.87 | - | 85,538.87 | - |
| Total revenue | 75,404.91 | 10,133.96 | 85,538.87 | - | 85,538.87 | - |
| Income/expenses | | | | | | |
| Other income | - | - | - | 2,626.71 | 2,626.71 | - |
| Cost of material consumed | 55,100.44 | 5,402.47 | 60,502.91 | - | 60,502.91 | - |
| Changes in inventories of finished goods and work-in-progress | (828.76) | (186.64) | (1,015.40) | - | (1,015.40) | - |
| Depreciation and amortisation | 3,162.08 | 648.93 | 3,811.01 | 468.64 | 4,279.65 | - |
| Finance costs | - | - | - | 3,733.01 | 3,733.01 | - |
| Other expenses | 17,981.11 | 2,084.58 | 20,065.69 | 6,328.54 | 26,394.23 | - |
| Segment (loss)/ profit | (9.96) | 2,184.62 | 2,174.66 | (7,903.48) | (5,728.82) | - |
| Segment assets | 45,361.60 | 12,072.39 | 57,433.99 | 71,735.95 | 1,29,169.94 | - |
| Segment liabilities | 6,252.29 | 482.22 | 6,734.51 | 39,812.05 | 46,546.56 | - |
| Other disclosures | | | | | | |
| Capital expenditure | 5,669.21 | 270.60 | 5,939.81 | 1,411.09 | 7,350.90 | - |

Year ended 31 March 2023

(₹ in lacs)

| Particulars | Polyester chips andfilm | Speciality Polymers | Total of segments | Unallocable | Net Total | Engineering plastics (Discontinued) |
|---|-------------------------|---------------------|--------------------|-------------------|--------------------|-------------------------------------|
| Revenue | | | | | | |
| External customers | 87,996.27 | 19,751.61 | 1,07,747.88 | - | 1,07,747.88 | 13,600.66 |
| Total revenue | 87,996.27 | 19,751.61 | 1,07,747.88 | - | 1,07,747.88 | 13,600.66 |
| Income/expenses | | | | | | |
| Other income | - | - | - | 1,721.60 | 1,721.60 | - |
| Cost of material consumed | 56,717.29 | 9,953.38 | 66,670.67 | - | 66,670.67 | 9,220.36 |
| Changes in inventories of finished goods and work-in-progress | 761.10 | 1,049.91 | 1,811.01 | - | 1,811.01 | 1,461.35 |
| Depreciation and amortisation | 2,889.77 | 522.06 | 3,411.83 | 489.75 | 3,901.58 | 76.14 |
| Finance costs | - | - | - | 3,015.50 | 3,015.50 | - |
| Other expenses | 20,460.33 | 2,511.35 | 22,971.68 | 6,291.70 | 29,263.38 | 1,074.46 |
| Segment profit/ (loss) | 7,167.78 | 5,714.91 | 12,882.69 | (8,075.35) | 4,807.34 | 1,768.35 |
| Segment assets | 45,729.21 | 16,207.37 | 61,936.58 | 65,686.44 | 1,27,623.02 | - |

| Year ended 31 March 2023 | | | | | | (₹ in lacs) |
|----------------------------|-------------------------|---------------------|-------------------|-------------|------------------|-------------------------------------|
| Particulars | Polyester chips andfilm | Speciality Polymers | Total of segments | Unallocable | Net Total | Engineering plastics (Discontinued) |
| Segment liabilities | 5,422.81 | 643.01 | 6,065.82 | 44,116.13 | 50,181.95 | - |
| Other disclosures | | | | | | |
| Capital expenditure | 2,491.74 | 1,911.45 | 4,403.19 | 5,447.30 | 9,850.49 | 2,115.53 |

| Revenue as per geographical market | | | (₹ in lacs) |
|--|----------------------------------|----------------------------------|-------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Revenue from external customers: | | | |
| India | 55,523.76 | 65,212.25 | |
| Outside India | 30,015.11 | 42,535.63 | |
| Total revenue per statement of profit or loss | 85,538.87 | 1,07,747.88 | |
| Segment receivables | | | |
| India | 3,281.96 | 3,384.44 | |
| Outside India | 7,541.18 | 10,287.24 | |
| Total | 10,823.14 | 13,671.68 | |

Information about major customer

During the year ended 31 March 2024 revenue of approximately 6.01% (31 March 2023: 6.96%) was derived from a single external customer in the polyester chips and film business and approximately 24.03% in 31 March 2023 (31 March 2023: 66.42%) was derived from a single external customer in the speciality polymer business.

Non-current assets

Non-current assets of the Company (property, plant and equipment, capital work-in-progress, intangible assets) are held in India.

36. Capital management

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would attract penalty/ financial interest. There have been few breaches in the financial covenants due to decline in performance of the Company. However, default in financial covenant doesn't lead to calling of loan by banks.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

| (a) Debt equity ratio | (₹ in lacs) | |
|---------------------------------|---------------------|---------------------|
| | As at 31 March 2024 | As at 31 March 2023 |
| Total borrowings* | 36,690.40 | 38,587.11 |
| Total equity | 82,623.37 | 77,441.07 |
| Net debt to equity ratio | 44% | 50% |

*Total borrowings include non-current borrowings, current borrowings and leases.

| (b) Dividends | (₹ in lacs) | |
|--|---------------------|---------------------|
| Particulars | As at 31 March 2024 | As at 31 March 2023 |
| Equity shares - Dividend Paid | | |
| Final dividend for the year ended 31 March 2023 of ₹ 0.50 per equity share (including tax) | 416.97 | - |
| Final dividend for the year ended 31 March 2022 of ₹ 1.90 per equity share (excluding tax) | - | 1,584.48 |

37. Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

| i) Parties where control exists: | | Nature of related party | |
|---|--|--|--|
| Name of the related parties | 31 March 2024 | 31 March 2023 | |
| Goldring Investments Corporation | Ultimate Holding Company | Ultimate Holding Company | |
| Wilemina Finance Corporation | Holding Company | Holding Company | |
| Ester Filmtech Limited | Wholly owned Subsidiary Company | Wholly owned Subsidiary Company | |
| Mr. Arvind Singhania (Chairman and CEO) | Key managerial personnel | Key managerial personnel | |
| Mr. Pradeep Kumar Rustagi (Executive Director - Corporate Affairs) | Key managerial personnel | Key managerial personnel | |
| Mr. Sourabh Agarwal (CFO) | Key managerial personnel | Key managerial personnel (joined w.e.f 16 March 2023) | |
| Mr. Manish Gupta (CFO) | - | Key managerial personnel (Till 29 August 2022) | |
| Mr. Ayush Vardhan Singhania (WTD) | Key managerial personnel | Key managerial personnel | |
| Mrs. Poornima Gupta (CS) | Key managerial personnel(w.e.f.12 July 2023) | - | |
| Mrs. Archana Singhania (Director) | Director | Director | |
| Mr. Ashok Kumar Newatia (Independent Director) | Director(Till 31 March 2024) | Director | |
| Dr. Anand Chand Burman (Independent Director) | Director(Till 31 March 2024) | Director | |
| Mr. M S Ramachandran (Independent Director) | Director(Till 31 March 2024) | Director | |
| Mr. Sandeep Dinodia (Independent Director) | Director | Director | |
| Mr. P S Dasgupta (Independent Director) | Director(Till 31 March 2024) | Director | |
| Mrs. Padmaja Shailen Ruparel (Independent Director) | Director | Director | |
| Mr. Alok Dhir (Independent Director) | Director (w.e.f 14 February 2024) | - | |
| Mr. Atul Aggarwal (Independent Director) | Director (w.e.f 14 February 2024) | - | |
| Mrs. Uma Devi Singhania | Relatives of key managerial personnel | Relatives of key managerial personnel | |
| Mr. Jai Vardhan Singhania | Relatives of key managerial personnel | Relatives of key managerial personnel | |
| Fenton Investments Private Limited | Enterprise over which key managerial personnel exercise significant influence (others) | Enterprise over which key managerial personnel exercise significant influence (others) | |
| MOVI Limited | Enterprise over which key managerial personnel exercise significant influence (others) | Enterprise over which key managerial personnel exercise significant influence (others) | |
| Modi Rubbers limited | Enterprise controlled by a close member of key managerial personnel (others) | - | |
| Ester Industries Limited Employee's Provident Trust | Enterprise which is post-employment benefit plan for the benefit of employees | Enterprise which is post-employment benefit plan for the benefit of employees | |

37. Related party transactions (Cont'd)

(a) Transactions during the year with related parties carried out in the ordinary course of business:

| Sr. No. | Particulars | (₹ in lacs) | | | | | | | | | |
|---------|--------------------------------|--|---------------|---------------------------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| | | Key managerial personnel and relatives | | Wholly owned Subsidiary Company | | Holding Company | | Others | | Total | |
| | | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| 1 | Managerial remuneration | | | | | | | | | | |
| | Arvind Singhania | 306.40 | 306.40 | - | - | - | - | - | - | 306.40 | 306.40 |
| | Pradeep Kumar Rustagi | 114.16 | 155.19 | - | - | - | - | - | - | 114.16 | 155.19 |
| | Manish Gupta | - | 30.23 | - | - | - | - | - | - | - | 30.23 |

(₹ in lacs)

| Sr. No. | Particulars | Key managerial personnel and relatives | | Wholly owned Subsidiary Company | | Holding Company | | Others | | Total | |
|---------|--|--|---------------|---------------------------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| | | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | Ayush Vardhan Singhania | 128.90 | 165.95 | - | - | - | - | - | - | 128.90 | 165.95 |
| | Sourabh Agarwal | 79.56 | 3.31 | - | - | - | - | - | - | 79.56 | 3.31 |
| | Poornima Gupta | 8.78 | - | - | - | - | - | - | - | 8.78 | - |
| 2 | Sitting fees | | | | | | | | | | |
| | Archana Singhania | 0.80 | 0.80 | - | - | - | - | - | - | 0.80 | 0.80 |
| | Anand Chand Burman | 0.30 | 0.50 | - | - | - | - | - | - | 0.30 | 0.50 |
| | Ashok Kumar Newatia | 1.30 | 1.90 | - | - | - | - | - | - | 1.30 | 1.90 |
| | M S Ramachandran | 1.80 | 2.60 | - | - | - | - | - | - | 1.80 | 2.60 |
| | Sandeep Dinodia | 1.60 | 2.30 | - | - | - | - | - | - | 1.60 | 2.30 |
| | Padmaja Shailen Ruparel | 0.50 | 0.60 | - | - | - | - | - | - | 0.50 | 0.60 |
| | P S Dasgupta | 0.80 | 0.90 | - | - | - | - | - | - | 0.80 | 0.90 |
| 3 | Equity and security premium contributions in cash | | | | | | | | | | |
| | Arvind Singhania | 2,490.00 | - | - | - | - | - | - | - | 2,490.00 | - |
| | Modi Rubbers limited | - | - | - | - | - | - | 2,500.00 | - | 2,500.00 | - |
| 4 | Dividend paid | | | | | | | | | | |
| | Ayush Vardhan Singhania | 0.89 | 3.38 | - | - | - | - | - | - | 0.89 | 3.38 |
| | Jai Vardhan Singhania | 0.62 | 2.37 | - | - | - | - | - | - | 0.62 | 2.37 |
| | Wilemina Finance Corporation | - | - | - | - | 245.28 | 920.65 | - | - | 245.28 | 920.65 |
| | Fenton Investments Private Limited | - | - | - | - | - | - | 2.45 | 9.31 | 2.45 | 9.31 |
| | MOVI Limited | - | - | - | - | - | - | 17.80 | 79.04 | 17.80 | 79.04 |
| 5 | Loan given to subsidiary * | | | | | | | | | | |
| | Ester Filmtech Limited | - | - | - | 1,650.00 | - | - | - | - | - | 1,650.00 |
| 6 | Investment in subsidiary | | | | | | | | | | |
| | Ester Filmtech Limited | - | - | 10,300.00 | 7,281.56 | - | - | - | - | 10,300.00 | 7,281.56 |
| 7 | Liability of gratuity and leave encashment (due to transfer of employees) | | | | | | | | | | |
| | Ester Filmtech Limited | - | - | 0.25 | 1.81 | - | - | - | - | 0.25 | 1.81 |
| 8 | Corporate guarantees given to lender (banks) of - | | | | | | | | | | |
| | Ester Filmtech Limited | - | - | 6,982.91 | 11,088.24 | - | - | - | - | 6,982.91 | 11,088.24 |
| 9 | Loan repaid | | | | | | | | | | |
| | Wilemina Finance Corporation | - | - | - | - | - | 101.94 | - | - | - | 101.94 |
| 10 | Corporate guarantees given by holding company to lender banks | | | | | | | | | | |
| | Wilemina Finance Corporation | - | - | - | - | 1,195.51 | 788.90 | - | - | 1,195.51 | 788.90 |

(₹ in lacs)

| Sr. No. | Particulars | Key managerial personnel and relatives | | Wholly owned Subsidiary Company | | Holding Company | | Others | | Total | |
|---------|--|--|---------------|---------------------------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| | | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| 11 | Guarantees given by KMP to lender banks | | | | | | | | | | |
| | Arvind Singhania | - | 6,543.92 | - | - | - | - | - | - | - | 6,543.92 |
| 12 | Company's contribution to provident fund trust: | | | | | | | | | | |
| | Ester Industries Limited Employee's Provident Trust | - | - | - | - | - | - | 129.32 | 104.16 | 129.32 | 104.16 |
| 13 | Purchases of goods | - | - | 193.93 | 34.90 | - | - | - | - | 193.93 | 34.90 |
| 14 | Sale of goods | - | - | 6,910.95 | 1,211.56 | - | - | - | - | 6,910.95 | 1,211.56 |
| 15 | Management fees | - | - | 50.00 | - | - | - | - | - | 50.00 | - |
| 16 | Interest received on loan* | - | - | - | 39.16 | - | - | - | - | - | 39.16 |

* The Company had granted loan to subsidiary amounting to ₹ 1,650.00 lacs, in the previous year, where, as per agreement, it had an undisputed right to convert the loan into equity shares at face value and the Company has exercised that right during the previous year. Interest income @ 8.60% was received from the subsidiary.

(b) Closing balance with subsidiary in the ordinary course of business:

(₹ in lacs)

| Sr. No. | Particulars | Year | Amount |
|---------|--|---------------|-----------|
| 1 | Investment in subsidiary | | |
| | Ester Filmtech Limited | 31 March 2024 | 37,300.00 |
| | | 31 March 2023 | 27,000.00 |
| 2 | Corporate guarantees given to lender (banks) of - | | |
| | Ester Filmtech Limited | 31 March 2024 | 51,149.60 |
| | | 31 March 2023 | 44,166.69 |
| 3 | Payable | 31 March 2024 | 0.25 |
| | | 31 March 2023 | 42.99 |
| 4 | Receivable | 31 March 2024 | 605.05 |
| | | 31 March 2023 | 150.10 |

(c) Closing balance with key managerial personnel in the ordinary course of business:

(₹ in lacs)

| | Guarantees given (jointly and severally) against loans taken by the Company | Year | Amount |
|---|---|---------------|-----------|
| 1 | Arvind Singhania | 31 March 2024 | 36,326.71 |
| | | 31 March 2023 | 38,175.37 |

(d) Closing balance with holding company in the ordinary course of business:

(₹ in lacs)

| Sr. No. | Particulars | Year | Amount |
|---------|--|---------------|-----------|
| 1 | Guarantees given against loans taken (jointly and severally) by the Company | | |
| | Wilemina Finance Corporation | 31 March 2024 | 23,244.40 |
| | | 31 March 2023 | 22,048.89 |

(e) Key managerial personnel compensation:

(₹ in lacs)

| | Nature of transactions | 31 March 2024 | 31 March 2023 |
|--|------------------------------|---------------|---------------|
| | Short-term employee benefits | 637.80 | 661.08 |
| | Post-employment benefits | 13.41 | 21.06 |
| | Other long-term benefits | 2.16 | 1.65 |
| | | 653.37 | 683.79 |

The Company's related party transactions during the years ended 31 March 2024 and 31 March 2023 and outstanding balances as at 31 March 2024 and 31 March 2023 are at arms length and in the ordinary course of business.

38. Contingent liabilities and commitments

(₹ in lacs)

| Particulars | | 31 March 2024 | 31 March 2023 |
|-----------------------------------|--|---------------|---------------|
| A. Contingent liabilities* | | | |
| 1 | Claims against the Company not acknowledged as debts [^] | 19.00 | 38.93 |
| 2 | Additional bonus for financial year 2014-15 due to Payment of Bonus (Amendment) Act, 2015 [#] | 22.87 | 22.87 |
| 3 | There is a contingent liability of: \$ | | |
| i) | Excise duty/custom duty/service tax demands not acknowledged as liability | 1,227.25 | 967.03 |
| ii) | Demand raised by Income Tax department, disputed by the Company and pending in appeal | 33.88 | 33.88 |

* The amounts indicated as contingent liability or claims against the Company only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered.

[^] These claims represents various civil cases filed against the Company by various vendors and ex-employees of the Company.

[#] In view of the amendment in The Payment of Bonus Act, 1965 notified on 01 January 2016, the Company has made a provision for incremental bonus for the financial year i.e. for 2015-16. Though the amendment was effective retrospectively from 01 April 2014, the Company on the legal advice has decided not to consider it on account of interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

^{\$} The Company is contesting the above demands and the management, based on legal advice, believe that its position will be upheld in the appellate process. Hence, no tax expense has been accrued in the consolidated financial statements for these tax demands.

(₹ in lacs)

| B. Commitments | | 31 March 2024 | 31 March 2023 |
|----------------|--|---------------|---------------|
| 1 | Estimated amount of contracts remaining to be executed on capital account and not provided for | 710.06 | 4,462.28 |
| 2 | Estimated amounts of contracts remaining to be executed on other than capital account and not provided for | 4,128.65 | 4,370.96 |
| 3 | Corporate guarantees given to Lender (banks) of Ester Filmtech Limited (subsidiary) (refer note 37) | 51,149.60 | 44,166.69 |
| 4 | The Company has given letter of comfort to Ester Filmtech Limited (Subsidiary). As per the terms of letter of comfort, the Company undertakes that in an event the subsidiary is unable to meet its financial liability including interest and debt repayment obligations, the Company will provide necessary financial support to the Subsidiary to enable it to meet its obligations for the foreseeable future. | - | - |

39. Leases disclosure as lessee

Lease liabilities are presented in the statement of financial position as follows:

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Current liabilities (amount due within one year) | - | - |
| Non current liabilities (amount due over one year) | 1.25 | 1.25 |

The Company's leased asset consist of leases for land and building . With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

Right of use asset as at 31 March 2024 amounting to ₹ 56.85 lacs (31 March 2023 amounting to ₹ 57.61 lacs) is for the lease of land.

A Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right of use the underlying asset recognised in the standalone financial statement.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹ 60.80 lacs (31 March 2023 amounting to ₹ 99.08 lacs).

B Total cash outflow for leases for the year ended 31 March 2024 was ₹ 0.15 lacs (year ended 31 March 23 was ₹ 48.26 lacs).

C Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows: (₹ in lacs)

| Particulars | Minimum lease payments due as on 31 March 2024 | | | | | | Total |
|---------------------------|--|-----------|-----------|-----------|-----------|-------------------|---------|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 Years | |
| Lease payments | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 10.8 | 11.55 |
| Interest expense | (0.15) | (0.15) | (0.15) | (0.15) | (0.15) | (9.55) | (10.30) |
| Net present values | - | - | - | - | - | 1.25 | 1.25 |

D Information about extension and termination options

| Leases entered into | Number of leases | Range of remaining term | Average remaining lease term | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---|------------------|-------------------------|------------------------------|--|---------------------------------------|--|
| Land for sitarganj manufacturing facility | 1 | 75 years | 75 years | - | None | - |

E Expected future cash outflow on account of variable lease payments as at 31 March 2024 is of ₹ Nil.

F The total future cash outflows as at 31 March 2024 for leases that had not yet commenced is of ₹ Nil.

40. Employee benefits obligations**I Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on departure at fifteen day salary (last drawn salary) for each completed year of service in terms of the provisions of the Payments of Gratuity Act, 1972. The Company provides for liability in its books of accounts based on actuarial valuation.

The following table summaries the components of net benefit expense recognised in statement of profit and loss and the amount recognised in the balance sheet for gratuity benefit:

(i) Amounts recognised in the balance sheet (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-----------------------|-----------------|---------------|
| Current liability | 333.11 | 236.53 |
| Non-current Liability | 728.02 | 709.73 |
| Total | 1,061.13 | 946.26 |

(ii) Movement in the liability recognised in the balance sheet is as under: (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|-----------------|---------------|
| Present value of defined benefit obligation at the beginning of the year | 946.26 | 1,018.91 |
| Acquisition Adjustment (In) | 0.07 | - |
| Acquisition Adjustment (out) | (0.17) | (73.85) |
| Current service cost | 71.89 | 64.14 |
| Interest cost | 69.83 | 73.56 |
| Actuarial (gain)/loss (net) | 100.99 | (35.22) |
| Benefits paid | (127.74) | (101.28) |
| Present value of defined benefit obligation at the end of the year | 1,061.13 | 946.26 |

(iii) Expenses recognised in statement of profit and loss (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Current service cost | 71.89 | 64.14 |
| Interest cost | 69.83 | 73.56 |
| Cost recognised during the year | 141.72 | 137.70 |

(iv) Expenses recognised in other comprehensive income (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|----------------|
| Actuarial gain/loss net on account of: | | |
| - Changes in financial assumptions | 11.24 | (7.31) |
| - Changes in experience adjustment | 89.75 | (27.91) |
| Cost/ (Income) recognised during the year | 100.99 | (35.22) |

| | 31 March 2024 | 31 March 2023 | 31 March 2022 | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|---------------|---------------|---------------|
| - Changes in experience adjustment loss/ (gain) | 89.75 | (27.91) | 44.17 | 39.20 | 49.94 |

(v) **Expected contribution for the next annual reporting period** (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Service cost | 65.93 | 62.78 |
| Interest cost | 75.87 | 69.83 |
| Expected expense for the next annual reporting period | 141.80 | 132.61 |

(vi(a)) **For determination of the liability of the Company the following actuarial assumptions were used:**

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------------------|---------------|---------------|
| Discount rate | 7.15% | 7.38% |
| Salary escalation rate | 5.00% | 5.00% |
| Retirement age (years) | 58 Years | 58 Years |
| Average past service (years) | 12.83 Years | 13.06 Years |
| Average age | 42.42 Years | 42.78 Years |
| Average remaining working life | 15.58 Years | 15.22 Years |
| Weighted average duration | 12.60 Years | 12.37 Years |
| Withdrawal rate | | |
| Up to 30 years | 3.00% | 3.00% |
| From 31 to 44 years | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% |

Mortality rates inclusive of provision for disability-100% of IALM (2012 – 14)

(vi(b)) **Maturity profile of defined benefit obligation** (₹ in lacs)

| Particulars | Amount | Amount |
|---------------------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Less than a year | 333.11 | 236.53 |
| Between one to two years | 112.93 | 119.81 |
| Between two to five years | 244.70 | 300.70 |
| Over five years | 370.39 | 289.22 |

(vii) **Sensitivity analysis** (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|---------------|
| a) Impact of the change in discount rate | | |
| Present value of obligation at the end of the year | 1,061.13 | 946.26 |
| Impact due to increase of 0.50% | (24.31) | (22.19) |
| Impact due to decrease of 0.50% | 25.88 | 23.57 |
| b) Impact of the change in salary increase | | |
| Present value of obligation at the end of the year | 1,061.13 | 946.26 |
| Impact due to increase of 0.50% | 26.30 | 24.01 |
| Impact due to decrease of 0.50% | (24.90) | (22.78) |

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

Risk

| | |
|--------------------------|--|
| Salary increases | Actual salary increases will increase the defined benefit liability. Increase in salary increment rate assumption in future valuations will also increase the liability. |
| Discount rate | Reduction in discount rate in subsequent valuations can increase the liability. |
| Mortality and disability | Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities. |
| Withdrawals | Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact defined benefit liability. |

II Provident fund

Provident fund for certain eligible employees is managed by the Company through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In this regard, actuarial valuation as at 31 March 2024 was carried out by actuary to find out value of projected defined benefit obligation arising due to interest rate guarantee by the Company towards provident fund.

| (₹ in lacs) | | | |
|-------------|---|---------------|---------------|
| (i) | Projected benefit obligation | 31 March 2024 | 31 March 2023 |
| | Projected benefit obligation at beginning of year | 2,402.20 | 2,043.75 |
| | Current service cost | 129.32 | 104.16 |
| | Interest cost | 184.14 | 174.70 |
| | Contributions by plan participants/ employees | 158.82 | 134.22 |
| | Actuarial loss / (gain) due to interest guarantee | (1.40) | (0.04) |
| | Benefits paid | (618.05) | (71.47) |
| | Settlements/ transfer In | 90.83 | 16.88 |
| | Projected benefit obligation at end of year | 2,345.86 | 2,402.20 |

| (₹ in lacs) | | | |
|-------------|---|---------------|---------------|
| (ii) | Reconciliation of plan assets | 31 March 2024 | 31 March 2023 |
| | Fair value of plan asset at beginning of year | 2,476.13 | 2,127.33 |
| | Actual return on plan asset | 193.53 | 165.01 |
| | Employer contribution | 129.32 | 104.16 |
| | Plan participants/ employee contribution | 158.82 | 134.22 |
| | Benefit paid | (618.05) | (71.47) |
| | Settlements/ transfer in | 90.83 | 16.88 |
| | Fair value of plan asset at the end of the year | 2,430.58 | 2,476.13 |

The principal assumptions used in determining liability towards shortfall in provident liability are shown below:

| (iii) | Economic assumptions | 31 March 2024 | 31 March 2023 |
|-------|---|---------------|---------------|
| | i) Interest rate | 8.25% | 8.15% |
| | ii) Discount rate | 7.15% | 7.38% |
| | iii) Expected shortfall in Interest earning on the fund | 0.05% | 0.05% |

| (iv) | Demographic assumptions | 31 March 2024 | 31 March 2023 |
|------|---------------------------|----------------|----------------|
| | i) Mortality | IALM (2012-14) | IALM (2012-14) |
| | ii) Normal Retirement Age | 58 | 58 |

| (₹ in lacs) | | | |
|-------------|--|---------------|---------------|
| (v) | Actuarial (Gain)/Loss on Obligation | 31 March 2024 | 31 March 2023 |
| | i) Actuarial loss/ (gain) on arising from change in financial assumption | 0.29 | (0.10) |
| | ii) Actuarial loss on arising from experience adjustment | 1.70 | 0.06 |

| (₹ in lacs) | | | | |
|---|---------------|---------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| - Changes in experience adjustment loss/ (gain) | 1.70 | 0.06 | 94.38 | (87.71) |

| (vi) | Major categories of plan assets (as percentage of total plan assets) | 31 March 2024 |
|------|--|---------------|
| | i) Government of India securities | 12.77% |
| | ii) State government securities | 45.82% |
| | iii) High quality corporate bonds | 29.84% |
| | iv) Private sector bonds | 10.70% |
| | v) Equity shares of listed companies | 0.87% |

III The Company has made contribution to certain defined contribution plans as captured in the table below. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

| | (₹ in lacs) | |
|--|---------------|---------------|
| Particulars | 31 March 2024 | 31 March 2023 |
| Employer's contribution to Ester Industries Limited Employee's Provident Trust | 129.32 | 104.16 |
| Employer's contribution to other Provident Fund | 125.51 | 161.17 |
| Employer's contribution to Superannuation Fund | 40.05 | 44.93 |
| Employer's contribution to labour welfare fund and employee state insurance | 9.63 | 11.02 |

41. Discontinued operations

a. Description:

On 06 May 2022, the Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from 15 September 2022. The business was reported under "Engineering Plastics Business" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements till previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below:

b. Financial performance and Cash flow information:

| | | (₹ in lacs) | |
|-----|---|----------------|------------------|
| SL | Particulars | March 31, 2024 | 31 March 2023 |
| I | (a) Sale of products | - | 13,593.60 |
| | (b) Other operating revenues | - | 7.06 |
| | (c) Revenue from operations {I(a)+I(b)} | - | 13,600.66 |
| | (d) Other income | - | - |
| | (e) Total income {I(c)+I(d)} | - | 13,600.66 |
| | (f) Total expenses | - | 11,832.31 |
| | (g) Profit before tax for the period from discontinued operations {I(e)-I(f)} | - | 1,768.35 |
| | (h) Tax expense related to discontinued operations | - | 445.10 |
| | (i) Net Profit after tax for the period from discontinued operations {I(g)-I(h)} | - | 1,323.25 |
| II | (a) Profit before tax on disposal of discontinued operations | - | 14,555.95 |
| | (b) Tax expense related to disposal of discontinued operations | - | 3,357.77 |
| | (c) Net Profit after tax on disposal of discontinued operations {II(a)-II(b)} | - | 11,198.18 |
| III | Net Profit after tax for the period from discontinued operations {I(i)+II(c)} | - | 12,521.43 |
| IV | Net cash generated from operating activities | - | 4,229.02 |
| V | Net cash generated from investing activities | - | 20284.26 |

c. Details of disposal of discontinued operations:

| | | (₹ in lacs) | |
|--|--|-------------|------------------|
| Particulars | | | 31 March 2023 |
| Proceeds from slump sale of business | | | 26,326.27 |
| Carrying amount of net assets transferred | | | (11,186.99) |
| Costs incurred on slump sale of business | | | (583.33) |
| Profit before tax on disposal of discontinued operations | | | 14,555.95 |
| Tax expense related to disposal of discontinued operations | | | (3,357.77) |
| Net Profit after tax on disposal of discontinued operations | | | 11,198.18 |

d. The carrying amounts of assets and liabilities as at the date of sale were as follows:

| | | (₹ in lacs) | |
|----------------------------------|--|-------------|------------------|
| Particulars | | | 31 March 2023 |
| Property, plant and equipment | | | 3,642.17 |
| Inventory | | | 3,826.81 |
| Trade receivables | | | 5,897.21 |
| Other assets | | | 582.34 |
| Total assets | | | 13,948.53 |
| Trade payables | | | 2,649.82 |
| Other liabilities and provisions | | | 111.72 |
| Total liabilities | | | 2,761.54 |
| Net assets transferred | | | 11,186.99 |

e. Pursuant to requirements of Ind AS 105, the amounts in the statement of profit and loss (and notes 25,28 and 30) for the current year and the previous year have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.

42 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contracts with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

For the year 31 March 2024

(₹ in lacs)

| Revenue from operations | Goods | Other operating revenue* | Total |
|--|------------------|--------------------------|------------------|
| Revenue by geography (continuing operation) | | | |
| Domestic | 54,192.36 | 552.12 | 54,744.48 |
| Export | 30,015.11 | - | 30,015.11 |
| Subtotal (a) | 84,207.47 | 552.12 | 84,759.59 |
| Total (a+b) | 84,207.47 | 552.12 | 84,759.59 |

For the year 31 March 2023

(₹ in lacs)

| Revenue from operations | Goods | Other operating revenue* | Total |
|--|--------------------|--------------------------|--------------------|
| Revenue by geography (continuing operation) | | | |
| Domestic | 63,465.26 | 631.20 | 64,096.46 |
| Export | 42,535.63 | - | 42,535.63 |
| Subtotal (a) | 1,06,000.89 | 631.20 | 1,06,632.09 |
| Revenue by geography (discontinued operation) | | | |
| Domestic | 12,361.04 | - | 12,361.04 |
| Export | 1,232.56 | - | 1,232.56 |
| Subtotal (b) | 13,593.60 | - | 13,593.60 |
| Total (a+b) | 1,19,594.49 | 631.20 | 1,20,225.69 |

(b) Assets and liabilities related to contracts with customers

(₹ in lacs)

| Description | 31 March 2024 | | 31 March 2023 | |
|---|---------------|---------|---------------|---------|
| | Non-current | Current | Non-current | Current |
| Contract liabilities | | | | |
| Revenue received in advance-Continuing operations | - | 77.87 | - | 250.70 |

(c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

(₹ in lacs)

| Description | 31 March 2024 | 31 March 2023 |
|--|------------------|--------------------|
| Continuing operations | | |
| Contract price* | 84,857.55 | 1,06,697.26 |
| Less: Discount, rebates, credits etc. | 97.96 | 65.17 |
| Discontinued operations | | |
| Contract price | - | 13,599.19 |
| Less: Discount, rebates, credits etc. | - | 5.59 |
| Revenue from operations as per Statement of Profit and Loss | 84,759.59 | 1,20,225.69 |

* Other operating revenue amounting to ₹779.27 lacs (31 March 2023: ₹ 1,122.85 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(d) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

(₹ in lacs)

| Description | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Continuing operations | | |
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | 250.70 | 374.87 |
| Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods | - | - |
| Discontinued operations | | |
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | - | 56.58 |
| Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods | - | - |

- (e) In the normal course of business, the payment terms given to domestic customers ranges from 0 to 60 days and for export customers, it ranges from 0 to 105 days.

43. Share based payment

The Nomination and Remuneration Committee of the Company had at its meeting held on 01 April 2021, approved grant of 2,48,179 (face value of ₹ 5/- per share) to the eligible employees of the Company under the of Ester share based expenses Plan-2021, at an exercise price of ₹ 105 per option (being 10% less than the closing price at NSE on 31 March 2021 i.e. immediately preceding the grant date), each option being convertible in to one Equity Share of the Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the terms and conditions of the Ester share based expenses Plan-2021.

The terms and conditions of the grant as per the Ester share based expenses Plan-2021 are as under:

A. Vesting period

Vesting of the options shall take place as per the following schedule:

- 10% of options shall vest at the end of a period of 1 (one) year from date of grant
- 20% of options shall vest at the end of a period of 2 (two) years from date of grant
- 30% of options shall vest at the end of a period of 3 (three) years from date of grant
- 40% of options shall vest at the end of a period of 4 (four) years from date of grant

B. Exercise period

8 (Eight) years from the date of grant. The employee shall have a right to exercise all the option vested in him at one time or various points of time within the exercise period.

Particulars of options outstanding as on 31 March 24 is as follows:

| Particulars | Grant 1 | | | |
|--|------------------|------------------|------------------|------------------|
| | Vesting period-1 | Vesting period-2 | Vesting period-3 | Vesting period-4 |
| Outstanding stock options (numbers) at the beginning of the year | 24,818 | 49,636 | 74,454 | 99,272 |
| Options (numbers) granted during the year | - | - | - | - |
| Options (numbers) exercised during the year | - | - | - | - |
| Outstanding options (numbers) at the end of the year | 24,818 | 49,636 | 74,454 | 99,272 |
| Weighted average exercise price (₹) | 105.00 | 105.00 | 105.00 | 105.00 |
| Vesting date | 01 April 2022 | 01 April 2023 | 01 April 2024 | 01 April 2025 |

Weighted average remaining contractual life as on 31 March 2024 (5 years) and 31 March 2023 (6 years).

Fair value of options granted during the previous financial year 2021-22, has been determined using Black-Scholes model with following inputs:

| Particulars | Grant 1 | | | |
|--|------------------|------------------|------------------|------------------|
| | Vesting period-1 | Vesting period-2 | Vesting period-3 | Vesting period-4 |
| Date of Grant | 01 April 2021 | 01 April 2021 | 01 April 2021 | 01 April 2021 |
| Stock price on the grant date (₹) | 116.75 | 116.75 | 116.75 | 116.75 |
| Exercise price (₹) | 105.00 | 105.00 | 105.00 | 105.00 |
| Expected term (years) | 8 years | 8 years | 8 years | 8 years |
| Weighted average fair value as on grant date (₹) | 57.97 | 60.08 | 64.91 | 67.29 |
| Expected price volatility | 55.72% | 55.64% | 60.05% | 61.03% |
| Risk free interest rate | 5.49% | 5.64% | 5.77% | 5.90% |
| Expected dividend yield | 1.79% | 1.79% | 1.79% | 1.79% |

Risk free return has been considered as Zero Coupon Bond Yield (continuous compound) for a term equal to the expected option life of the ESOP's, available on The Clearing Corporation of India Limited's (CCIL) website. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

Summary of the expenses recognised in the statement of profit and loss:

(₹ in lacs)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Share based payment expense | 32.81 | 47.72 |

44. Disclosure pursuant to section 186(4) of The Companies Act, 2013

(₹ in lacs)

| Nature of the transaction (Investments made/ guarantees given) | Purpose | As at 31 March 2024 | As at 31 March 2023 |
|--|-------------------------|------------------------|------------------------|
| Investments in equity shares | Repayment of borrowings | | |
| Ester Filmtech Limited | | 37,300.00 | 27,000.00 |
| Guarantees given | | | |
| Corporate Guarantees given to lender (banks) of - Ester Filmtech Limited | | 51,149.60 | 44,166.69 |

45. Ratios

The ratios for the years ended 31 March 2024 and 31 March 2023 are as follows:

| Particulars | Numerator | Denominator | As at 31 March 2024 | As at 31 March 2023 | Variance (in %) |
|-----------------------------------|--|-------------------------------|------------------------|------------------------|--------------------|
| Current ratio | Current assets | Current liabilities | 1.43 | 1.90 | (24.81) |
| Debt-Equity ratio | Total debt ¹ | Shareholder's equity | 0.44 | 0.50 | 10.88 |
| Debt service coverage ratio | Earnings available for debt service ² | Debt service ³ | 0.21 | 1.50 | (85.77) |
| Return on equity | Net profit after taxes | Average shareholder's equity | (5.41%) | 7.00% | (177.34) |
| Inventory turnover ratio | Cost of goods sold | Average inventory | 4.75 | 4.65 | 2.20 |
| Trade receivables turnover ratio | Net sales | Average accounts receivable | 6.88 | 7.24 | (5.09) |
| Trade payables turnover ratio | Net credit purchases ⁵ | Average trade payables | 22.59 | 19.99 | 12.99 |
| Net capital turnover ratio | Net sales | Working capital | 6.68 | 4.92 | 35.77** |
| Net profit ratio | Net profit after taxes | Net sales | (5.15%) | 4.10% | (225.52)* |
| Return on capital employed (ROCE) | Earning before interest and taxes | Capital employed ⁴ | (1.65%) | 8.06% | (120.47)* |
| Return on investment | Gain from investment ⁶ | Cost of investment | 15.21% | 4.68% | 224.95 *** |

¹ Total debt represents total borrowings and total lease liabilities

² Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest on term loans and lease liabilities + other adjustments like loss on sale of fixed assets etc.

³ Interest & lease payments during the year + Principal repayments during the year

⁴ Tangible net worth (Total equity - other intangible assets) + Total debt + DTL

⁵ Cost of material consumed + Consumption of stores and spares + Consumption of packing material + Power and fuel + (Closing inventories of raw materials and Store and spares - opening inventories of raw materials and Store and spares).

⁶ Gain/ loss on sale and change in fair value of mutual funds and commercial papers are considered for the purpose of computing return on investment.

* Due to lower performance(loss) as compared to last financial year

** Due to reduction in working capital. In current assets, inventory as a % of sale had reduced due to lesser inventory holding period, reduction in trade receivables is due to decline in sales, reduction in current investment due to sale of investments in the current year.

*** Investments in mutual funds were made in October 2022 for the fiscal year 2022-23 but were not present for the entirety of the last fiscal year.

46. Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

During the current year, the audit trail (edit logs) feature for any direct changes made at the database level was not enabled for the accounting software SAP S/4 HANA used for maintenance of books of account. The management will evaluate the implementation of audit logs at database level for all the accounting software in the next financial year.

47. During the year ended 31 March 2024, the Company has raised money by the way of issuing 1,05,60,250 Equity Shares of face value of ₹ 5 per equity share on preferential basis for cash to Promoter & Promoter Group and Non-Promoter Category at a price of ₹ 94.60 per equity share (including a premium of ₹ 89.60 per equity share) aggregating to ₹ 9,990 lacs. The issue was made in accordance with applicable Regulations of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 [“SEBI (ICDR)”. Expenses incurred in relation to preferential allotment amounting to ₹ 13.57 lacs (net of taxes) have been adjusted from securities premium account. As per the offer document, entire proceeds will be used for the purpose of repayment of term loan, investment in subsidiary of the Company and general corporate purpose. As on 31 March 2024, 100% proceeds of the aforesaid allotment were unutilised and were temporarily parked/ invested in fixed deposits

48. Additional regulatory information not disclosed elsewhere in the standalone financials statements.

(a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below

(₹ in lacs)

| Name of the struck off company | Nature of transactions with struck off company | 31 March 2024 | | 31 March 2023 | |
|--|--|------------------------------|-----------------|------------------------------|-----------------|
| | | Transactions during the year | Closing Balance | Transactions during the year | Closing Balance |
| Global Packaging* | Trade receivable | 175.34 | - | 141.92 | - |
| Stic-on Papers Pvt. Ltd.* | Trade receivable | 12.32 | - | 7.10 | - |
| A.M.P Polymers India Private Limited** | Advance from Customer | 154.07 | - | 62.92 | (0.01) |
| Agarwal Impex Pvt Ltd. | Trade receivable | - | - | 59.31 | 0.01 |
| Holoprint Security Solutions Pvt Ltd | Trade receivable | - | - | 0.25 | - |
| Gati Kintetsu Express Pvt Ltd | Trade Payables | - | - | 0.02 | - |
| Kautilya Venture Capital Company Ltd | Shareholder (dividend paid) | 0.04 | - | 0.16 | - |
| Emerging Primary Securities Limited* | Shareholder (dividend paid) | 0.01 | - | 0.02 | - |

* These companies are struck off in the current year.

**Restored during the current year.

(c) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(d) The Company has complied with the number of layers of companies prescribed under the Companies Act, 2013.

(e) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(f) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

- (g) No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
- (h) No funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (i) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (j) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (k) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
49. The previous year numbers have been regrouped/ reclassified wherever necessary to conform to current year presentation.
50. No subsequent event occurred post balance sheet date which requires adjustment in the standalone financial statements for the year ended 31 March 2024.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner

Membership No.507568

Place: New Delhi
Date: 22 May 2024

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs
DIN: 00879345

Place: New Delhi
Date: 22 May 2024

Place: New Delhi
Date: 22 May 2024

Sd/-
Sourabh Agarwal
Chief Financial Officer

Sd/-
Poornima Gupta
Company Secretary
Membership No. A49876

Place: New Delhi
Date: 22 May 2024

Place: New Delhi
Date: 22 May 2024

Independent Auditor's Report

To the Members of Ester Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Ester Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Appendix 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated loss (including other comprehensive loss), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Revenue recognition – Sale of products</p> <p>Refer Note 4.5.1 and Note 25 to the accompanying consolidated financial statements for the material accounting policy on revenue recognition and details of revenue recognized during the year in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115').</p> <p>Revenue of the Group majorly comprises of revenue from sale of polyester films and specialty polymers. The Group sells its products through various distribution channels involving a high volume of sale transactions.</p> <p>The Group recognises revenue at a point in time when the control of products being sold is transferred to the customer and there is no unfulfilled obligation. The revenue is measured based on the transaction price specified in the contract, net of discounts and goods and services tax.</p> <p>Revenue recognition is determined to be an area involving significant audit risk primarily as there is a risk that revenue is recognised on sale of goods before the control in the goods is transferred and hence, requires significant auditor attention. Revenue is also a key performance indicator of the Group and accordingly, testing occurrence of revenue transactions is a key focus area for our audit.</p> | <p>Our audit procedures included, but were not limited, to the following:</p> <ul style="list-style-type: none">• Obtained an understanding of the process of identification and recording of revenue transactions and assessed the appropriateness of the Group's revenue recognition accounting policies in accordance with Ind AS 115;• Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition;• Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc;• Evaluated on a sample basis, the terms and conditions of the contracts, including incoterms to assess the accuracy and completeness of revenue recognised during the year in accordance with Ind AS 115;• On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the specific period before and after year-end, with supporting documents such as invoices, agreements with customers and proof of deliveries, to ensure that the correct amount of revenue is recorded in the correct period; |

Considering the volume of sales transactions, materiality of amount involved and significant attention required by auditor as mentioned above, revenue recognition has been considered as a key audit matter for the current year audit

- Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns;
- Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; and
- Assessed the adequacy and appropriateness of disclosures made in the standalone financial statement in accordance with the requirements of applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary.
16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
17. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary and taken on record by the Board of Directors of the Holding Company and its subsidiary covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi)

below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 38 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary during the year ended 31 March 2024;
 - iv. a. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief as disclosed in Note 49(g) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Note 49(h) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies),

including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Holding Company and its subsidiary have not declared or paid any dividend during the year ended 31 March 2024. Further, the final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- vi. Based on our examination which included test checks, the Group, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for the accounting software used for maintaining books of accounts, as described in Note 46 to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 24507568BKEJWA7315

Place: New Delhi
Date: 22 May 2024

Appendix 1

List of entities included in the consolidated financial statements

| Name of Holding Company |
|-----------------------------------|
| Ester Industries Limited |
| Name of Subsidiary Company |
| Ester Filmtex Limited |

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements of Ester Industries Limited under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Ester Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Group's business, including adherence to the Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial

controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024,

based on internal financial controls with reference to consolidated financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by ICAI .

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 24507568BKEJWA7315

Place: New Delhi
Date: 22 May 2024

CONSOLIDATED BALANCE SHEET as at 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

(₹ in lacs)

| | | As at 31 March 2024 | As at 31 March 2023 |
|---|-----|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6A | 98,741.62 | 97,680.00 |
| Right of use asset | 6B | 56.85 | 57.61 |
| Capital work-in-progress | 6C | 8,281.97 | 7,876.55 |
| Intangible assets | 6A | 80.59 | 128.85 |
| Financial assets | | | |
| Loans | 8A | 54.49 | 32.33 |
| Other financial assets | 9A | 1,527.11 | 1,592.37 |
| Income tax assets (net) | 24A | 434.03 | 513.43 |
| Other non-current assets | 10 | 794.41 | 2,913.92 |
| Total non-current assets | | 1,09,971.07 | 1,10,795.06 |
| Current assets | | | |
| Inventories | 11 | 14,462.60 | 17,223.01 |
| Financial assets | | | |
| Investments | 7 | 6,927.03 | 15,393.36 |
| Trade receivables | 12 | 14,730.83 | 15,153.11 |
| Cash and cash equivalents | 13 | 9,996.59 | 2,835.46 |
| Bank balances other than cash and cash equivalents | 14 | 1,691.13 | 2,337.46 |
| Loans | 8B | 35.93 | 59.07 |
| Other financial assets | 9B | 59.90 | 91.44 |
| Other current assets | 15 | 6,431.04 | 7,565.65 |
| Total current assets | | 54,335.05 | 60,658.56 |
| Total assets | | 1,64,306.12 | 1,71,453.62 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 16A | 4,697.70 | 4,169.69 |
| Other equity | 17 | 67,056.66 | 70,173.51 |
| Total equity | | 71,754.36 | 74,343.20 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 18A | 43,851.33 | 53,812.99 |
| Lease liability | 39 | 1.25 | 1.25 |
| Provisions | 19A | 993.75 | 947.05 |
| Deferred tax liabilities (net) | 20 | 1,626.56 | 3,038.19 |
| Other non-current liabilities | 21A | 3,149.03 | 3,434.56 |
| Total non-current liabilities | | 49,621.92 | 61,234.04 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 18B | 33,400.47 | 27,756.99 |
| Trade Payables | | | |
| a) total outstanding dues of micro enterprises and small enterprises | 22 | 711.10 | 610.68 |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises | 22 | 5,686.91 | 2,623.51 |
| Other financial liabilities | 23 | 1,689.48 | 2,970.72 |
| Other current liabilities | 21B | 759.44 | 1,060.00 |
| Provisions | 19B | 420.65 | 309.31 |
| Income tax liabilities (net) | 24B | 261.79 | 545.17 |
| Total current liabilities | | 42,929.84 | 35,876.38 |
| Total equity and liabilities | | 1,64,306.12 | 1,71,453.62 |

Material accounting policy information

1-5

The accompanying notes are integral part of the consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Nitin Toshniwal
Partner

Sd/-
Arvind Singhania
Chairman & CEO

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs

Sd/-
Sourabh Agarwal
Chief Financial Officer

Sd/-
Poornima Gupta
Company Secretary

Membership No.507568

DIN: 00934017

DIN: 00879345

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

(₹ in lacs)

| | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-----------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 25 and 42 | 1,06,344.65 | 1,11,413.68 |
| Other income | 26 | 2,701.63 | 1,241.76 |
| Total income | | 1,09,046.28 | 1,12,655.44 |
| Expenses | | | |
| Cost of material consumed | | 76,110.51 | 71,696.20 |
| Changes in inventories of finished goods and work-in-progress | 27 | (626.56) | (337.90) |
| Employee benefits expense | 28 | 6,367.77 | 5,456.63 |
| Finance costs | 29 | 7,036.28 | 3,633.52 |
| Depreciation and amortisation expenses | 6 | 6,802.64 | 4,392.70 |
| Other expenses | 30 | 26,855.72 | 25,421.74 |
| Total expenses | | 1,22,546.36 | 1,10,262.89 |
| (Loss)/ profit before tax from continuing operations | | (13,500.08) | 2,392.55 |
| Tax expense related to continuing operations | 31 | | |
| Current tax | | | |
| Current year | | - | 1,125.36 |
| Prior years | | (8.20) | 147.50 |
| Deferred tax credit | | (1,387.19) | (48.52) |
| Total tax expenses related to continuing operations | | (1,395.39) | 1,224.34 |
| (Loss)/ profit before tax from continuing operations | | (12,104.69) | 1,168.21 |
| Profit before tax from discontinued operations | 41 | - | 16,324.30 |
| Tax expense related to discontinued operations | 41 | - | 3,802.87 |
| Profit for the year from discontinued operations | | - | 12,521.43 |
| (Loss)/ profit after tax | | (12,104.69) | 13,689.64 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement loss on defined benefit plans | | (100.86) | 27.37 |
| Income tax effect | | 24.44 | (8.15) |
| Total other comprehensive (loss)/ income for the year, net of tax | | (76.42) | 19.22 |
| Total comprehensive (loss)/ income | | (12,181.11) | 13,708.86 |
| (Loss)/Profit for the year | | (12,104.69) | 13,689.64 |
| Attributable to owners of the Holding Company | | (12,104.69) | 13,689.64 |
| Total other comprehensive (loss)/ income for the year, net of tax | | (76.42) | 19.22 |
| Attributable to owners of the Holding Company | | (76.42) | 19.22 |
| Total other comprehensive (loss)/income for the year | | (12,181.11) | 13,708.86 |
| Attributable to owners of the Holding Company | | (12,181.11) | 13,708.86 |
| Earnings per equity share | | | |
| Basic and Diluted EPS from continuing operations (₹) | 32 | (14.49) | 1.41 |
| Basic and Diluted EPS from discontinued operations (₹) | | - | 15.01 |
| Basic and Diluted EPS from continuing and discontinued operations (₹) | 32 | (14.49) | 16.42 |

Material accounting policy information

1-5

The accompanying notes are integral part of the consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Nitin Toshniwal
Partner

Sd/-
Arvind Singhania
Chairman & CEO
Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs
DIN: 00934017 DIN: 00879345

Sd/-
Sourabh Agarwal
Chief Financial Officer

Sd/-
Poornima Gupta
Company Secretary

Membership No.507568

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

Place: New Delhi Place: New Delhi
Date: 22 May 2024 Date: 22 May 2024

Place: New Delhi
Date: 22 May 2024

Place: New Delhi
Date: 22 May 2024

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

(₹ in lacs)

| | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------|-------------------------------------|-------------------------------------|
| A Cash flow from operating activities | | | |
| (Loss)/ profit before tax | | | |
| Continuing operations | | (13,500.08) | 2,392.55 |
| Discontinued operations | | - | 16,324.30 |
| (Loss)/ profit before tax including discontinued operations | | (13,500.08) | 18,716.85 |
| Adjustments for: | | | |
| Depreciation and amortisation expense | 6 | 6,802.64 | 4,468.84 |
| Share based payment expense | | 32.81 | 47.72 |
| Loss on sale of property, plant and equipments (net) | 30 | 102.80 | 94.67 |
| Finance costs | 28 | 6,566.76 | 3,217.10 |
| Interest income on financials assets measured at amortised cost | 25 | (375.23) | (315.52) |
| Unrealised foreign exchange loss (net) | | 144.43 | 412.06 |
| Bad debts, advances and irrecoverable balances written off | 30 | 84.52 | 4.70 |
| Profit on sale of investments (net) | 25 | (1,225.33) | (56.76) |
| Profit on sale of business | | - | (14,555.95) |
| Provisions/liabilities no longer required written back | 25 | (23.03) | (11.82) |
| Mark to market (gain)/loss on derivative contracts | | (16.90) | 20.56 |
| Income recognised on account of government assistance | 25 | (322.92) | (251.67) |
| Provision for doubtful debts | | 8.64 | 10.82 |
| Provision for doubtful advances | | - | 15.39 |
| Gain on fair valuation of financial assets | 25 | (211.19) | (309.43) |
| Provision for obsolete inventories | 29 | 49.63 | 7.30 |
| Operating (loss)/profit before working capital changes and other adjustments: | | (1,882.45) | 11,514.86 |
| Working capital changes and other adjustments: | | | |
| Decrease/(increase) in current and non-current loans | | 0.98 | (0.74) |
| Decrease/(increase) in other non-current and current assets | | 1,121.86 | (1,143.68) |
| Decrease/(increase) in inventories | | 2,710.78 | (710.22) |
| Decrease in other financial and non-financial liabilities | | (669.46) | (382.86) |
| Increase in provisions | | 57.18 | 50.27 |
| Increase in other non-current and current financial assets | | (169.21) | (412.85) |
| Decrease/(increase) in trade receivables | | 403.35 | (1,704.41) |
| Increase/(decrease) in trade payables | | 3,000.81 | (426.61) |
| Cash flow from operating activities post working capital changes | | 4,573.84 | 6,783.76 |
| Income tax paid (net of refunds) | | (195.78) | (1,009.92) |
| Net cash flow from operating activities (A) | | 4,378.06 | 5,773.84 |
| B Cash flows from investing activities | | | |
| Purchase of property plant and equipments (including Capital work-in-progress, Capital advances, Capital creditors and Intangible assets) | | (7,346.48) | (25,659.13) |
| Proceeds from sale of property plant and equipments | | 166.54 | 63.70 |
| Proceeds/ (investment) from bank deposits (net) | | 871.10 | (2,167.38) |
| Proceeds from pledged deposits (net) | | 72.29 | 256.70 |
| Interest received | | 507.34 | 157.21 |
| Proceed from sale of business | | - | 26,326.27 |
| Income tax paid on profit on sale of business | | - | (3,357.77) |
| Cost incurred on sale of business | | - | (583.33) |
| Purchase of investment | | (3,141.86) | (21,475.15) |
| Sales of investment | | 13,042.47 | 6,505.45 |

| | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------|-------------------------------------|-------------------------------------|
| Net cash flow/(used) in investing activities (B) | | 4,171.40 | (19,933.43) |
| C Cash flows from financing activities | | | |
| Proceeds from long-term borrowings | | 2,638.00 | 15,574.17 |
| Repayment of long-term borrowings | | (12,096.78) | (5,292.58) |
| Proceeds from Issue of Share capital | | 9,990.00 | - |
| Share issue expenses | | (13.57) | - |
| Cash payment for interest portion of lease liabilities | | (0.15) | (1.38) |
| Cash payment for principal portion of lease liabilities | | - | (46.88) |
| Proceeds of short-term borrowings (net) | | 4,613.92 | 5,627.44 |
| Finance cost paid | | (6,102.78) | (2,895.51) |
| Dividend paid | | (416.97) | (1,584.48) |
| Net cash (used)/flow from financing activities (C) | | (1,388.33) | 11,380.78 |
| D Net increase/(decrease) in cash and cash equivalents (A+B+C) | | 7,161.13 | (2,778.81) |
| E Cash and cash equivalents at the beginning of the year | 13 | 2,835.46 | 5,614.27 |
| F Cash and cash equivalents at the end of the year (D+E) | | 9,996.59 | 2,835.46 |

Refer Note 18 for change in liabilities arising from financing activities

Reconciliation of cash and cash equivalents as per cash flow statement

| | | | |
|--|----|-----------------|-----------------|
| Cash in hand | | 3.32 | 3.50 |
| Balances with banks: | | | |
| In current accounts | | 2.03 | 4.58 |
| Bank deposits with original maturity upto 3 months | | 9,991.24 | 2,827.38 |
| Total of cash and cash equivalents | 13 | 9,996.59 | 2,835.46 |

This is the consolidated cash flow statement referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner

Membership No.507568

Place: New Delhi
Date: 22 May 2024

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO

DIN: 00934017

Place: New Delhi
Date: 22 May 2024

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs

DIN: 00879345

Place: New Delhi
Date: 22 May 2024

Sd/-
Sourabh Agarwal
Chief Financial Officer

Place: New Delhi
Date: 22 May 2024

Sd/-
Poornima Gupta
Company Secretary

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as at 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

(₹ in lacs)

| Particulars | Opening balance as at 01 April 2022 | Changes in equity share capital during the year | Balance as at 31 March 2023 | Changes in equity share capital during the year | Balance as at 31 March 2024 |
|----------------------|-------------------------------------|---|-----------------------------|---|-----------------------------|
| Equity share capital | 4,169.69 | - | 4,169.69 | 528.01 | 4,697.70 |

Other equity (₹ in lacs)

| Particulars | Equity component of redeemable financial instrument | Reserves and surplus | | | | | Total | |
|---------------------------|---|----------------------|-----------------|----------------------------|-----------------|-----------------------------------|-----------|-------------------|
| | | Securities premium | Capital reserve | Capital redemption reserve | General reserve | Share options outstanding account | | Retained earnings |
| Balance as at 01 Apr 2022 | 13.21 | 6,121.01 | 3,520.74 | 335.37 | 1,528.16 | 62.11 | 46,420.83 | 58,001.43 |

| | | | | | | | | |
|---|---------|-----------------|-----------------|---------------|-----------------|---------------|------------------|-------------------|
| Profit for the year | - | - | - | - | - | - | 13,689.64 | 13,689.64 |
| Other comprehensive income | | | | | | | | |
| Re-measurement gain on defined benefit plans (net of tax) | - | - | - | - | - | - | 19.22 | 19.22 |
| Share based payment expense (Refer note no. 43) | - | - | - | - | - | 47.72 | - | 47.72 |
| Transactions with owners | | | | | | | | |
| Dividend paid | - | - | - | - | - | - | (1,584.50) | (1,584.50) |
| Adjustment on account of partial repayment of Redeemable financial instrument (foreign currency loan) | (13.21) | - | - | - | - | - | 13.21 | - |
| Balance as at 31 March 2023 | - | 6,121.01 | 3,520.74 | 335.37 | 1,528.16 | 109.83 | 58,558.40 | 70,173.51 |

| | | | | | | | | |
|---|---|------------------|-----------------|---------------|-----------------|---------------|------------------|--------------------|
| (Loss)/ profit for the year | - | - | - | - | - | - | (12,104.69) | (12,104.69) |
| Other comprehensive income | | | | | | | | |
| Re-measurement losses on defined benefit plans (net of tax) | - | - | - | - | - | - | (76.42) | (76.42) |
| Share based payment expense (Refer note no. 43) | - | - | - | - | - | 32.81 | - | 32.81 |
| Addition during the year | | 9,461.99 | | | | | | 9,461.99 |
| Share issue expenses (Refer note no. 47) | | (13.57) | | | | | | (13.57) |
| Transactions with owners | | | | | | | | |
| Dividend paid | - | - | - | - | - | - | (416.97) | (416.97) |
| Balance as at 31 March 2024 | - | 15,569.43 | 3,520.74 | 335.37 | 1,528.16 | 142.64 | 45,960.32 | 67,056.66 |

This is the consolidated statement of change in equity referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Nitin Toshniwal
Partner

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs
DIN: 00879345

Sd/-
Sourabh Agarwal
Chief Financial Officer

Sd/-
Poornima Gupta
Company Secretary

Membership No.507568

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

1. Nature of operations

Ester Industries Limited ('the Holding Company') and its subsidiary i.e. Ester Filmtech Limited (the Holding Company and its subsidiary together referred to as 'the Group') is a manufacturer of polyester film and engineering plastics. The Holding Company is domiciled in India and its registered office is situated at Pilibhit Road, Sohan Nagar PO – Charubeta, Khatima District – Udham Singh Nagar, Uttarakhand – 262308.

2. General information and compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies for the periods presented. The Holding Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The consolidated financial statements for the year ended 31 March 2024 along with the comparative financial information were authorized and approved for issue by the Board of Directors on 22 May 2024.

The revision to the consolidated financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

The consolidated financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the consolidated financial statements have been prepared on a historical cost basis except for following items:

| Items | Measurement basis |
|--|---|
| Certain financial assets and liabilities | Fair value as explained in relevant accounting policies. |
| Net defined benefits (assets)/liability | Fair value of plan assets less present value of defined benefits obligations. |
| Share based payment | Fair value as explained in relevant accounting policies. |

3. Basis of Consolidation

Subsidiary

Subsidiary is the entity over which the Holding Company has control. The Holding Company controls an entity when the Holding Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Holding Company can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements.

Subsidiary is fully consolidated from the date on which control is transferred to the Holding Company. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its separate financial statements.

Intercompany transactions, balances and unrealised gains or losses on transactions between Holding Company and its subsidiary are eliminated. Accounting policies of subsidiary is consistent with the policies adopted by the Holding Company.

4. Summary of material accounting policies

The consolidated financial statements have been prepared using the material accounting policies and measurement basis summarised below. These were used throughout all periods presented in the consolidated financial statements.

4.1 Current versus non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

4.2 Property, plant and equipment (PPE) and capital work in progress

Recognition and initial measurement

Property plant and equipment, capital work in progress are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories

Expenditure related to and incurred on implementation of new project is included under capital work-in-progress until the relevant assets are ready for its intended use. All other expenditure (including trail run/test run expenditures) during construction/erection period (net of income) are shown as part of pre-operative expenditure allocation/capitalisation and the same is allocated to the respective asset on completion of its construction/erection.

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful life estimated by the management. The identified components are depreciated separately over their respective useful life; the remaining components are depreciated over the life of the principal asset. The Group has used the following rates to provide depreciation on its property, plant and equipment.

| Asset class | Useful life |
|---|--------------------------|
| Factory buildings* | 2 to 30 years |
| Administrative buildings* | 12 to 61.35 years |
| Plant and equipment* | 2 to 40 years |
| Furniture and fixtures* | 5 to 15.79 years |
| A.C. and Refrigeration | 10 years |
| Office equipment* | 2 to 10 years |
| Computers* | 3 to 6.16 years |
| Vehicles | 8 years |
| Batteries under UPS project (Plant and equipment) * | 5 years |
| Leasehold improvements | Over the period of lease |

Depreciation on the amount of additions made to fixed assets due to upgradations / improvements is provided over the remaining useful life of the asset to which it relates. Depreciation on fixed assets added/disposed off during the year is provided on a pro-rata basis to the date, the asset is retired from active use.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

* For these class of assets, based on detailed technical assessment, the management believes that the useful life as given above best represents the period over which management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

4.3 Intangible assets

Recognition and initial measurement

Intangible assets (softwares and patents) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

Software's are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortisation expense.

De-recognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

4.4 Inventories

Inventories are valued as follows:

Raw materials, components and stores and spares

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

4.5 Revenue recognition

4.5.1: Revenue

Revenue arises mainly from the sale of manufactured goods. To determine whether to recognise revenue, the Group follows a 5-step process:

- 1) Identifying the contract with a customer
- 2) Identifying the performance obligations
- 3) Determining the transaction price
- 4) Allocating the transaction price to the performance obligations

5) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price (net of variable consideration), which is the consideration, net of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method. The Group applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below.

Advance from customers ("contract liability") is recognised when the Group has received consideration from the customer before it delivers the goods.

Sale of goods

Revenue from sale of goods is recognized when control over ownership of the goods have been passed to the buyer. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. The Group collects sales taxes, value added taxes ("VAT") and GST on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Export benefits

Export benefits constituting duty draw back, merchandise export from India scheme and advance license scheme are accounted for on accrual basis when there is reasonable assurance that the Group will comply with the conditions attached to them and the export benefits will be received. Export benefits under duty draw back and merchandise export from India scheme are considered as other operating income.

4.5.2: Other income

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are recognised as deferred income and are credited to statement of profit and loss based on the conditions for which the grant was obtained and presented within other income.

Interest

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Insurance claims income

Claims receivable on account of insurance are accounted for to the extent the Group is reasonably certain of their ultimate collection.

4.6 Leases

The Group as a lessee

The Group's leased asset classes primarily consist of leases for certain equipments and building, including warehouses and related facilities. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

4.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

4.8 Foreign currency

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Group.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise

4.9 Financial instruments

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets (except for trade receivables) and financial liabilities are measured initially at fair value adjusted for transaction costs,

except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are initially measured at the transaction price. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

- i. Financial assets carried at amortised cost** – A 'financial asset' is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
- ii. Investments in other equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- iii. Investments in mutual funds** - The Group has measured its investment in mutual fund at FVTPL in its financial statements. Profit or loss on fair value of mutual fund is recognised in statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Forward contracts

The Group has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.10 Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss is recognised based on the 12 months probability of default or life time probability of default and the expected loss good default estimated for each financial asset.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

4.11 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

The Group offsets current tax assets and current tax liabilities; deferred tax assets and deferred tax liabilities; where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current in current accounts and other short term highly liquid investments with original maturity of three months and less.

4.13 Employee benefits

Provident fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as defined contribution plan as the Group does not carry any further obligations, apart from the contributions made on a monthly basis. In addition, for other employees, the provident fund trust set-up by the Group is treated as a defined benefit plan to the extent the Group has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognized as an expense in the period in which services are rendered by the employee.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated

at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Group's defined benefit plan is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences

The Group also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

Superannuation fund

Contribution made towards superannuation fund (funded by payments to Life Insurance Corporation of India) is charged to statement of profit and loss on accrual basis.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.14 Provisions

Provisions are recognized when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

4.15 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

4.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, right issue and share split transaction.

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.

4.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The Group's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing and Sale of Polyester film and Engineering plastics.

Inter segment transfers

Inter segment transfers of goods, as marketable products produced by separate segments of the Group for captive

consumption, are not accounted for in the books of account of the Group. For the purpose of segment disclosures, however, inter segment transfers have been taken at cost.

Allocation of common costs

Common allocable costs are allocated to each segment in proportion to the turnover of the segment, except where a more logical allocation is possible.

Unallocated items

Corporate income and expense are considered as a part of un-allocable income and expense, which are not identifiable to any business segment.

4.18 Significant management judgement and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognised in the consolidated financial statements.

Allowance for obsolete and slow-moving inventory - The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the consolidated financial statements.

Provisions – At each balance sheet date basis management estimate, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Impairment of non-financial assets- If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

4.19 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification. Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- a) Represents a separate major line of business or geographical area of operations,
- b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- c) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

4.20 Share based payment

Employees of the Holding Company receive remuneration in the form of share-based payments in consideration of the services rendered (equity settled transactions).

Under the equity settled share-based payment, the fair value on the grant date of the Options given to employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options on the grant date is calculated using an appropriate valuation model.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. An additional expense is recognised for any modification that increases the total fair value of the shares-based payments transactions, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. When the options are exercised, the Holding Company issues fresh equity shares.

5. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any Items in the Group's financial statements.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments had no impact on the consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments had no impact on the consolidated financial statements.

For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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Notes to the Consolidated financial statements for the year ended 31 March 2024

(All amounts are ₹ in lacs, unless otherwise stated)

6A. Property, plant and equipment and intangible assets

(₹ in lacs)

| Particulars | Property, plant and equipment | | | | | | | Intangible assets | |
|---|-------------------------------|------------------|---------------|-------------------|------------------------|---------------------|--------------------|-------------------|----------------|
| | Land-freehold | Building | Vehicles | Office equipments | Furniture and fixtures | Plant and equipment | Total | Software | Total |
| Gross carrying amount | | | | | | | | | |
| As at 01 April 2022 | 1,653.36 | 6,308.23 | 644.69 | 249.93 | 421.78 | 45,112.52 | 54,390.51 | 266.40 | 266.40 |
| Additions | 5,547.04 | 11,699.80 | 341.28 | 294.83 | 164.54 | 48,979.98 | 67,027.47 | 145.46 | 145.46 |
| Disposal/adjustments | - | (2,364.48) | (226.95) | (36.32) | (85.83) | (2,109.60) | (4,823.18) | (1.67) | (1.67) |
| As at 31 March 2023 | 7,200.40 | 15,643.55 | 759.02 | 508.44 | 500.49 | 91,982.90 | 1,16,594.80 | 410.19 | 410.19 |
| Additions | - | 691.97 | 176.63 | 40.21 | 26.37 | 7,147.96 | 8,083.14 | 1.44 | 1.44 |
| Disposal/adjustments | - | (168.51) | (64.12) | (151.18) | - | (690.40) | (1,074.21) | (43.80) | (43.80) |
| As at 31 March 2024 | 7,200.40 | 16,167.01 | 871.53 | 397.47 | 526.86 | 98,440.46 | 1,23,603.73 | 367.83 | 367.83 |
| Accumulated Depreciation/ Amortisation | | | | | | | | | |
| As at 01 April 2022 | - | 1,148.16 | 146.53 | 98.88 | 178.88 | 14,740.68 | 16,313.13 | 216.22 | 216.22 |
| Depreciation/Amortisation charge for the year | | | | | | | | | |
| Continuing operation | - | 284.40 | 117.87 | 59.05 | 47.61 | 3,781.24 | 4,290.17 | 65.88 | 65.88 |
| Discontinued operation | - | 6.80 | 1.94 | 0.99 | 0.45 | 64.18 | 74.36 | 0.26 | 0.26 |
| Disposal/adjustments | - | (2.30) | (171.01) | (12.06) | (52.44) | (1,525.05) | (1,762.86) | (1.02) | (1.02) |
| As at 31 March 2023 | - | 1,437.06 | 95.33 | 146.86 | 174.50 | 17,061.05 | 18,914.80 | 281.34 | 281.34 |
| Depreciation/Amortisation charge for the year | | | | | | | | | |
| Continuing operation | - | 620.60 | 137.84 | 95.71 | 47.95 | 5,852.23 | 6,754.33 | 47.55 | 47.55 |
| Disposal/adjustments | - | (64.97) | (46.20) | (142.22) | - | (553.63) | (807.02) | (41.65) | (41.65) |
| As at 31 March 2024 | - | 1,992.69 | 186.97 | 100.35 | 222.45 | 22,359.65 | 24,862.11 | 287.24 | 287.24 |
| Net block | | | | | | | | | |
| As at 31 March 2023 | 7,200.40 | 14,206.49 | 663.69 | 361.58 | 325.99 | 74,921.85 | 97,680.00 | 128.85 | 128.85 |
| Continuing operation | 7,200.40 | 14,206.49 | 663.69 | 361.58 | 325.99 | 74,921.85 | 97,680.00 | 128.85 | 128.85 |
| As at 31 March 2024 | 7,200.40 | 14,174.32 | 684.56 | 297.12 | 304.41 | 76,080.81 | 98,741.62 | 80.59 | 80.59 |
| Continuing operation | 7,200.40 | 14,174.32 | 684.56 | 297.12 | 304.41 | 76,080.81 | 98,741.62 | 80.59 | 80.59 |

- (i) Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(ii) Refer note 18 for information on property, plant and equipment pledged as security by the Group.
(iii) Disposals include property, plant and equipment of discontinued operations. Refer note 41.

6B. Right of use asset

(₹ in lacs)

| Particulars | Land | Plant and equipment | Total |
|------------------------------|---------------|---------------------|-------------------|
| Gross carrying amount | | | |
| As at 01 April 2022 | 797.07 | 319.88 | 1,116.95 |
| Additions | - | - | - |
| Disposal/adjustments | (737.19) | (319.88) | (1,057.07) |
| As at 31 March 2023 | 59.88 | - | 59.88 |
| Additions | - | - | - |
| Disposal/adjustments | - | - | - |
| As at 31 March 2024 | 59.88 | - | 59.88 |

| Particulars | Land | Plant and equipment | Total |
|---------------------------------|--------------|---------------------|-----------------|
| Accumulated depreciation | | | |
| As at 01 April 2022 | 3.68 | 277.91 | 281.59 |
| Charge for the year | | | |
| Continuing operation | 0.75 | 35.91 | 36.66 |
| Discontinued operation | 1.52 | - | 1.52 |
| Disposal on lease | (3.68) | (313.82) | (317.50) |
| As at 31 March 2023 | 2.27 | - | 2.27 |
| Charge for the year | | | |
| Continuing operation | 0.76 | - | 0.76 |
| As at 31 March 2024 | 3.03 | - | 3.03 |
| Net carrying amount | | | |
| As at 31 March 2023 | | | |
| Continuing operation | 57.61 | - | 57.61 |
| As at 31 March 2024 | | | |
| Continuing operation | 56.85 | - | 56.85 |

(i) Disposals include right to use asset of discontinued operations. Refer note 41.

| 6C. Capital Work-in-progress | | (₹ in lacs) |
|---|--|------------------|
| Description | | Amount |
| As at 1 April 2022 | | 43,490.66 |
| Continuing operation | | 43,220.34 |
| Discontinued operation | | 270.32 |
| Additions | | 26,998.65 |
| Capitalised | | (60,251.27) |
| Disposal (Engineering Plastic Business) | | (2,361.49) |
| As at 31 March 2023 | | 7,876.55 |
| Continuing operation | | 7,876.55 |
| Additions | | 5,931.58 |
| Capitalised | | (5,526.16) |
| As at 31 March 2024 | | 8,281.97 |
| Continuing operation | | 8,281.97 |

The capital work-in-progress ageing schedule for the years ended 31 March 2024 and 31 March 2023 is as follows:

| Amount in capital work-in-progress 31 March 2024 | | (₹ in lacs) | | | | |
|--|------------------|-------------|-----------|-------------------|-----------------|--|
| Description | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | |
| Capital work-in-progress | 4,092.13 | 3,515.35 | 446.27 | 5.24 | 8,058.99 | |
| Capital work-in-progress temporarily suspended | - | 220.16 | - | 2.82 | 222.98 | |

| Amount in capital work-in-progress 31 March 2023 | | (₹ in lacs) | | | | |
|--|------------------|-------------|-----------|-------------------|-----------------|--|
| Description | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | |
| Capital work-in-progress | 6,682.81 | 1,065.98 | 27.28 | - | 7,776.07 | |
| Capital work-in-progress temporarily suspended | - | 100.48 | - | - | 100.48 | |

There are no capital work-in-progress whose completion is overdue or has been exceeded its cost compared to its original/ revised plan.

| 6C(i). Pre-operative expenses | | (₹ in lacs) | |
|-------------------------------|--|---------------------|---------------------|
| Description | | As at 31 March 2024 | As at 31 March 2023 |
| Opening balances | | - | 1,000.83 |
| Finance charges | | - | 2,609.39 |
| Trial Run Expenses | | - | 1,777.98 |

| Description | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Legal and professional expenses | - | 90.76 |
| Salaries and wages | - | 274.58 |
| Others | - | 492.72 |
| Less: Recoveries | | |
| Sales before starting of commercial operations | - | 856.17 |
| Interest earned | - | 21.12 |
| Sub Total | - | 5,368.97 |
| Less:- Capitalised | - | 5,368.97 |
| Closing balance | - | - |

7. Investments

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Current | | |
| Quoted investments carried at fair value through profit and loss - Mutual Funds | | |
| ICICI Prudential Overnight fund Direct Plan Growth NIL Units (31 March 2023 : 12,647.57) | - | 152.84 |
| ICICI Prudential blue chipfund-Direct Plan Growth Units 59,895.49 (31 March 2023 : 2,92,997.18) | 62.77 | 214.47 |
| ICICI Prudential Nifty 50 Index Fund -Direct Plan Growth Units NIL (31 March 2023 : 1,51,583.80) | - | 269.22 |
| IIFL Wealth Prime Ltd 364 D cp 03.10.2023 Units NIL (31 March 2023 : 340.00) | - | 1,637.70 |
| 360 One Prime Limited CP Units 300 (31 March 2023 : NIL) | 1,498.61 | - |
| IIFL Wealth Prime Ltd 31 Jul 2024 Units 89.00 (31 March 2023 : 89.00) | 1,010.79 | 939.95 |
| KMIL 27-Aug-24 MLD Units 145.00 (31 March 2023 : 145) | 1,599.79 | 1,502.01 |
| IIFLWPL-7%28 FEB 2024 Units NIL (31 March 2023 : 119) | - | 1,294.84 |
| IIFLWPL-7%-28FEB2024 Units NIL (31 March 2023 : 56) | - | 608.56 |
| MIRAE ASSET Overnight Fund Direct Plan - Growth Units NIL (31 March 2023 : 5921.62) | - | 68.05 |
| MIRAE ASSET Large Cap Fund -Direct Plan -Growth Units 47,193.91 (31 March 2023 : 2,28,926.84) | 50.66 | 193.38 |
| SBI Overnight Fund Direct Growth Units NIL (31 March 2023 : 898.98) | - | 32.81 |
| SBI Nifty Next 50 Index Fund -Direct Plan -Growth Units NIL (31 March 2023 : 11,51,119.60) | - | 118.94 |
| UTI Overnight Fund - Direct Plan Growth Units NIL (31 March 2023 : 1,382.72) | - | 42.43 |
| UTI Flexi Cap Fund -Direct Plan Growth Units 14557.39 (31 March 2023 : 69,476.67) | 41.92 | 161.51 |
| Bharat Bond of- Direct Plan Growth Units NIL (31 March 2023 : 126,38,290.91) | - | 1,544.44 |
| IIFL Commercial Yield Fund Units 97,65,708.95 (31 March 2023 : 97,65,708.95) | 1,086.91 | 1,024.15 |

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| UTI MMF -Direct Plan Growth Units NIL (31 March 2023 : 7,937.70) | - | 209.15 |
| TATA Treasury Advantage Fund - Direct Plan Units NIL (31 March 2023 : 9,071.34) | - | 309.87 |
| KOTAK Corporate Bond fund direct growth Units NIL (31 March 2023 : 18,904.17) | - | 619.35 |
| ABSL Nifty Sdl Plus PSU Bond Sep 2026 60 Units NIL (31 March 2023 : 118,85,065.698) | - | 1,243.48 |
| Aditya Birla Sun Life Corporate Bond Fund Units NIL (31 March 2023 : 3,28,851.233) | - | 310.40 |
| Aditya Birla Sun Life Banking & PSU DEBT Units NIL (31 March 2023 : 1,00,067.015) | - | 309.54 |
| HDFC Credit Risk Debt Fund Collections Units 14,36,806.111 (31 March 2023 : 14,36,806.111) | 335.73 | 310.23 |
| Nifty PSU Bond Plus SDL Sep 2007 Units NIL (31 March 2023 : 119,19,657.521) | - | 1,244.40 |
| UTI Nifty 50 Index Fund - Regular Plan Growth Units NIL (31 March 2023 : 1,49,198.94) | - | 174.07 |
| HDFC Large and Mid Cap Fund - Direct Growth Plan Units NIL (31 March 2023 : 88,439.62) | - | 175.34 |
| UTI Flexi Cap Fund -Direct Plan Growth Units 72,440.58 (31 March 2023 : 72,440.58) | 208.58 | 168.40 |
| ICICI Prudential Value Discovery Fund -Direct Plan Growth Units NIL (31 March 2023 : 60,743.69) | - | 180.49 |
| SBI Contra Fund - Direct Plan -Growth Units NIL (31 March 2023 : 74,911.93) | - | 181.34 |
| BOI balanced advantage fund Units NIL (31 March 2023 : 5,55,534.57) | - | 102.10 |
| BOI multicap fund regular plan-Growth Units NIL (31 March 2023 : 499,975) | - | 49.90 |
| BOI Liquid fund-Flexi Cap Fund Units 4,48,351.688 (31 March 2023 : NIL) | 135.40 | - |
| BOI Liquid fund-Flexi Cap Fund Units 2,24,175.844 (31 March 2023 : NIL) | 67.71 | - |
| Tata Arbitrage Fund Units 19,77,123.542 (31 March 2023 : NIL) | 260.60 | - |
| Tata Equity Plus Absolute Returns Fund Units 25,015.774 (31 March 2023 : NIL) | 262.31 | - |
| BOB Mutual Fund BNP Paribas Units 19,02,872.534 (31 March 2023 : NIL) | 204.28 | - |
| Boi Mutual Fund Nfo Collection A/C Units 9,99,950.002 (31 March 2023 : NIL) | 100.97 | - |
| Total current investment | 6,927.03 | 15,393.36 |
| Aggregate amount of quoted investments (this represents market value as well) | 6,927.03 | 15,393.36 |
| Aggregate amount of impairment in the value of investments | - | - |

8. Loans

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|------------------------------------|------------------------|------------------------|
| A) Non-current | | |
| Loans considered good- unsecured | | |
| Loans to employees | 54.49 | 32.33 |
| Total non-current loans (A) | 54.49 | 32.33 |
| B) Current | | |
| Loans considered good- unsecured | | |
| Loans to employees | 35.93 | 59.07 |
| Total current loans (B) | 35.93 | 59.07 |
| Total loans (A+B) | 90.42 | 91.40 |

There are no debt/ loans due by directors or other officers of the group or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

9. Other financial assets

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| A) Non-current (carried at amortised cost) (Unsecured considered good) | | |
| Bank deposits with maturity of more than 12 months (refer note 14) | 283.06 | 518.13 |
| Security deposits* | 1,244.05 | 1,074.24 |
| Total non-current other financial assets (A) | 1,527.11 | 1,592.37 |
| B) Current (Unsecured considered good) | | |
| Derivative asset (carried at fair value through profit and loss (FVTPL)) | - | 2.04 |
| Security deposits (carried at amortised cost) | 59.90 | 78.40 |
| Others (carried at amortised cost) | - | 11.00 |
| Total current other financial assets (B) | 59.90 | 91.44 |
| Total other financial assets(A+B) | 1,587.01 | 1,683.81 |

*Deposits includes deposits with Uttarakhand Power Corporation Limited which carries interest of 6.75% per annum (31 March 2023: 4.25% per annum).

10. Other non-current assets

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Capital advances | 773.75 | 2,906.19 |
| Prepaid expenses | 18.07 | 5.14 |
| Balances with government authorities | 2.59 | 2.59 |
| Total other non-current assets | 794.41 | 2,913.92 |

11. Inventories

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Raw materials {including goods in transit ₹ 505.09 lacs (31 March 2023: ₹ 316.27 lacs)} | 3,805.17 | 7,130.66 |
| Work-in-progress | 2,041.15 | 2,595.84 |
| Finished goods {including goods in transit ₹ 2,674.64 lacs (31 March 2023: ₹ 1,399.23 lacs)} | 5,263.16 | 4,081.90 |
| Stores and spares {including goods in transit ₹ 17.16 lacs (31 March 2023: ₹ 24.82 lacs)} | 3,353.12 | 3,414.61 |
| Total inventories | 14,462.60 | 17,223.01 |

(i) During the year ended 31 March 2024, ₹ 78.56 lacs (31 March 2023: ₹ 80.75 lacs) was recognised as an expense for inventories carried at net realisable value.

(ii) The Group has provision outstanding of ₹ 378.62 lacs for raw material and ₹ 64.56 lacs for stores and spares as at 31 March 2024 (31 March 2023 : raw material ₹ 184.68 lacs and stores and spares ₹ 62.22 lacs).

12. Trade receivables**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Trade receivables considered good - unsecured | 14,761.08 | 15,169.88 |
| Less: allowance for expected credit losses | (30.25) | (16.77) |
| | 14,730.83 | 15,153.11 |
| Trade receivables credit impaired | - | 4.85 |
| Less: allowance for expected credit losses | - | (4.85) |
| | - | - |
| Total trade receivables | 14,730.83 | 15,153.11 |

* For credit risk related disclosures, refer note 34(i)A(b).

(i) Trade receivables ageing schedule is as follows:

(₹ in lacs)

| Particulars | As at 31 March 2024 | | | | | |
|---|---|-------------------|-----------|-----------|-------------------|-----------|
| | Outstanding for following period from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 14,706.64 | 20.05 | 0.20 | 3.93 | - | 14,730.82 |
| (ii) Undisputed Trade Receivables – which have significant increased in credit risk | 9.74 | 3.41 | 15.97 | 1.14 | - | 30.26 |

Gross trade receivables **14,761.08**

Less: allowance for expected credit losses (30.25)

Total trade receivables **14,730.83**

(₹ in lacs)

| Particulars | As at 31 March 2023 | | | | | |
|---|---|-------------------|-----------|-----------|-------------------|-----------|
| | Outstanding for following period from due date of payment | | | | | |
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 15,153.11 | - | - | - | - | 15,153.11 |
| (ii) Undisputed Trade Receivables – which have significant increased in credit risk | 13.89 | 1.18 | 1.13 | 0.33 | 0.24 | 16.77 |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | 4.85 | - | - | 4.85 |

Gross trade receivables 15,174.73

Less: allowance for expected credit losses (21.62)

Total trade receivables **15,153.11**

13. Cash and cash equivalents**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Cash on hand | 3.32 | 3.50 |
| Balances with banks | | |
| In current accounts | 2.03 | 4.58 |
| Bank deposits with original maturity upto 3 months* | 9,991.24 | 2,827.38 |
| Total cash and cash equivalents | 9,996.59 | 2,835.46 |

* This pertains to amount received for allotment of equity shares. This can be utilised only for purposes defined in offer letter, i.e., general corporate purpose, investment in subsidiary and repayment of borrowings.

14. Bank balances other than cash and cash equivalents**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Earmarked bank balances | | |
| Unpaid dividend accounts * | 74.18 | 74.37 |
| Unpaid CSR Account * | 161.11 | - |
| Bank deposits** | | |
| Deposits with remaining maturity for less than 12 months | 1,455.84 | 2,263.09 |
| Deposits with remaining maturity for more than 12 months | 283.06 | 518.13 |
| Total | 1,974.19 | 2,855.59 |
| Less:- Amount disclosed under non-current financial assets (refer note 9) | (283.06) | (518.13) |
| Total other bank balances | 1,691.13 | 2,337.46 |

* The Holding Company can utilise these balances only toward settlement of the respective unpaid dividend and CSR expenses.

** Margin money deposit (including interest accrued) of ₹ 1,738.90 lacs (31 March 2023: ₹ 5,608.60 lacs) are subject to lien of lending banks for securing letter of credit, bank guarantee and other facilities sanctioned by them.

15. Other current assets**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Considered good | | |
| Receivables under export benefit scheme | 350.44 | 446.67 |
| Advance to vendors | 345.82 | 1,381.47 |
| Prepaid expenses | 413.75 | 692.80 |
| Balances with government authorities | 5,028.77 | 5,035.27 |
| Other advances* | 292.26 | 9.44 |
| | 6,431.04 | 7,565.65 |
| Considered doubtful | | |
| Receivables under export benefit scheme | 44.70 | 44.70 |
| Other advances | 50.27 | 50.27 |
| Less: Provision of export benefit receivable | (44.70) | (44.70) |
| Less: Provision of other advances | (50.27) | (50.27) |
| Total other current assets | 6,431.04 | 7,565.65 |

* Consists of balances to be recovered from Export Credit Guarantee Corporation of ₹ 277.88 lacs (31 March 2023: NIL)

16 A. Equity share capital

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Number | Amount (₹ in lacs) | Number | Amount (₹ in lacs) |
| i) Authorised | | | | |
| Equity shares of ₹ 5 each | 15,00,00,000 | 7,500.00 | 15,00,00,000 | 7,500.00 |
| Equity shares of ₹ 10 each | 4,79,60,000 | 4,796.00 | 4,79,60,000 | 4,796.00 |
| | | 12,296.00 | | 12,296.00 |
| ii) Issued, subscribed and fully paid up | | | | |
| Equity shares of ₹ 5 each | 9,39,54,009 | 4,697.70 | 8,33,93,759 | 4,169.69 |
| | | 4,697.70 | | 4,169.69 |

iii) **Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Number | Amount (₹ in lacs) | Number | Amount (₹ in lacs) |
| Equity shares | | | | |
| Balance at the beginning of the year | 8,33,93,759 | 4,169.69 | 8,33,93,759 | 4,169.69 |
| Add: Equity shares issued during the year (Refer note no. 37) | 1,05,60,250 | 528.01 | - | - |
| Balance at the end of the year | 9,39,54,009 | 4,697.70 | 8,33,93,759 | 4,169.69 |

iv) **Rights, preferences and restrictions attached to equity share**

The Holding Company has only one class of equity share having a par value of ₹ 5 per share. Each equity shareholder is entitled for one vote per share. The Holding Company declares and pays dividend in Indian rupees (₹). The final dividend proposed by the Board of Director is subject to the approval of the shareholder in the ensuing annual general meeting. In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

v) **Shares held by Intermediate Holding Company/ Ultimate Holding Company and/ or their Subsidiaries/ Associates**

| | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|-----------------------|------------------------|-----------------------|
| | Number | Amount (₹ in lacs) | Number | Amount (₹ in lacs) |
| Name of the equity shareholder | | | | |
| Wilemina Finance Corporation, Intermediate Holding Company | | | | |
| Equity shares of ₹ 5 each fully paid | 4,93,18,012 | 2,465.90 | 4,90,55,012 | 2,452.75 |
| | 4,93,18,012 | 2,465.90 | 4,90,55,012 | 2,452.75 |

vi) **Shareholding of promoters are as follows:**

| Promoter Name | As at 31 March 2024 | | |
|------------------------------------|---------------------|-------------------|--------------------------|
| | No. of Shares | % of total shares | % change during the year |
| Arvind Singhania | 26,32,285 | 2.80 | 1754756.67% |
| Uma Devi Singhania | 175 | - | - |
| Jai Vardhan Singhania | 1,24,858 | 0.13 | - |
| Ayush Vardhan Singhania | 1,78,033 | 0.19 | - |
| Fenton Investments Private Limited | 4,90,000 | 0.52 | - |
| MOVI Limited | 32,97,000 | 3.51 | (7.39%) |
| Wilemina Finance Corporation | 4,93,18,012 | 52.49 | 0.54% |
| Modi Rubbers limited | 26,42,705 | 2.81 | 100.00% |

| Promoter Name | As at 31 March 2023 | | |
|------------------------------------|---------------------|-------------------|--------------------------|
| | No. of Shares | % of total shares | % change during the year |
| Arvind Singhania | 150 | - | - |
| Uma Devi Singhania | 175 | - | 16.67% |
| Jai Vardhan Singhania | 1,24,858 | 0.15 | - |
| Ayush Vardhan Singhania | 1,78,033 | 0.21 | - |
| Fenton Investments Private Limited | 4,90,000 | 0.59 | - |
| MOVI Limited | 35,60,000 | 4.27 | (14.42%) |
| Wilemina Finance Corporation | 4,90,55,012 | 58.82 | 1.24% |

vii) Details of shareholder holding more than 5% shares in the Holding Company

| | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|--------|------------------------|--------|
| | Number | % | Number | % |
| Wilemina Finance Corporation, Intermediate Holding Company | | | | |
| Equity shares of ₹ 5 each fully paid | 4,93,18,012 | 52.49% | 4,90,55,012 | 58.82% |
| Vettel International Limited, Public Shareholder | | | | |
| Equity shares of ₹ 5 each fully paid | 80,86,861 | 8.61% | 80,86,861 | 9.70% |

viii) No shares were allotted as fully paid up by way of bonus issue and/or brought back in the current reporting year and in last five years immediately preceding the current reporting year.

16 B. Preference shares

(₹ in lacs)

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|------------------------|-----------------------|------------------------|-----------------------|
| | Number | Amount (₹ in lacs) | Number | Amount (₹ in lacs) |
| i) Authorised | | | | |
| Cumulative convertible preference shares of ₹ 50 each | 6,00,000 | 300.00 | 6,00,000 | 300.00 |
| Redeemable cumulative preference shares of ₹ 50 each | 80,00,000 | 4,000.00 | 80,00,000 | 4,000.00 |
| | | 4,300.00 | | 4,300.00 |

No preference shares have been issued as yet.

17. Other equity

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------|------------------------|------------------------|
| Reserves and surplus | | |
| Capital reserve | 3,520.74 | 3,520.74 |
| Securities premium* | 15,569.43 | 6,121.01 |
| Capital redemption reserve | 335.37 | 335.37 |
| General reserve | 1,528.16 | 1,528.16 |
| Retained earnings | 45,960.32 | 58,558.40 |
| Share options outstanding account | 142.64 | 109.83 |
| Total | 67,056.66 | 70,173.51 |

* Net off share issue expenses ₹13.57 lacs (FY 2023 ₹NIL)

i) Nature and purpose of other reserves

Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

Capital redemption reserve

The same has been created in accordance with provision of Companies Act, 2013 against redemption of preference shares.

General reserve

The Holding Company is required to create a general reserve out of the profits when the Holding Company declares dividend to shareholders.

Retained earnings

Retained earnings represents surplus/ loss in the Statement of Profit and Loss.

Share options outstanding account

The Holding Company has allotted equity shares to certain employees under an employee share purchase scheme. The share options outstanding account is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 43 for further details of the scheme.

Equity component of redeemable financial instrument

The same has been created in accordance with Indian accounting standard (Ind AS) 109 against the Redeemable financial instrument (foreign currency loan) and it will be transfer to Retained earning when loan fully repaid.

18. (A) Borrowings

(₹ in lacs)

| A) Non-current* | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Secured loans | | |
| Term loans from: | | |
| Banks | 17,621.30 | 23,645.36 |
| Financial institution | 26,022.87 | 29,893.35 |
| Vehicle loans | 207.16 | 274.28 |
| Total borrowings - non-current | 43,851.33 | 53,812.99 |

Refer Note 18 (B) for current maturity of long term debt of ₹ 11,366.19 lacs (31 March 2023 ₹ 10,336.63 lacs)

* For liquidity risk related disclosures, refer note 34(i)B

I. Term loans

- From Canara Bank of ₹ NIL (31 March 2023 : ₹ 301.71 lacs) as capex loan for augmentation of capital expenditure (modification, de-bottlenecking, modernization, cost reduction and maintenance capex). The term loan bearing floating interest at the MCLR plus 0.65% per annum. The term loan is repayable in 60 equal monthly instalments starting from September 2019.#
- From Karnataka Bank Limited of ₹ 931.44 lacs (31 March 2023 : ₹ 1,366.09 lacs) as capex loan for capital expenditure (purchase of plant and equipments). The term loan bearing floating interest at the MCLR plus 0.50% per annum. The term loan is repayable in 60 unequal monthly instalments starting from October 2020.##
- From Tata Capital Limited of ₹ NIL (31 March 2023 : ₹ 122.86 lacs) as corporate loan for augmentation of working capital bearing floating interest at the LTLR minus 9.50% per annum. The corporate loan is repayable in 16 unequal quarterly instalments starting from Sep 2019.#
- From Tata Capital Limited of ₹ 659.86 lacs (31 March 2023 : ₹ 1,220.01 lacs) for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited). The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon and first and exclusive charge over the hypothecation of certain plant and equipments installed at factory premises at Uttarakhand and further secured by irrevocable guarantee of its intermediate holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 9.10% per annum. The loan is repayable in 54 equal monthly instalments starting from Dec 2020.
- From Tata Capital Limited of ₹ 1,387.28 lacs (31 March 2023 : ₹ 2,614.84 lacs) for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan bearing floating interest at the LTLR minus 11.25% per annum. The loan is repayable in 54 equal monthly instalments starting from June 2022. #
- From Tata Capital Limited of ₹ 735.38 lacs (31 March 2023 : ₹ 877.24 lacs) for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon and first and exclusive charge over the hypothecation of certain plant and equipments installed at factory premises at Uttarakhand and further secured by irrevocable guarantee of its intermediate holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 11.25% per annum. The loan is repayable in 84 equal monthly instalments starting from June 2022.
- From Tata Capital Limited of ₹ 2,426.62 lacs (31 March 2023 : ₹ NIL) has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon and further secured by irrevocable personal guarantee of Mr. Arvind Singhania.. The term loan bearing floating interest at the LTLR minus 11.80% per annum. The loan is repayable in 84 equal monthly instalments starting from Oct 2023.

- h) From Bajaj Finance Limited of ₹ 1,792.33 lacs (31 March 2023 : ₹ 2,386.49 lacs) as loan for general corporate and capex purpose. The term loan bearing floating interest linked to BFL IRR at the rate of 8.00% per annum. The term loan is repayable in 60 equal monthly instalments starting from April 2022 .##
- i) From Bajaj Finance Limited of ₹ 2,390.1 lacs (31 March 2023 : ₹ 2,984.07 lacs) as loan for general corporate and capex purpose. The term loan bearing floating interest linked to BFL IRR at the rate of 7.35% per annum. The term loan is repayable in 20 equal quarterly instalments starting from May 2023 .##
- j) From IDFC Limited of ₹ NIL (31 March 2022 : ₹ 315.96 lacs) as capex loan for capital expenditure incurred by the Holding Company. The term loan bearing floating interest at the MCLR plus 1.50% per annum. The term loan is repayable in 12 equal quarterly instalments starting from Dec 2020.#
- k) From IDFC Limited of ₹ 215.90 lacs (31 March 2023 : ₹ 860.45 lacs) as capex loan for capital expenditure incurred by the Holding Company. The term loan bearing floating interest at the MCLR plus 0.30% per annum. The term loan is repayable in 37 equal monthly instalments starting July 2021.#
- l) From Axis Finance Limited of ₹ 1,992.64 lacs (31 March 2023 : ₹ 2,784.82 lacs) as capex loan for capital expenditure incurred by the Holding Company. The term loan bearing floating interest at the MCLR plus .85% per annum. The term loan is repayable in 18 unequal quarterly instalments starting March 2022.##
- m) From QNB Bank of ₹ 2,848.9 lacs (31 March 2023 : ₹ 3,983.25 lacs) as capex loan for capital expenditure incurred by the Holding Company. The term loan bearing floating interest at the MCLR plus 1.80% per annum. The term loan is repayable in 42 equal monthly instalments starting April 2023.#
- n) From Shinhan Bank of ₹ 3,549.17 lacs (31 March 2023 : ₹ 3990.16 lacs) as capex loan for capital expenditure incurred by the Holding Company. The term loan bearing floating interest at the repo rate plus 2.10% per annum. The term loan is repayable in 18 equal quarterly instalments starting Dec 2023.##
- o) From Bank of India of ₹ 6,506.55 lacs (31 March 2023: ₹ 7,281.99 lacs) as term loan to set up a new BOPET Film manufacturing project at floating interest at the rate of 1 Year MCLR plus 0.70% per annum. The term loan is repayable in 28 equal quarterly instalments starting to commencing from September 2023.###
- p) From Bank of Baroda of ₹ 6,167.31 lacs (31 March 2023: ₹ 6,902.56 lacs) as term loan to set up a new BOPET Film manufacturing project at floating interest at the rate of 1 Year MCLR plus 0.90% per annum. The term loan is repayable in 28 equal quarterly instalments starting to commencing from September 2023.###
- q) From HDFC Bank of ₹ 2,720.40 lacs (31 March 2023: ₹ 2,823.82) as term loan to set up a new BOPET Film manufacturing project at floating interest at the rate of 1 Year MCLR plus 0.75% per annum. The term loan is repayable in 28 equal quarterly instalments starting to commencing from March 2024.###
- r) From OLB Bank, Germany of Euro 23.78 million which is in ₹ 20,522.53 lacs (31 March 2023: Euro 26.95 million which is in ₹ 22,909.76 lacs) as term loan to set up a new project interest at the rate EURIBOR plus 0.75% per annum. The term loan is secured by first and exclusive charge on plant and equipment financed by OLB bank and further secured by irrevocable guarantee of its holding Company (Ester Industries Limited). The term loan bearing floating interest at the EURIBOR plus 3.885% per annum. The term loan is repayable in 17 equal half yearly instalments starting to commence from June 2023.

As a risk mitigation strategy the Group has taken cross currency Principal only swap in USD of 25% of EURO exposure .

#Above term loans are secured by first pari passu charge on fixed assets of the Group (both present and future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited & Vehicles and second Pari passu charge on current assets and further secured by irrevocable guarantee of its intermediate holding company and personal guarantee of Mr. Arvind Singhania.

Above term loans are secured by first pari passu charge on fixed assets of the Group (both present and future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and second Pari passu charge on current assets and further secured by irrevocable personal guarantee of Mr. Arvind Singhania.

Above term loans are secured by first pari passu charge on fixed assets of the Group (both present and future) including factory land and building at Chandanvally,shahbad mandal, Hyderabad ,Telangana with other lenders, except plant and equipment that are exclusively charged to OLB Bank,Germany for ECA funding and first charge on Debt Service Reserve Account (DSRA) to be created to meet debt service requirements of the project for the ensuring 60 days principal and interest payment. Second Pari passu charge on current assets and further secured by irrevocable guarantee of its holding Company (Ester Industries Limited) and personal guarantee of Mr. Arvind Singhania.

II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the loans. Vehicle loans bearing interest rates ranging from 7.25% per annum to 10.25% per annum. These loans are repayable in monthly instalments till Jan 2028.

| (₹ in lacs) | | |
|--------------------------------------|------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 |
| 18. (B) Current borrowings* | | |
| Secured | | |
| Loans repayable on demand | | |
| Working capital loans from banks | 15,431.98 | 11,506.24 |
| Other loans | | |
| Bills discounting | 112.96 | - |
| Acceptances | 6,489.34 | 5,914.12 |
| Current Maturities of Long Term Loan | 11,366.19 | 10,336.63 |
| Total borrowings - current | 33,400.47 | 27,756.99 |

* For liquidity risk related disclosures, refer note 34(i)B.

Working capital loans, bills discounting, acceptances and buyer's credit for raw materials : These loans are secured by first charge by way of hypothecation of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of its intermediate holding Company and personal guarantee of Mr. Arvind Singhania. Working capital, bill discounting facilities, acceptances and buyer's credit for raw materials are further secured by way of second charge in respect of immovable properties and movable fixed assets except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and OLB Bank. The working capital loans from banks bear floating interest rate at MCLR plus ranging from 0.60% per annum to 1.20% per annum. The bill discounting from banks bear floating interest rate ranging from 7.45% per annum to 9.25% per annum.

The quarterly returns/statements of current assets filed by the Group with banks or financial institutions in relation to secured borrowings / sanctioned loans, wherever applicable, are in agreement with the books of accounts

The changes in the entities liabilities arising from financing and non financing activities can be classified as follows: (₹ in lacs)

| Particulars | Non-current borrowings | Current borrowings | Lease liabilities |
|---|------------------------|--------------------|-------------------|
| 1 April 2023 | 53,812.99 | 27,756.99 | 1.25 |
| Cash flows: | | | |
| - Repayments | (12,096.78) | - | (0.15) |
| - Proceeds net of amortisation of upfront fees | 2,638.00 | 4,613.92 | - |
| - Net impact of reclassification as per schedule III | (1,029.56) | 1,029.56 | - |
| Non cash: | | | |
| - Finance cost adjustment for effective interest rate | 345.95 | - | 0.15 |
| - Unrealised foreign exchange loss | 180.73 | - | - |
| 31 March 2024 | 43,851.33 | 33,400.47 | 1.25 |
| 1 April 2022 | 47,385.64 | 16,434.46 | 48.13 |
| Cash flows: | | | |
| - Repayments | (5,292.58) | - | (48.26) |
| - Proceeds net of amortisation of upfront fees | 15,574.17 | 5,627.44 | - |
| - Net impact of reclassification as per schedule III | (5,695.09) | 5,695.09 | - |
| Non cash: | | | |
| - Finance cost adjustment for effective interest rate | 399.82 | - | 1.38 |

| | | | |
|------------------------------------|------------------|------------------|-------------|
| - Unrealised foreign exchange loss | 1,441.03 | - | |
| 31 March 2023 | 53,812.99 | 27,756.99 | 1.25 |

19. Provisions

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| A) Provisions - non-current | | |
| Provision for gratuity (refer note 40) | 750.27 | 728.89 |
| Provision for compensated absence | 243.48 | 218.16 |
| Total provisions - non-current | 993.75 | 947.05 |
| B) Provisions - current | | |
| Provision for gratuity (refer note 40) | 333.50 | 236.98 |
| Provision for compensated absence | 87.15 | 72.33 |
| Total provisions - current | 420.65 | 309.31 |
| Total provisions (A+B) | 1,414.40 | 1,256.36 |

20. Deferred tax liabilities (net)

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Deferred tax liabilities | 3,217.27 | 3,382.13 |
| Less: Deferred tax assets | 1,590.71 | 343.94 |
| Deferred tax liabilities (net) | 1,626.56 | 3,038.19 |

(₹ in lacs)

| Particulars | As at 01 April 2023 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at 31 March 2024 |
|---|---------------------------|--|---|------------------------|
| Deferred tax liabilities arising on account of : | | | | |
| Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 3,382.13 | (164.86) | - | 3,217.27 |
| Total | 3,382.13 | (164.86) | - | 3,217.27 |
| Deferred tax assets arising on account of : | | | | |
| Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 333.44 | 90.06 | - | 423.50 |
| Employee benefits | - | (24.44) | 24.44 | - |
| Brought forward losses/ depreciation | - | 1,156.04 | - | 1,156.04 |
| Others | 10.50 | 0.67 | - | 11.17 |
| Total | 343.94 | 1,222.33 | 24.44 | 1,590.71 |
| Deferred tax liabilities (net) | 3,038.19 | (1,387.19) | (24.44) | 1,626.56 |

| Particulars | As at 01 April 2022 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at 31 March 2023 |
|---|---------------------------|--|---|------------------------|
| (₹ in lacs) | | | | |
| Particulars | As at 01 April 2022 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at 31 March 2023 |
| Deferred tax liabilities arising on account of : | | | | |
| Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 3,539.32 | (157.19) | - | 3,382.13 |
| Redeemable financial instrument | 1.31 | (1.31) | - | -0.00 |
| Total | 3,540.63 | (158.50) | - | 3,382.13 |
| Deferred tax assets arising on account of : | | | | |
| Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 462.07 | (128.63) | - | 333.44 |
| Employee benefits | - | 8.15 | (8.15) | - |
| Others | - | 10.50 | - | 10.50 |
| Total | 462.07 | (109.98) | (8.15) | 343.94 |
| Deferred tax liabilities (net) | 3,078.56 | (48.52) | 8.15 | 3,038.19 |

Note: In absence of reasonable certainty that future taxable profits will be available against which temporary differences can be utilised, no deferred tax assets have been recognised on any temporary differences and unused tax losses of subsidiary company.

21. Other liabilities

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| A) Non-current | | |
| Deferred income* | 3,149.03 | 3,434.56 |
| Total non current liabilities (A) | 3,149.03 | 3,434.56 |
| B) Current | | |
| Deferred income* | 297.43 | 303.77 |
| Revenue received in advance | 138.45 | 272.28 |
| Statutory dues | 323.56 | 483.95 |
| Total current liabilities (B) | 759.44 | 1,060.00 |
| Total other liabilities (A+B) | 3,908.47 | 4,494.56 |

* Represents government assistance in form of duty benefit availed under Export Promotion Capital Goods ('EPCG') scheme on purchase of property, plant and equipment accounted for as government grants and being amortised over useful life of such assets.

22. Trade payable

(₹ in lacs)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Trade payables | | |
| Trade payables | | |
| -total outstanding dues of micro enterprises and small enterprises* | 711.10 | 610.68 |
| -total outstanding dues of creditors other than micro enterprises and small enterprises | 5,686.91 | 2,623.51 |
| Total trade payables | 6,398.01 | 3,234.19 |

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2024:

(₹ in lacs)

| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | | |
| Principal amount* | 942.11 | 912.37 |
| Interest due thereon | - | - |
| ii. The amount paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | | |
| Principal amount | - | - |
| Interest due thereon | - | - |
| iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | - | - |
| iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23. | - | - |

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

*includes capital creditors of ₹ 231.01 lacs (31 March 2023: ₹ 301.69 lacs) (refer note 23).

Trade payables ageing is as follows:

| Particulars | As at 31 March 2024 | | | | |
|---|--|-----------|--------------|-------------------|----------|
| | Outstanding for following periods from the due date of payment | | | | |
| | Less than 1 Year | 1-2 Years | 2 to 3 years | More than 3 Years | Total |
| (i) Micro enterprises and small enterprises | 708.31 | 2.79 | - | - | 711.10 |
| (ii) Others | 5,677.60 | 3.74 | 2.98 | 2.59 | 5,686.91 |

| Particulars | As at 31 March 2023 | | | | |
|---|--|-----------|--------------|-------------------|----------|
| | Outstanding for following periods from the due date of payment | | | | |
| | Less than 1 Year | 1-2 Years | 2 to 3 years | More than 3 Years | Total |
| (i) Micro enterprises and small enterprises | 606.02 | 0.54 | 4.12 | - | 610.68 |
| (ii) Others | 2,540.04 | 73.45 | 7.38 | 2.64 | 2,623.51 |

23. Other financial liabilities

(₹ in lacs)

| | As at | |
|--|-----------------|-----------------|
| | 31 March 2024 | 31 March 2023 |
| A) Current | | |
| Capital creditors* | 789.78 | 1,742.68 |
| Interest accrued | 309.62 | 191.74 |
| Unpaid dividend | 74.18 | 74.37 |
| Deposits from dealer/customer and others | 36.20 | 37.12 |
| Derivative liability | 38.07 | 167.98 |
| Employee related payables | 279.90 | 642.39 |
| Others payables# | 161.73 | 114.44 |
| Total other financial liabilities | 1,689.48 | 2,970.72 |

*includes payable to micro enterprises and small enterprises of ₹ 231.01 lacs. (31 March 2023: ₹ 301.69 lacs)

includes sales commission payable of ₹ 122.54 lacs (31 March 2023 ₹ 82.71 lacs).

24 A. Income tax assets (net)**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Advance income tax (net of provisions ₹ 8,088.25 lacs (31 March 2023 ₹ 20,916.36 lacs)) | 434.03 | 513.43 |

24 B. Income tax liabilities (net)**(₹ in lacs)**

| | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Provision for tax (net of advance tax ₹ 18,427.78 lacs (31 March 2023 ₹ 5,079.34 lacs)) | 261.79 | 545.17 |

25. Revenue from operations#**(₹ in lacs)**

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Sale of products | 104,787.75 | 109,660.49 |
| Other operating revenue (refer note (i) below) | 1,556.90 | 1,753.19 |
| Total revenue from operations | 106,344.65 | 111,413.68 |

i) Other operating revenue comprises of the following income:

| | | |
|--------------------------------------|-----------------|-----------------|
| Sales of scrap | 319.89 | 239.81 |
| Other income from tolling | 294.17 | 393.85 |
| Duty drawback earned | 942.84 | 1,119.53 |
| Total revenue from operations | 1,556.90 | 1,753.19 |

Refer note 41

26. Other income**(₹ in lacs)**

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Interest on: | | |
| - Fixed deposits carried at amortised cost | 127.73 | 203.53 |
| - Commercial Papers & others | 189.02 | 78.62 |
| - Other financial assets carried at amortised cost | 58.48 | 33.37 |
| Insurance claim | 318.08 | 83.47 |
| Provisions/liabilities no longer required written back | 23.03 | 11.82 |
| Profit/(loss) on sale of investments | 1,225.33 | 56.76 |
| Foreign exchange fluctuation gain (net) | - | 115.37 |
| Income recognised on account of government assistance* | 322.92 | 251.67 |
| Gain on fair valuation of financial assets | 211.19 | 288.87 |
| Mark to market gain on derivative contracts | 14.85 | - |
| Miscellaneous income | 211.00 | 118.28 |
| Total other income | 2,701.63 | 1,241.76 |

* This represent income recognised in relation Export Promotion Capital Goods ('EPCG'), considered as government assistance.

27. Changes in inventories of finished goods and work-in-progress

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Closing stock | | |
| Continuing operations | | |
| - Finished goods | 5,263.16 | 4,081.90 |
| - Work-in-progress | 2,041.15 | 2,595.85 |
| | 7,304.31 | 6,677.75 |
| Opening stock | | |
| Continuing operations | | |
| - Finished goods | 4,081.90 | 4,455.02 |
| - Work-in-progress | 2,595.85 | 1,884.83 |
| | 6,677.75 | 6,339.85 |
| Discontinued operations | | |
| - Finished goods | - | 1,427.24 |
| - Work-in-progress | - | 34.11 |
| | - | 1,461.35 |
| Total changes in inventories | (626.56) | (337.90) |

28. Employee benefits expense#

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Salaries and wages | 5,531.87 | 4,594.14 |
| Share based payment expense (refer note 43) | 32.81 | 47.72 |
| Contribution to provident fund and other funds | 358.11 | 322.31 |
| Gratuity (refer note 40) | 150.66 | 140.53 |
| Staff welfare expenses | 294.32 | 351.93 |
| Total employee benefits expense | 6,367.77 | 5,456.63 |

Refer note 41

29. Finance cost

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Interest : | | |
| -Term loans | 4,941.00 | 2,445.35 |
| -Working capital | 1,625.61 | 770.37 |
| -Lease liabilities | 0.15 | 1.38 |
| -Statutory dues | 26.62 | 38.04 |
| -Buyers credit for raw material | - | 0.53 |
| -Others | 1.90 | 1.46 |
| Other borrowing costs* | 441.00 | 376.39 |
| Total finance cost | 7,036.28 | 3,633.52 |

*Bank charges majorly comprises of Letter of credit charges, Bank guarantee charges and working capital processing fees.

30. Other expenses#**(₹ in lacs)**

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|---|---|
| Manufacturing expenses | | |
| Consumption of stores and spare parts | 2,136.19 | 2,053.02 |
| Consumption of packing material | 1,912.71 | 1,795.57 |
| Power and fuel | 11,447.24 | 8,890.98 |
| Material handling charges | 609.53 | 610.22 |
| Total manufacturing expenses (A) | 16,105.67 | 13,349.79 |
| Selling expenses | | |
| Freight | 2,963.95 | 2,592.51 |
| Commission and brokerage | 164.15 | 193.44 |
| Others | - | - |
| Total selling expenses (B) | 3,128.10 | 2,785.95 |
| Administration and other expenses | | |
| Rent | 94.75 | 118.74 |
| Rates and taxes | 113.64 | 52.90 |
| Insurance | 665.10 | 714.04 |
| Repairs and maintenance: | | |
| - Building | 146.78 | 236.50 |
| - Plant and equipment | 424.66 | 651.65 |
| - Others | 506.89 | 478.79 |
| Corporate social responsibility expenditure (refer note (i) below) | 297.08 | 345.22 |
| Travelling and conveyance | 600.05 | 640.58 |
| Communication expenses | 52.35 | 64.11 |
| Legal and professional charges | 931.20 | 608.04 |
| Printing and stationery | 22.53 | 20.30 |
| Donations (other than political parties) | 1.20 | 6.82 |
| Director's sitting fees | 8.70 | 11.10 |
| Auditors' remuneration (refer note (ii) below) | 60.90 | 57.69 |
| Loss on sale of property, plant and equipment (net) | 102.80 | 79.73 |
| Bad debts, advances and irrecoverable balances written off | 48.49 | 0.06 |
| Provision for doubtful debts / advances | 44.67 | 26.21 |
| Security services | 482.34 | 434.05 |
| Foreign exchange fluctuation loss (net) | 166.08 | - |
| Miscellaneous expenses | 475.93 | 622.64 |
| Total administrative and other expenses (C) | 5,246.14 | 5,169.17 |
| Total other expenses (A+B+C) | 26,855.72 | 25,421.74 |

Refer note 41

i) Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting health care, promoting education, rural development projects and environment sustainability. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

| Particulars | (₹ in lacs) | |
|---|--|---|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| i) Amount required to be spent by the Holding company during the year | 297.08 | 345.22 |
| ii) Amount of expenditure incurred as follows: | | |
| - Constructions/ acquisition of any assets | - | - |
| - Others (refer point (v) below) | 69.59 | 140.02 |
| - Less Set off from the excess amount spent in FY 2021-22 | 0.00 | 5.81 |
| iii) Shortfall at the end of year* | 227.49 | 199.39 |
| iv) Reason for shortfall | ₹ 219.71 lacs pertain to the following ongoing projects and ₹ 7.78 lacs pertain to other than ongoing projects: 1. Promoting Education in khatima directly – ₹ 50.61 lacs 2. Promoting Education and ensuring Environment Sustainability in Hyderabad through Nauka Foundation - ₹ 24.12 lacs 3. Promoting education in Saraf Public School – ₹ 144.98 lacs | ₹ 193.28 lacs pertain to on going project for Saraf international school and ₹ 6.11 lacs pertain to other than ongoing projects. |
| v) Nature of CSR activities | Promoting Education, promoting health care including preventive healthcare and sanitation, ensuring environment sustainability and eradicating hunger, poverty and malnutrition. | Promoting health care, promoting education, rural development projects and eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation |

* The unspent amount will be transferred to unspent CSR account within 30 days from the end of the financial year in case of ongoing project and within 6 months in case of other than ongoing project, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

Unspent amount for other than ongoing projects

| Particulars | (₹ in lacs) | |
|--|-------------|--|
| | Amount | |
| Unspent amount as at 31 March 2023 | 6.11 | |
| Amount deposited in Specified Fund of Sch. VII within 6 months | 6.11 | |
| Amount required to be spent during the year | 50.48 | |
| Amount spent during the year | 42.70 | |
| Unspent amount as at 31 March 2024 | 7.78 | |

Unspent amount for ongoing projects**(₹ in lacs)**

| Particulars | Amount |
|---|---------------|
| Unspent amount as at 31 March 2023 | |
| - with Holding Company | |
| - in Separate CSR unspent account | 193.28 |
| Amount required to be spent during the year | 246.60 |
| Amount spent during the year | |
| - from Holding Company's Bank account | 26.89 |
| - from separate CSR unspent account | 32.17 |
| Unspent amount as at 31 March 2024 | |
| - with Holding Company | 219.71 |
| - in Separate CSR unspent account | 161.11 |

ii) Auditors' remuneration**(₹ in lacs)**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|---|---|
| - Audit fee (excluding taxes) | 57.50 | 54.00 |
| - Out of pocket expenses (excluding taxes) | 3.40 | 3.67 |
| | 60.90 | 57.67 |

31. Tax expenses**(₹ in lacs)**

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|---|---|
| Tax expenses related to continuing operations | | |
| Current tax | - | 1,125.36 |
| Tax earlier years | (8.20) | 147.50 |
| Deferred tax | (1,387.19) | (48.52) |
| Tax expenses related to discontinuing operations | | |
| Current tax | - | 3,802.87 |
| Income tax expense recognised in the statement of profit and loss | (1,395.39) | 5,027.21 |
| The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% and the reported tax expense in the statement of profit and loss are as follows: | | |
| Accounting (loss)/ profit before income tax continuing operation | (13,500.08) | 2,392.55 |
| Accounting profit before income tax discontinued operation | - | 16,324.30 |
| At India's statutory income tax rate of 25.17% (31 March 2021: 25.17%) | (3,397.97) | 4,711.03 |
| Effect of income taxable at lower rate due to slump sale (Discontinued operation) | - | (305.49) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Tax impact of expenses which will never be allowed | 91.75 | 139.56 |
| Earlier year tax paid in current year | (8.20) | 147.50 |
| Adjustment recognised in the current year in relation to the previous financial year | (37.00) | (273.19) |
| Tax impact on loss in subsidiary | 1,956.03 | 607.80 |
| Income tax expense | (1,395.39) | 5,027.21 |

32. Earning per share (EPS)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Net (loss)/profit as attributable for equity shareholders (₹ in lacs) | | |
| - From continuing operations | (12,104.69) | 1,168.21 |
| - From discontinued operations | - | 12,521.43 |
| - From continuing and discontinued operations | (12,104.69) | 13,689.64 |
| Weighted average number of equity shares for basic EPS | 83,509,488 | 83,393,759 |
| Weighted average number of equity shares adjusted for the effect of dilution* | 83,509,488 | 83,393,759 |
| Basic and diluted Earnings per share (₹) | | |
| - From continuing operations | (14.49) | 1.41 |
| - From discontinued operations | - | 15.01 |
| - From continuing and discontinued operations | (14.49) | 16.42 |

*In current year potential ordinary shares (i.e. Employee stock options) are anti-dilutive and therefore excluded from the weighted average number of equity shares for the purpose of computing diluted earning per share.

33. Fair value disclosures

(i) Fair value hierarchy

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

(ii) Valuation technique used to determine fair value

A. Specific valuation techniques used to value mutual funds include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

B. Derivative asset/liability is measured using forward contract exchange rates at the balance sheet rate as confirmed from banks/financial institutions.

(iii) Financial assets measured at fair value – recurring fair value measurements (₹ in lacs)

| Particulars | Level | 31 March 2023 | 31 March 2022 |
|------------------------------------|---------|-----------------|------------------|
| Financial assets | | | |
| Investments in mutual funds | Level 1 | 6,927.03 | 15,393.36 |
| Derivative asset | Level 2 | - | 2.04 |
| Total financial assets | | 6,927.03 | 15,395.40 |
| Financial liabilities | | | |
| Derivative liability | Level 2 | 38.07 | 167.98 |
| Total financial liabilities | | 38.07 | 167.98 |

(iv) Fair value of instruments measured at amortised cost for which fair value are disclosed (₹ in lacs)

| Particulars | Level | 31 March 2024 | | 31 March 2023 | |
|------------------------------------|---------|------------------|------------------|------------------|------------------|
| | | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | | |
| Loans | Level 3 | 54.49 | 54.49 | 32.33 | 32.33 |
| Security deposits | Level 3 | 1,244.05 | 1,244.05 | 1,074.24 | 1,074.24 |
| Total financial assets | | 1,298.54 | 1,298.54 | 1,106.57 | 1,106.57 |
| Borrowings* | Level 3 | 55,217.52 | 55,217.52 | 64,149.62 | 64,149.62 |
| Lease Liabilities | Level 3 | 1.25 | 1.25 | 1.25 | 1.25 |
| Total financial liabilities | | 55,218.77 | 55,218.77 | 64,150.87 | 64,150.87 |

The above disclosures are presented for non-current financial assets (excluding bank deposits) and non-current financial liabilities. Carrying value of current financial assets and current financial liabilities (trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities) represents the best estimate of fair value.

*Long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

34. Financial risk management

The accounting classification of each category of financial instruments, and there carrying amounts are set as below:

(₹ in lacs)

| Particulars | 31 March 2024 | | 31 March 2023 | |
|------------------------------------|-----------------|------------------|------------------|------------------|
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| Financial assets | | | | |
| Investments - mutual funds | 6,927.03 | - | 15,393.36 | - |
| Trade receivables | - | 14,730.83 | - | 15,153.11 |
| Loans | - | 90.42 | - | 91.40 |
| Cash and cash equivalents | - | 9,996.59 | - | 2,835.46 |
| Other bank balances | - | 1,974.19 | - | 2,855.59 |
| Derivative assets | - | - | 2.04 | - |
| Other financial assets | - | 1,303.95 | - | 1,163.64 |
| Total financial assets | 6,927.03 | 28,095.98 | 15,395.40 | 22,099.20 |
| Financial liabilities | | | | |
| Borrowings | - | 77,251.80 | - | 81,569.98 |
| Lease liabilities | - | 1.25 | - | 1.25 |
| Trade payables | - | 6,398.01 | - | 3,234.19 |
| Security depos | - | 36.20 | - | 37.12 |
| Derivative liabilities | 38.07 | - | 167.98 | - |
| Other financial liabilities | - | 1,615.21 | - | 2,765.62 |
| Total financial liabilities | 38.07 | 85,302.47 | 167.98 | 87,608.16 |

(i) Risk management

The Group activities expose it to market risk, liquidity risk and credit risk. The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|----------------------------------|--|-----------------------------|--|
| Credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments | Ageing analysis | Diversification of bank deposits and investments, credit limits and letter of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (₹) | Cash flow forecasting | Forward contract/hedging, if required |
| Market risk - Interest rate risk | Long-term borrowings at variable rates | Sensitivity analysis | Negotiation of terms that reflect market factors |
| Price risk - security price | Investments in mutual funds | Sensitivity analysis | Diversification of portfolio, with focus on strategic investments |

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group exposure to credit risk is influenced mainly by cash and cash equivalents, investments, trade receivables and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management*i) Credit risk rating*

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

| Description | Asset group | Provision for expected credit loss |
|----------------------|--|--|
| Low credit risk | Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets | 12 month expected credit loss |
| Moderate credit risk | Trade receivables | Life time expected credit loss |
| High credit risk | Trade receivables | Life time expected credit loss or fully provided for |

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period (including extension). Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Below is the bifurcation of assets in various categories of risk:**(₹ in lacs)**

| Description | Particulars | 31 March 2024 | 31 March 2023 |
|------------------|--|---------------|---------------|
| Low credit risk | Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets | 35,023.01 | 37,472.98 |
| High credit risk | Trade receivables | 30.25 | 21.62 |

ii) Concentration of financial assets

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and security and earnest money deposits given for business purposes.

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------|---------------|---------------|
| Polyester film | 12,776.28 | 10,801.45 |
| Speciality Polymer | 1,954.55 | 4,351.66 |

b) Credit risk exposure**Provision for expected credit losses**

The Group provides for 12 month expected credit losses or lifetime expected credit losses for following financial assets:

31 March 2024

(₹ in lacs)

| Particulars | Estimated gross carrying amount at default | Expected credit losses (including credit impaired) | Carrying amount net of impairment provision |
|-------------------------------|--|--|---|
| Trade receivables | 14,761.08 | 30.25 | 14,730.83 |
| Loans | 90.42 | - | 90.42 |
| Cash and cash equivalents | 9,996.59 | - | 9,996.59 |
| Other bank balances | 1,974.19 | - | 1,974.19 |
| Derivative assets | - | - | - |
| Other financial assets | 1,303.95 | - | 1,303.95 |
| Investments | 6,927.03 | - | 6,927.03 |
| Total financial assets | 35,053.26 | 30.25 | 35,023.01 |

31 March 2023

(₹ in lacs)

| Particulars | Estimated gross carrying amount at default | Expected credit losses (including credit impaired) | Carrying amount net of impairment provision |
|-------------------------------|--|--|---|
| Trade receivables | 15,174.73 | 21.62 | 15,153.11 |
| Loans | 91.40 | - | 91.40 |
| Cash and cash equivalents | 2,835.46 | - | 2,835.46 |
| Other bank balances | 2,855.59 | - | 2,855.59 |
| Derivative assets | 2.04 | - | 2.04 |
| Other financial assets | 1,163.64 | - | 1,163.64 |
| Investments | 15,393.36 | - | 15,393.36 |
| Total financial assets | 37,516.22 | 21.62 | 37,494.60 |

Expected credit loss for trade receivables under simplified approach

As at 31 March 2024

(₹ in lacs)

| Particulars | Less than 6 months | 6 months- 1 year | 1- 2 years | 2- 3 years | More than 3 years |
|-------------------------------------|--------------------|------------------|-------------|-------------|-------------------|
| Gross carrying value | 14,716.38 | 23.46 | 16.17 | 5.07 | - |
| Credit impaired | - | - | - | - | - |
| Expected loss rate | 0.07% | 14.54% | 98.76% | 22.29% | - |
| Expected credit loss (impairment) | 9.74 | 3.41 | 15.97 | 1.13 | - |
| Carrying amount (net of impairment) | 14,706.64 | 20.05 | 0.20 | 3.94 | - |

As at 31 March 2023

(₹ in lacs)

| Particulars | Less than 6 months | 6 months- 1 year | 1- 2 years | 2- 3 years | More than 3 years |
|-------------------------------------|--------------------|------------------|------------|------------|-------------------|
| Gross carrying value | 15,167.00 | 1.18 | 5.98 | 0.33 | 0.24 |
| Credit impaired | - | - | 4.85 | - | - |
| Expected loss rate | 0.09% | 100.00% | 100.00% | 100.00% | 100.00% |
| Expected credit loss (impairment) | 13.89 | 1.18 | 1.13 | 0.33 | 0.24 |
| Carrying amount (net of impairment) | 15,153.11 | - | - | - | - |

(₹ in lacs)

| Reconciliation of loss allowance | Amount |
|--|--------------|
| Loss allowance as on 1 April 2023 | 21.62 |
| Increase in loss allowance due to expected credit loss | 55.42 |
| Decrease in credit impaired | (46.79) |
| Loss allowance as on 31 March 2024 | 30.25 |

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Group liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities.

| (₹ in lacs) | | | | |
|---------------------------------|------------------|------------------|-------------------|------------------|
| 31 March 2024 | Less than 1 year | 1 - 3 years | More than 3 years | Total |
| Non-derivatives | | | | |
| Borrowings (including interest) | 37,279.73 | 25,191.11 | 28,476.23 | 90,947.07 |
| Trade payables | 6,398.01 | - | - | 6,398.01 |
| Other financial liabilities | 1,689.48 | - | - | 1,689.48 |
| Total | 45,367.22 | 25,191.11 | 28,476.23 | 99,034.56 |

| (₹ in lacs) | | | | |
|---------------------------------|------------------|------------------|-------------------|-------------------|
| 31 March 2023 | Less than 1 year | 1 - 3 years | More than 3 years | Total |
| Non-derivatives | | | | |
| Borrowings (including interest) | 31,973.07 | 28,287.58 | 36,960.44 | 97,221.09 |
| Trade payables | 3,234.19 | - | - | 3,234.19 |
| Other financial liabilities | 2,970.72 | - | - | 2,970.72 |
| Total | 38,177.98 | 28,287.58 | 36,960.44 | 103,426.00 |

The Company had access to following funding facilities :

As at 31 March 2024

| (₹ in lacs) | | | |
|--------------------|------------------|------------------|------------------|
| Funding facilities | Total Facility | Drawn | Not drawn |
| Less than 1 year | 44,279.00 | 20,105.91 | 24,173.09 |
| Total | 44,279.00 | 20,105.91 | 24,173.09 |

As at 31 March 2023

| (₹ in lacs) | | | |
|--------------------|------------------|------------------|------------------|
| Funding facilities | Total Facility | Drawn | Not drawn |
| More than 1 year | 45,100.00 | 18,643.38 | 26,456.62 |
| Total | 45,100.00 | 18,643.38 | 26,456.62 |

(C) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

Interest rate risk exposure

The Group variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

| (₹ in lacs) | | |
|-------------------------|------------------|------------------|
| Particulars | 31 March 2024 | 31 March 2023 |
| Variable rate borrowing | 76,876.33 | 81,142.06 |
| Fixed rate borrowing | 376.72 | 429.17 |
| Total borrowings | 77,253.05 | 81,571.23 |

Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Interest sensitivity* | | |
| Interest rates – decrease by 50 basis point (31 March 2023: 50 basis point) | 303.87 | 320.80 |
| Interest rates – increase by 50 basis point (31 March 2023: 50 basis point) | (303.87) | (320.80) |

* Holding all other variables constant

The Group is exposed to interest rate risk on account of variable rate borrowings. The Group's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group functional currency.

Foreign currency risk exposure

| Particulars | Currency | Amount in Foreign Currency (In absolute figures) | | Amount (₹ in lacs) | |
|---|----------|---|---------------|-----------------------|---------------|
| | | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Financial assets | | | | | |
| Trade receivable | USD | 10,083,262 | 10,463,148 | 8,405.41 | 8,601.75 |
| | GBP | 123,235 | 62,531 | 129.73 | 63.69 |
| | EURO | 2,464,346 | 1,990,172 | 2,222.10 | 1,779.42 |
| Financial liabilities | | | | | |
| Trade payables | EURO | 34,972 | 20,837 | 31.57 | 18.65 |
| | USD | 346,755 | 76,370 | 289.23 | 62.82 |
| Acceptances | USD | 254,940 | 609,190 | 209.61 | 500.88 |
| | EURO | | 117,000 | | 104.67 |
| Foreign currency secured loan* | EURO | 23,781,272 | 26,952,108 | 21,455.46 | 24,111.36 |
| Interest accrued on Foreign currency secured loan | EURO | 284,704 | 125,288 | 256.86 | 112.08 |

*As a risk mitigation strategy the Group has taken cross currency principal only swap in USD @1.0561per USD for the 25% of EURO exposure.

Sensitivity

The following table illustrates the sensitivity of profit/(loss) in regards to the Group's financial assets and financial liabilities and the USD/INR exchange rate, EUR/INR exchange rate and GBP/INR exchange rate 'all other things being equal'. It assumes a +/- 2.02% change of the INR/USD exchange rate for the year ended at 31st March, 2023 (2023: 4.92%). A +/- 5.82% change is considered for the INR/EUR exchange rate (2023: 8.75%). A +/- 6.58 % change is considered for the INR/GBP exchange rate (2023: 11.60%). All of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

(₹ in lacs)

| Particulars | Impact on profit after tax and other equity | |
|---|---|---------------|
| | 31 March 2024 | 31 March 2023 |
| USD sensitivity | | |
| INR/USD increase by 2.02% (31 March 2023- 4.92%) | 122.57 | 295.93 |
| INR/USD decrease by 2.02% (31 March 2023- 4.92%) | (122.57) | (295.93) |
| GBP sensitivity | | |
| INR/GBP increase by 6.58% (31 March 2023- 11.60%) | 6.39 | 5.53 |
| INR/GBP decrease by 6.58% (31 March 2023- 11.60%) | (6.39) | (5.53) |
| EUR sensitivity | | |
| INR/EUR increase by 5.82% (31 March 2023- 8.75%) | (944.08) | (1,646.35) |
| INR/EUR decrease by 5.82% (31 March 2023- 8.75%) | 944.08 | 1,646.35 |

(iii) Price risk

The Group exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss is sensitive to higher/lower prices of instruments on the Group profit/ (loss) for the year -

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|-----------------|
| Investments in mutual funds | | |
| Price increase by (5%) - FVTPL instrument | 259.17 | 575.94 |
| Price decrease by (5%) - FVTPL instrument | (259.17) | (575.94) |

35. Segment reporting

The Group operates in three segments manufacturing and sale of polyester film ,engineering plastics and speciality polymer. The Group has chosen business segments considering the dominant source of nature of risks and returns, internal organisation, management structure and the manner chief operating decision maker (CODM) review the financial performance of the business for allocating the economic resources. A brief description of the reportable segment is as follows:

Polyester chips and film: Polyester chips and films that are used in primarily flexible packaging and other industrial application. Polyester film is known for high tensile strength, chemical and dimensional stability, transparency, reflective, gas and aroma barrier properties and electrical insulation. PET chips is the main raw material used to manufacture the film.

Engineering plastics- Discontinued: Engineering plastics are group of plastic materials that exhibit superior mechanical and thermal properties over the more commonly used commodity plastics. Engineering plastics are equipped with certain electrical properties which enable it to be used in specific industries such as automotive, telecommunication, electrical, electronics and lighting, consumer durable etc.

Speciality Polymer: Specialty Polymers are Polymers that are high performance material catering to the global needs of the industries / applications such as carpets, textiles, food and beverages, consumer electronics, industrial etc. which cannot be met by commodity PET grades.

A. Segment Disclosure

Year ended 31 March 2024

(₹ in lacs)

| Particulars | Polyester chips and film | Speciality Polymers | Total of segments | Unallocable | Net Total | Engineering plastics (Discontinued) |
|---------------------------|--------------------------|---------------------|-------------------|-------------|-------------------|-------------------------------------|
| Revenue | | | | | | |
| External customers | 96,392.01 | 9,952.64 | 106,344.65 | - | 106,344.65 | - |
| Total revenue | 96,392.01 | 9,952.64 | 106,344.65 | - | 106,344.65 | - |
| Income/expenses | | | | | | |
| Other income | | - | - | 2,701.63 | 2,701.63 | - |
| Cost of material consumed | 70,889.37 | 5,221.15 | 76,110.52 | - | 76,110.52 | - |

Year ended 31 March 2024

(₹ in lacs)

| Particulars | Polyester chips andfilm | Speciality Polymers | Total of segments | Unallocable | Net Total | Engineering plastics (Discontinued) |
|---|-------------------------|---------------------|-------------------|--------------------|--------------------|-------------------------------------|
| Changes in inventories of finished goods and work-in-progress | (439.93) | (186.64) | (626.57) | - | (626.57) | - |
| Depreciation and amortisation | 5,685.07 | 648.93 | 6,334.00 | 468.64 | 6,802.64 | - |
| Finance costs | - | - | - | 7,036.28 | 7,036.28 | - |
| Other expenses | 24,810.37 | 2,084.58 | 26,894.95 | 6,328.54 | 33,223.49 | - |
| Segment profit/ (loss) | (4,552.87) | 2,184.62 | (2,368.25) | (11,131.83) | (13,500.08) | - |
| Segment assets | 117,804.54 | 12,072.39 | 129,876.93 | 34,429.19 | 164,306.12 | - |
| Segment liabilities | 52,257.48 | 482.22 | 52,739.70 | 39,812.06 | 92,551.76 | - |
| Other disclosures | | | | | | |
| Capital expenditure | 6,777.28 | 270.60 | 7,047.88 | 1,411.09 | 8,458.97 | - |

Year ended 31 March 2023

(₹ in lacs)

| Particulars | Polyester chips andfilm | Speciality Polymers | Total of segments | Unallocable | Net Total | Engineering plastics (Discontinued) |
|---|-------------------------|---------------------|-------------------|-------------------|-------------------|-------------------------------------|
| Revenue | | | | | | |
| External customers | 91,662.08 | 19,751.60 | 111,413.68 | - | 111,413.68 | 13,600.66 |
| Total revenue | 91,662.08 | 19,751.60 | 111,413.68 | - | 111,413.68 | 13,600.66 |
| Income/expenses | | | | | | |
| Other income | | - | - | 1,241.76 | 1,241.76 | - |
| Cost of material consumed | 61,742.82 | 9,953.38 | 71,696.20 | - | 71,696.20 | 9,220.36 |
| Changes in inventories of finished goods and work-in-progress | (1,387.81) | 1,049.91 | (337.90) | - | (337.90) | 1,461.35 |
| Depreciation and amortisation | 3,380.89 | 522.06 | 3,902.95 | 489.75 | 4,392.70 | 76.14 |
| Finance costs | - | - | - | 3,633.52 | 3,633.52 | - |
| Other expenses | 22,516.01 | 2,511.35 | 25,027.36 | 5,851.01 | 30,878.37 | 1,074.46 |
| Segment profit/ (loss) | 5,410.17 | 5,714.90 | 11,125.07 | (8,732.52) | 2,392.55 | 1,768.35 |
| Segment assets | 116,754.79 | 16,207.37 | 132,962.16 | 38,491.46 | 171,453.62 | - |
| Segment liabilities | 52,351.29 | 643.01 | 52,994.30 | 44,116.12 | 97,110.42 | - |
| Other disclosures | | | | | | |
| Capital expenditure | 25,669.27 | 1,911.45 | 27,580.72 | 5,447.30 | 33,028.02 | 2,115.53 |

Revenue as per geographical market

(₹ in lacs)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|----------------------------------|----------------------------------|
| Revenue from external customers: | | |
| India | 70,022.59 | 68,736.43 |
| Outside India | 36,322.06 | 42,677.25 |
| Total revenue per statement of profit or loss | 106,344.65 | 111,413.68 |
| Segment receivables | | |
| India | 3,963.06 | 11,620.11 |
| Outside India | 10,767.77 | 3,533.00 |
| Total | 14,730.83 | 15,153.11 |

Information about major customer

During the year ended 31 March 2024 revenue of approximately 4.69% (31 March 2023: 6.96%) was derived from a single external customer in the polyester chips and film business and approximately 25% in 31 March 2023 (31 March 2023: 66.42%) was derived from a single external customer in the speciality polymer business.

Non-current assets

Non-current assets of the Group (property, plant and equipment, capital work-in-progress, intangible assets) are held in India.

36. Capital management

The Group objectives when managing capital are to:

- To ensure Group ability to continue as a going concern, and
- To provide adequate return to shareholders

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would attract penalty/ financial interest. There have been few breaches in the financial covenants due to decline in performance of the Holding Company. However, default in financial covenant doesn't lead to calling of loan by banks.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Group are summarised as follows:

| (a) Debt equity ratio | | (₹ in lacs) | |
|---------------------------------|------------------------|------------------------|--|
| | As at 31 March 2024 | As at 31 March 2023 | |
| Total borrowings* | 77,253.05 | 81,571.23 | |
| Total equity | 71,754.36 | 74,343.20 | |
| Net debt to equity ratio | 108% | 110% | |

*Total borrowings include non-current borrowings, current borrowings and leases.

| (b) Dividends | | (₹ in lacs) | |
|---|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Equity shares - Dividend Paid | | | |
| Final dividend for the year ended 31 March 2023 of ₹ 0.50 per share (including tax) | 416.97 | - | |
| Final dividend for the year ended 31 March 2022 of ₹ 1.90 per share (excluding tax) | - | 1,584.48 | |

37. Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related parties where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

| i) Parties where control exists: | Nature of related party | |
|---|------------------------------|--|
| | 31 March 2024 | 31 March 2023 |
| Name of the related parties | | |
| Goldring Investments Corporation | Ultimate Holding Company | Ultimate Holding Company |
| Wilemina Finance Corporation | Intermediate Holding Company | Intermediate Holding Company |
| Mr. Arvind Singhania (Chairman and CEO) | Key managerial personnel | Key managerial personnel |
| Mr. Pradeep Kumar Rustagi (Executive Director - corporate affair) | Key managerial personnel | Key managerial personnel |
| Mr. Sourabh Agarwal (CFO) | Key managerial personnel | "Key managerial personnel (joined w.e.f. 16 March 2023)" |
| Mr. Manish Gupta (CFO) | | Key managerial personnel (Till 29 August 2022) |
| Mr. Ayush Vardhan Singhania (WTD) | Key managerial personnel | Key managerial personnel |

| Name of the related parties | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Mr. Prashant Byce (Company Secretary) | Key managerial personnel(w.e.f.12 July 2023) | - |
| Mrs. Poornima Gupta (Company Secretary) | Key managerial personnel(w.e.f.12 July 2023) | - |
| Mrs. Archana Singhania (Director) | Director | Director |
| Mr. Ashok Kumar Newatia (Independent Director) | Director(Till 31 March 2024) | Director |
| Dr. Anand Chand Burman (Independent Director) | Director(Till 31 March 2024) | Director |
| Mr. M S Ramachandran (Independent Director) | Director(Till 31 March 2024) | Director |
| Mr. Sandeep Dinodia (Independent Director) | Director | Director |
| Mr. P S Dasgupta (Independent Director) | Director(Till 31 March 2024) | Director |
| Mrs. Padmaja Shailen Ruparel (Independent Director) | Director | Director |
| Mr. Alok Dhir (Independent Director) | Director (w.e.f 14 February 2024) | - |
| Mr. Atul Aggarwal (Independent Director) | Director (w.e.f 14 February 2024)" | - |
| Mrs. Uma Devi Singhania | Relatives of Key managerial Personnel | Relatives of Key managerial Personnel |
| Mr. Jai Vardhan Singhania | Relatives of Key managerial Personnel | Relatives of Key managerial Personnel |
| Fenton Investments Private Limited | Enterprises over which directors exercise significant influence | Enterprises over which directors exercise significant influence |
| MOVI Limited | Enterprises over which directors exercise significant influence | Enterprises over which directors exercise significant influence |
| Mr. Arvind Kumar Goyal (independent Director) | Director | Director |
| Mr. Girish Behal(Director) | Director (Ester Filmtech Limited) | Director (Ester Filmtech Limited) |
| Modi Rubbers limited | Enterprise controlled by a close member of key managerial personnel (others) | - |
| Ester Industries Limited Employee's Provident Trust | Enterprise which is post-employment benefit plan for the benefit of employees | Enterprise which is post-employment benefit plan for the benefit of employees |

(a) Transactions during the year with related parties carried out in the ordinary course of business:

(₹ in lacs)

| Sr. No. | Particulars | Key managerial personnel | | Intermediate Holding Company | | Others | | Total | |
|---------|--------------------------------|--------------------------|---------------|------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| 1 | Managerial remuneration | | | | | | | | |
| | Arvind Singhania | 306.40 | 306.40 | - | - | - | - | 306.40 | 306.40 |
| | Pradeep Kumar Rustagi | 114.16 | 155.19 | - | - | - | - | 114.16 | 155.19 |
| | Manish Gupta | - | 30.23 | - | - | - | - | - | 30.23 |
| | Ayush Vardhan Singhania | 128.90 | 165.95 | - | - | - | - | 128.90 | 165.95 |
| | Sourabh Agarwal | 79.56 | 3.31 | | | | | 79.56 | 3.31 |
| | Poornima Gupta | 8.78 | - | - | - | - | - | 8.78 | - |
| | Prashant Byce | 3.82 | - | - | - | - | - | 3.82 | - |

(₹ in lacs)

| Sr. No. | Particulars | Key managerial personnel | | Intermediate Holding Company | | Others | | Total | |
|---------|---|--------------------------|---------------|------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| 2 | Sitting fees | | | | | | | | |
| | Archana Singhaia | 0.80 | 0.80 | - | - | - | - | 0.80 | 0.80 |
| | Anand Chand Burman | 0.30 | 0.50 | - | - | - | - | 0.30 | 0.50 |
| | Ashok Kumar Newatia | 1.30 | 1.90 | - | - | - | - | 1.30 | 1.90 |
| | M S Ramachandran | 1.80 | 2.60 | - | - | - | - | 1.80 | 2.60 |
| | Sandeep Dinodia | 1.60 | 2.30 | - | - | - | - | 1.60 | 2.30 |
| | Padmaja Shailen Ruparel | 1.30 | 1.20 | - | - | - | - | 1.30 | 1.20 |
| | P S Dasgupta | 0.80 | 0.90 | - | - | - | - | 0.80 | 0.90 |
| | Arvind Kumar Goyal | 0.80 | 0.90 | | | | | 0.80 | 0.90 |
| 3 | Equity and security premium contributions in cash | | | | | | | | |
| | Arvind Singhania | 2,490.00 | - | - | - | - | - | 2,490.00 | - |
| | Modi Rubbers Limited | - | - | - | - | 2,500.00 | - | 2,500.00 | - |
| 4 | Dividend paid | | | | | | | | |
| | Ayush Vardhan Singhania | 0.89 | 3.38 | - | - | - | - | 0.89 | 3.38 |
| | Jai Vardhan Singhania | 0.62 | 2.37 | - | - | - | - | 0.62 | 2.37 |
| | Wilemina Finance Corporation | - | - | 245.28 | 920.65 | - | - | 245.28 | 920.65 |
| | Fenton Investments Private Limited | - | - | - | - | 2.45 | 9.31 | 2.45 | 9.31 |
| | MOVI Limited | - | - | - | - | 17.80 | 79.04 | 17.80 | 79.04 |
| 5 | Loan repaid | | | | | | | | |
| | Wilemina Finance Corporation | - | - | - | 101.94 | - | - | - | 101.94 |
| 6 | Corporate guarantees given by Intermediate Holding Company to lender banks | | | | | | | | |
| | Wilemina Finance Corporation | - | - | 1,195.51 | 788.90 | - | - | 1,195.51 | 788.90 |
| 7 | Personal guarantees given by KMP | | | | | | | | |
| | Arvind Singhania | - | 13,561.81 | - | - | - | - | - | 13,561.81 |
| 8 | Holding Company's contribution to provident fund trust: | | | | | | | | |
| | Ester Industries Limited Employee's Provident Trust | - | - | - | - | 129.32 | 104.16 | 129.32 | 104.16 |

(b) Closing balance with key managerial personnel in the ordinary course of business:**(₹ in lacs)**

| Sr. No. | Corporate guarantees given to lender (banks) of - | Year | Amount |
|---------|---|---------------|-----------|
| | Arvind Singhania | 31 March 2024 | 57,558.17 |
| | | 31 March 2023 | 59,436.70 |

(c) Closing balance with related parties in the ordinary course of business:**(₹ in lacs)**

| Sr. No. | Guarantees given against loans taken (jointly and severally) by the Group | Year | Amount |
|---------|---|---------------|-----------|
| 1 | Wilemina Finance Corporation | 31 March 2024 | 23,244.40 |
| | | 31 March 2023 | 22,048.89 |

(d) Key managerial personnel compensation:**(₹ in lacs)**

| Nature of transactions | Year | Amount |
|------------------------------|--------|--------|
| Short-term employee benefits | 641.62 | 661.08 |
| Post-employment benefits | 14.09 | 21.06 |
| Other long-term benefits | 2.34 | 1.65 |
| | 658.05 | 683.79 |

The Group related party transactions during the year ended 31 March 2024 and 31 March 2023 and outstanding balances as at 31 March 2024 and 31 March 2023 are at arms length and in the ordinary course of business

38. Contingent liabilities and commitments**(₹ in lacs)**

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| A. Contingent liabilities* | | |
| 1 Claims against the Group not acknowledged as debts [^] | 19.00 | 38.93 |
| 2 Additional bonus for financial year 2014-15 due to Payment of Bonus (Amendment) Act, 2015 # | 22.87 | 22.87 |
| 3 There is a contingent liability of: \$ | | |
| i) Excise duty/custom duty/service tax demands not acknowledged as liability | 1,227.25 | 967.03 |
| ii) Demand raised by Income Tax department, disputed by the Group and pending in appeal | 33.88 | 33.88 |

* The amounts indicated as contingent liability or claims against the Group only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered.

[^] These claims represents various civil cases filed against the Group by various vendors and ex-employees of the Group.

In view of the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, the Group has made a provision for incremental bonus for the financial year i.e. for 2015-16. Though the amendment was effective retrospectively from 1 April 2014, the Group on the legal advice has decided not to consider it on account of interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

\$ The Group is contesting the above demands and the management, based on legal advice, believe that its position will be upheld in the appellate process. Hence, no tax expense has been accrued in the consolidated financial statements for these tax demands.

(₹ in lacs)

| B. Commitments | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| 1 Estimated amount of contracts remaining to be executed on capital account and not provided for | 1,385.55 | 5,561.22 |
| 2 Estimated amounts of contracts remaining to be executed on other than capital account and not provided for | 7,699.67 | 5,281.05 |
| 3 Corporate Guarantees given to lender (banks) of Ester Filmtech Limited (Subsidiary) (refer note 37) | 51,149.60 | 44,166.69 |

39. Leases disclosure as lessee**Lease liabilities are presented in the statement of financial position as follows:****(₹ in lacs)**

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Current liabilities (amount due within one year) | - | - |
| Non current liabilities (amount due over one year) | 1.25 | 1.25 |

The Group leased asset consist of leases for land and building . With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security.

Right of use asset as at 31 March 2024 amounting to ₹ 56.85 lacs (31 March 2023 amounting to ₹ 57.61 lacs) are for the leases of equipments and lease of land.

A Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right of use the underlying asset recognised in the financial statement.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹94.75 lacs (31 March 2023 amounting to ₹ 123.63 lacs).

B Total cash outflow for leases for the year ended 31 March 2024 was ₹ 0.15 lacs (year ended 31 March 23 was ₹ 48.26 lacs).

C Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows: **(₹ in lacs)**

| Particulars | Minimum lease payments due as on 31 March 2024 | | | | | | Total |
|---------------------------|--|-----------|-----------|-----------|-----------|-------------------|-------------|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 Years | |
| Lease payments | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 10.8 | 11.55 |
| Interest expense | (0.15) | (0.15) | (0.15) | (0.15) | (0.15) | (9.55) | (10.30) |
| Net present values | - | - | - | - | - | 1.25 | 1.25 |

D Information about extension and termination options

| Leases entered into | Number of leases | Range of remaining term | Average remaining lease term | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---|------------------|-------------------------|------------------------------|--|---------------------------------------|--|
| Land for sitarganj manufacturing facility | 1 | 76 years | 76 years | - | None | - |

E Expected future cash outflow on account of variable lease payments as at 31 March 2024 is of ₹ Nil.

F The total future cash outflows as at 31 March 2024 for leases that had not yet commenced is of ₹ Nil.

40. Employee benefits obligations

I Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on departure at fifteen day salary (last drawn salary) for each completed year of service in terms of the provisions of the Payments of Gratuity Act, 1972. The Group provides for liability in its books of accounts based on actuarial valuation.

The following table summaries the components of net benefit expense recognised in statement of profit and loss and the amount recognised in the balance sheet for gratuity benefit:

(i) Amounts recognised in the balance sheet (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-----------------------|-----------------|---------------|
| Current liability | 333.50 | 236.98 |
| Non-current Liability | 750.27 | 728.89 |
| Total | 1,083.77 | 965.87 |

(ii) Movement in the liability recognised in the balance sheet is as under: (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|-----------------|---------------|
| Present value of defined benefit obligation at the beginning of the year | 965.87 | 1,032.51 |
| Acquisition adjustment (in) | 0.24 | (73.85) |
| Acquisition Adjustment (out) | (0.24) | |
| Current service cost | 79.38 | 69.10 |
| Interest cost | 71.28 | 74.55 |
| Actuarial (gain)/loss (net) | 100.86 | (27.80) |
| Benefits paid | (133.61) | (108.64) |
| Present value of defined benefit obligation at the end of the year | 1,083.78 | 965.87 |

(iii) Expenses recognised in statement of profit and loss (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Current service cost | 79.38 | 69.10 |
| Interest cost | 71.28 | 74.55 |
| Cost recognised during the year | 150.66 | 143.65 |

(iv) Expenses recognised in other comprehensive income (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|----------------|
| Actuarial gain/loss net on account of: | | |
| - Changes in financial assumptions | 11.97 | (7.31) |
| - Changes in experience adjustment | 88.89 | (20.06) |
| (Income)/cost recognised during the year | 100.86 | (27.37) |

| | 31 March 2024 | 31 March 2023 | 31 March 2022 | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|---------------|---------------|---------------|
| - Changes in experience adjustment loss/ (gain) | 88.89 | (20.06) | 46.27 | 39.20 | 49.94 |

(v) Expected contribution for the next annual reporting period (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Service cost | 76.59 | 70.16 |
| Interest cost | 77.49 | 71.28 |
| Expected expense for the next annual reporting period | 154.08 | 141.44 |

(vi(a)) **For determination of the liability of the Group the following actuarial assumptions were used:**

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------------------|---------------|---------------|
| Discount rate | 7.15% | 7.38% |
| Salary escalation rate | 5.00% | 5.00% |
| Retirement age (years) | 58 Years | 58 Years |
| Average past service (years) | 12.83 Years | 13.06 Years |
| Average age | 42.42 Years | 42.78 Years |
| Average remaining working life | 15.58 Years | 15.22 Years |
| Weighted average duration | 12.60 Years | 12.37 Years |
| Withdrawal rate | | |
| Up to 30 years | 3.00% | 3.00% |
| From 31 to 44 years | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% |

Mortality rates inclusive of provision for disability-100% of IALM (2012 – 14)

(vi(b)) **Maturity profile of defined benefit obligation**

(₹ in lacs)

| Particulars | Amount 31 March 2024 | Amount 31 March 2023 |
|---------------------------|-------------------------|-------------------------|
| Less than a year | 333.50 | 236.98 |
| Between one to two years | 113.17 | 120.14 |
| Between two to five years | 246.15 | 302.17 |
| Over five years | 390.95 | 306.58 |

(vii) **Sensitivity analysis**

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|---------------|
| a) Impact of the change in discount rate | | |
| Present value of obligation at the end of the year | 1,083.78 | 965.87 |
| Impact due to increase of 0.50% | (25.95) | (23.56) |
| Impact due to decrease of 0.50% | 27.69 | 25.08 |
| b) Impact of the change in salary increase | | |
| Present value of obligation at the end of the year | 1,083.78 | 965.87 |
| Impact due to increase of 0.50% | 28.14 | 25.54 |
| Impact due to decrease of 0.50% | (26.58) | (24.19) |

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

Risk

| | |
|--------------------------|--|
| Salary increases | Actual salary increases will increase the defined benefit liability. Increase in salary increment rate assumption in future valuations will also increase the liability. |
| Discount rate | Reduction in discount rate in subsequent valuations can increase the liability. |
| Mortality and disability | Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities. |
| Withdrawals | Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact defined benefit liability. |

II Provident fund

Provident fund for certain eligible employees is managed by the Group through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the Group or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In this regard, actuarial valuation as at 31 March 2024 was carried out by actuary to find out value of projected defined benefit obligation arising due to interest rate guarantee by the Group towards provident fund.

(₹ in lacs)

| (i) | Projected benefit obligation | 31 March 2024 | 31 March 2023 |
|-----|---|---------------|---------------|
| | Projected benefit obligation at beginning of year | 2,402.20 | 2,043.75 |
| | Current service cost | 129.32 | 104.16 |
| | Interest cost | 184.14 | 174.70 |
| | Contributions by plan participants/employees | 158.82 | 134.22 |
| | Actuarial loss / (gain) due to interest guarantee | (1.40) | (0.04) |
| | Benefits paid | (618.05) | (71.47) |
| | Settlements/transfer In | 90.83 | 16.88 |
| | Projected benefit obligation at end of year | 2,345.86 | 2,402.20 |

(₹ in lacs)

| (ii) | Reconciliation of plan assets | 31 March 2024 | 31 March 2023 |
|------|---|---------------|---------------|
| | Fair value of plan asset at beginning of year | 2,476.13 | 2,127.33 |
| | Actual return on plan asset | 193.53 | 165.01 |
| | Employer contribution | 129.32 | 104.16 |
| | Plan participants/employee contribution | 158.82 | 134.22 |
| | Benefit paid | (618.05) | (71.47) |
| | Settlements/transfer in | 90.83 | 16.88 |
| | Fair value of plan asset at the end of the year | 2,430.58 | 2,476.13 |

The principal assumptions used in determining liability towards shortfall in provident liability are shown below:

| (iii) | Economic assumptions | 31 March 2024 | 31 March 2023 |
|-------|---|---------------|---------------|
| | i) Interest rate | 8.25% | 8.15% |
| | ii) Discount rate | 7.15% | 7.38% |
| | iii) Expected shortfall in Interest earning on the fund | 0.05% | 0.05% |

| (iv) | Demographic assumptions | 31 March 2024 | 31 March 2023 |
|------|---------------------------|----------------|----------------|
| | i) Mortality | IALM (2012-14) | IALM (2012-14) |
| | ii) Normal Retirement Age | 58 | 58 |

(₹ in lacs)

| (v) | Actuarial (Gain)/Loss on Obligation | 31 March 2024 | 31 March 2023 |
|-----|--|---------------|---------------|
| | i) Actuarial loss/ (gain) on arising from change in financial assumption | 0.29 | (0.10) |
| | ii) Actuarial loss/ (gain) on arising from experience adjustment | 1.70 | 0.06 |

(₹ in lacs)

| | 31 March 2024 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|---------------|---------------|
| - Changes in experience adjustment loss/ (gain) | 1.70 | 0.06 | 94.38 | (87.71) |

| (vi) | Major categories of plan assets (as percentage of total plan assets) | 31 March 2024 |
|------|--|---------------|
| | i) Government of India Securities | 12.77% |
| | ii) State Government Securities | 45.82% |
| | iii) High Quality Corporate Bonds | 29.84% |
| | iv) Private Sector Bonds | 10.70% |
| | v) Equity shares of listed companies | 0.87% |

- III The Group has made contribution to certain defined contribution plans as captured in the table below. The obligations of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Employer's contribution to Ester Industries Limited Employee's Provident Trust | 129.32 | 104.16 |
| Employer's contribution to other Provident Fund | 167.31 | 176.22 |
| Employer's contribution to Superannuation Fund | 40.05 | 44.93 |
| Employer's contribution to labour welfare fund and employee state insurance | 14.09 | 14.29 |

41. Discontinued operations

a. Description:

On 06 May 2022, the Holding Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from 15 September 2022. The business was reported under "Others segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements till previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below:

b. Financial performance and Cash flow information:

(₹ in lacs)

| SL Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|------------------|
| I (a) Sale of products | - | 13,593.60 |
| (b) Other operating revenues | - | 7.06 |
| (c) Revenue from operations {I(a)+I(b)} | - | 13,600.66 |
| (d) Other income | - | - |
| (e) Total income {I(c)+I(d)} | - | 13,600.66 |
| (f) Total expenses | - | 11,832.31 |
| (g) Profit before tax for the period from discontinued operations {I(e)-I(f)} | - | 1,768.35 |
| (h) Tax expense related to discontinued operations | - | 445.10 |
| (i) Net Profit after tax for the period from discontinued operations {I(g)-I(h)} | - | 1,323.25 |
| II (a) Profit before tax on disposal of discontinued operations | - | 14,555.95 |
| (b) Tax expense related to disposal of discontinued operations | - | 3,357.77 |
| (c) Net Profit after tax on disposal of discontinued operations {II(a)-II(b)} | - | 11,198.18 |
| III Net Profit after tax for the period from discontinued operations {I(i)+II(c)} | - | 12,521.43 |
| IV Net cash generated from operating activities | - | 4,229.02 |
| V Net cash generated from investing activities | - | 20284.26 |

c. Details of disposal of discontinued operations:

(₹ in lacs)

| Particulars | 31 March 2023 |
|--|------------------|
| Proceeds from slump sale of business | 26,326.27 |
| Carrying amount of net assets transferred | (11,186.99) |
| Costs incurred on slump sale of business | (583.33) |
| Profit before tax on disposal of discontinued operations | 14,555.95 |
| Tax expense related to disposal of discontinued operations | (3,357.77) |
| Net Profit after tax on disposal of discontinued operations | 11,198.18 |

d. **The carrying amounts of assets and liabilities as at the date of sale were as follows:** (₹ in lacs)

| Particulars | 31 March 2023 |
|----------------------------------|-----------------|
| Property, plant and equipment | 3642.17 |
| Inventory | 3826.81 |
| Trade receivables | 5897.21 |
| Other assets | 582.34 |
| Total assets | 13948.53 |
| Trade payables | 2649.82 |
| Other liabilities and provisions | 111.72 |
| Total liabilities | 2761.54 |
| Net assets transferred | 11186.99 |

(f) Pursuant to requirements of Ind AS 105, the amounts in the statement of profit and loss (and notes 25 to 30) for the current year and the previous year have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.

42 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contracts with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied."

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

For the year 31 March 2024

(₹ in lacs)

| Revenue from operations | Goods | Other operating revenue* | Total |
|--|-------------------|--------------------------|-------------------|
| Revenue by geography (continuing operation) | | | |
| Domestic | 68,465.69 | 614.06 | 69,079.75 |
| Export | 36,322.06 | - | 36,322.06 |
| Subtotal (a) | 104,787.75 | 614.06 | 105,401.81 |
| Revenue by geography (discontinued operation) | | | |
| Domestic | - | - | - |
| Export | - | - | - |
| Subtotal (b) | - | - | - |
| Total (a+b) | 104,787.75 | 614.06 | 105,401.81 |

For the year 31 March 2023

(₹ in lacs)

| Revenue by geography | Goods | Other operating revenue* | Total |
|--|-------------------|--------------------------|-------------------|
| Revenue by geography (continuing operation) | | | |
| Domestic | 66,983.24 | 633.66 | 67,616.90 |
| Export | 42,677.25 | - | 42,677.25 |
| Subtotal (a) | 109,660.49 | 633.66 | 110,294.15 |
| Revenue by geography (discontinued operation) | | | |
| Domestic | 12,361.04 | - | 12,361.04 |
| Export | 1,232.56 | - | 1,232.56 |
| Subtotal (b) | 13,593.60 | - | 13,593.60 |
| Total (a+b) | 123,254.09 | 633.66 | 123,887.75 |

Other operating revenue amounting to ₹ 942.84 lacs (31 March 2023: ₹ 1,126.59 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(b) Assets and liabilities related to contracts with customers

(₹ in lacs)

| Description | 31 March 2024 | | 31 March 2023 | |
|---|---------------|---------|---------------|---------|
| | Non-current | Current | Non-current | Current |
| Contract liabilities | | | | |
| Revenue received in advance - Continuing operations | - | 138.45 | - | 272.28 |

(c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

(₹ in lacs)

| Description | 31 March 2024 | 31 March 2023 |
|--|-------------------|-------------------|
| Continuing operations | | |
| Contract price | 105,499.90 | 110,359.32 |
| Less: Discount, rebates, credits etc. | 98.09 | 65.17 |
| Discontinued operations | | |
| Contract price | - | 13,599.19 |
| Less: Discount, rebates, credits etc. | - | 5.59 |
| Revenue from operations as per Statement of Profit and Loss | 105,401.81 | 123,887.75 |

Other operating revenue amounting to ₹ 942.84 lacs (31 March 2023: ₹ 1,126.59 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(d) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

(₹ in lacs)

| Description | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Continuing operations | | |
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | 272.28 | 374.87 |
| Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods | - | - |
| Discontinued operations | | |
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | - | 56.58 |
| Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods | - | - |

- (e) In the normal course of business, the payment terms given to domestic customers ranges from 0 to 60 days and for export customers, it ranges from 0 to 105 days.

43. Share based payment

The Nomination and Remuneration Committee of the Company had at its meeting held on 01 April 2021, approved grant of 2,48,179 (face value of ₹ 5/- per share) to the eligible employees of the Company under the of Ester share based expenses Plan-2021, at an exercise price of ₹ 105 per option (being 10% less than the closing price at NSE on 31 March 2021 i.e. immediately preceding the grant date), each option being convertible in to one Equity Share of the Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the terms and conditions of the Ester share based expenses Plan-2021.

The terms and conditions of the grant as per the Ester share based expenses Plan-2021 are as under:

A. Vesting period

Vesting of the options shall take place as per the following schedule:

- 10% of options shall vest at the end of a period of 1 (one) year from date of grant
- 20% of options shall vest at the end of a period of 2 (two) years from date of grant
- 30% of options shall vest at the end of a period of 3 (three) years from date of grant
- 40% of options shall vest at the end of a period of 4 (four) years from date of grant

B. Exercise period

8 (Eight) years from the date of grant. The employee shall have a right to exercise all the option vested in him at one time or various points of time within the exercise period.

Particulars of Options outstanding as on 31 March 24 is as follows:

| Particulars | Grant 1 | | | |
|--|------------------|------------------|------------------|------------------|
| | Vesting period-1 | Vesting period-2 | Vesting period-3 | Vesting period-4 |
| Outstanding stock options (numbers) at the beginning of the year | 24,818 | 49,636 | 74,454 | 99,272 |
| Options (numbers) granted during the year | - | - | - | - |
| Options (numbers) exercised during the year | - | - | - | - |
| Outstanding Options (numbers) at the end of the year | 24,818 | 49,636 | 74,454 | 99,272 |
| Weighted average exercise price (₹) | 105.00 | 105.00 | 105.00 | 105.00 |
| Vesting date | 01-Apr-22 | 01-Apr-23 | 01-Apr-24 | 01-Apr-25 |

Weighted average remaining contractual life as on 31 March 2024 (5 years) and 31 March 2023 (6 years).

Fair value of Options granted during the previous financial year 2021-22, has been determined using Black-Scholes model with following inputs:

| Particulars | Grant 1 | | | |
|--|------------------|------------------|------------------|------------------|
| | Vesting period-1 | Vesting period-2 | Vesting period-3 | Vesting period-4 |
| Date of Grant | 01-Apr-21 | 01-Apr-21 | 01-Apr-21 | 01-Apr-21 |
| Stock price on the grant date (₹) | 116.75 | 116.75 | 116.75 | 116.75 |
| Exercise price (₹) | 105.00 | 105.00 | 105.00 | 105.00 |
| Expected term (years) | 8 years | 8 years | 8 years | 8 years |
| Weighted average fair value as on grant date (₹) | 57.97 | 60.08 | 64.91 | 67.29 |
| Expected price volatility | 55.72% | 55.64% | 60.05% | 61.03% |
| Risk free interest rate | 5.49% | 5.64% | 5.77% | 5.90% |
| Expected dividend yield | 1.79% | 1.79% | 1.79% | 1.79% |

Risk free return has been considered as Zero Coupon Bond Yield (continuous compound) for a term equal to the expected life of the ESOP's available on The Clearing Corporation of India Limited's (CCIL) website. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

Summary of the expenses recognised in the statement of profit and loss:

(₹ in lacs)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|-----------------------------|----------------------------------|----------------------------------|
| Share based payment expense | 32.81 | 47.72 |

44. Disclosure pursuant to section 186(4) of The Companies Act, 2013

(₹ in lacs)

| Particulars | Purpose | As at 31 March 2024 | As at 31 March 2023 |
|--|-------------------------|---------------------|---------------------|
| Guarantees given | | | |
| Corporate Guarantees given to lender (banks) of - Ester Filmtech Limited | Repayment of borrowings | 51149.6 | 44166.69 |

45. Ratios

The ratios for the years ended 31 March 2024 and 31 March 2023 are as follows:

| Particulars | Numerator | Denominator | As at 31 March 2024 | As at 31 March 2023 | Variance (in %) |
|-----------------------------|--|------------------------------|---------------------|---------------------|-----------------|
| Current ratio | Current assets | Current liabilities | 1.27 | 1.69 | (25.11) |
| Debt-Equity ratio | Total debt ¹ | Shareholder's equity | 1.08 | 1.10 | 2.12 |
| Debt service coverage ratio | Earnings available for debt service ² | Debt service ³ | -0.02 | 1.22 | (101.24)* |
| Return on equity | Net profit after taxes | Average shareholder's equity | 0.00% | 3.65% | (100.00)* |
| Inventory turnover ratio | Cost of goods sold | Average inventory | 4.76 | 4.37 | 9.03 |

| Particulars | Numerator | Denominator | As at 31 March 2023 | As at 31 March 2022 | Variance (in %) |
|-----------------------------------|-----------------------------------|-------------------------------|---------------------------|---------------------------|--------------------|
| Trade receivables turnover ratio | Net sales | Average accounts receivable | 7.01 | 7.15 | (1.92) |
| Trade payables turnover ratio | Net credit purchases ⁵ | Average trade payables | 18.69 | 20.02 | (6.63) |
| Net capital turnover ratio | Net sales | Working capital | 9.19 | 4.97 | 84.86 |
| Net profit ratio | Net profit after taxes | Net sales | -11.55% | 2.02% | (671.86)* |
| Return on capital employed (ROCE) | Earning before interest and taxes | Capital employed ⁴ | -4.29% | 4.91% | (187.44)* |
| Return on investment | Gain from investment ⁶ | Cost of investment | 15.38% | 4.68% | 228.65** |

¹ Total debt represents total borrowings and total lease liabilities

² Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest on term loans and lease liabilities + other adjustments like loss on sale of Fixed assets etc

³ Interest and Lease Payments during the year + Principal Repayments during the year

⁴ Tangible net worth (Total equity - other intangible assets) + Total debt + DTL”

⁵ 5 Cost of material consumed + Consumption of stores and spares + Consumption of packing material + Power and fuel + (Closing inventories of raw materials and Store and spares - opening inventories of raw materials and Store and spares)

⁶ 6 Gain/ loss on sale and change in fair value of mutual funds and commercial papers are considered for the purpose of computing return on investment.

* Due to lower performance(loss) as compared to last financial year

** Investments in mutual funds were made in October 2022 for the fiscal year 2022-23 but were not present for the entirety of the last fiscal year.

46. Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

During the current year, the audit trail (edit logs) feature for any direct changes made at the database level was not enabled for the accounting software SAP S/4 HANA used for maintenance of books of account by the Holding Company and its subsidiary. The management will evaluate the implementation of audit logs at database level for all the accounting software in the next financial year.

47. During the year ended 31 March 2024, the Holding company has raised money by the way of issuing 1,05,60,250 Equity Shares of face value of ₹ 5 per equity share on preferential basis for cash to Promoter & Promoter Group and Non-Promoter Category at a price of ₹ 94.60 per equity share (including a premium of ₹ 89.60 per equity share) aggregating to ₹ 9,990 lacs. The issue was made in accordance with applicable Regulations of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 [‘SEBI (ICDR)]. Expenses incurred in relation to preferential allotment amounting to ₹ 13.57 lacs (net of taxes) have been adjusted from securities premium account. As per the offer document, entire proceeds will be used for the purpose of repayment of term loan, investment in subsidiary and general corporate purpose. As on 31 March 2024, 100% proceeds of the aforesaid allotment were unutilised and were temporarily parked/ invested in fixed deposits.

48 Additional regulatory information not disclosed elsewhere in the consolidated financials statements.

31 March 2024

| Name of the entity in the Group | Net assets, i.e., total assets minus total liabilities | | Share in profit and loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---------------------------------|--|--------------------|--------------------------------------|-------------------|---|--------------------|---|--------------------|
| | As % of consolidated net assets | Amount (₹ in lacs) | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount (₹ in lacs) | As % of consolidated total comprehensive income | Amount (₹ in lacs) |
| Parent | | | | | | | | |
| Ester Industries Limited | 63.16% | 45,323.37 | 35.80% | (4,333.42) | 100.17% | (76.55) | 36.20% | (4,409.97) |
| Subsidiary | | | | | | | | |
| Ester Filmtech Limited | 36.84% | 6,430.99 | 64.20% | (7,771.27) | (0.17%) | 0.13 | 63.80% | (7,771.14) |
| Total | 100.00% | 1,754.36 | 100.00% | -12,104.69 | 100.00% | (76.42) | 100.00% | (12,181.11) |

31 March 2023

| Name of the entity in the Group | Net assets, i.e., total assets minus total liabilities | | Share in profit and loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---------------------------------|--|--------------------|--------------------------------------|------------------|---|--------------------|---|--------------------|
| | As % of consolidated net assets | Amount (₹ in lacs) | As % of consolidated profit and loss | Amount | As % of consolidated other comprehensive income | Amount (₹ in lacs) | As % of consolidated total comprehensive income | Amount (₹ in lacs) |
| Parent | | | | | | | | |
| Ester Industries Limited | 67.85% | 50,441.07 | 117.64% | 16,104.43 | 140.84% | 27.07 | 117.67% | 16,131.50 |
| Subsidiary | | | | | | | | |
| Ester Filmtech Limited | 32.15% | 23,902.13 | (17.64%) | (2,414.79) | (40.84%) | (7.85) | (17.67%) | (2,422.64) |
| Total | 100.00% | 74,343.20 | 100.00% | 13,689.64 | 100.00% | 19.22 | 100.00% | 13,708.86 |

The amount shown above in the table are after elimination of intra-group transactions.

49 Additional regulatory information not disclosed elsewhere in the consolidated financials statements

- (a) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (b) The Group does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below

(₹ in lacs)

| Name of the struck off company | Nature of transactions with struck off company | 31 March 2024 | | 31 March 2023 | |
|--|--|-----------------------------|-----------------|-----------------------------|-----------------|
| | | Transaction during the year | Closing Balance | Transaction during the year | Closing Balance |
| Global Packaging* | Trade receivable | 175.34 | - | 141.92 | - |
| Stic-on Papers Pvt. Ltd.* | Trade receivable | 12.32 | - | 7.10 | - |
| Agarwal Impex Pvt Ltd. | Trade receivable | - | - | 59.31 | 0.01 |
| Holoprint Security Solutions Pvt Ltd | Trade receivable | - | - | 0.25 | - |
| Oswal Industries* | Trade Receivable | 136.11 | - | 25.37 | 30.20 |
| A.M.P Polymers India Private Limited** | Advance from Customer | 154.07 | - | 62.92 | (0.01) |

| Name of the struck off company | Nature of transactions with struck off company | 31 March 2024 | | 31 March 2023 | |
|--------------------------------------|--|-----------------------------|-----------------|-----------------------------|-----------------|
| | | Transaction during the year | Closing Balance | Transaction during the year | Closing Balance |
| Sharda Trading Company Pvt. Ltd. | Advance from customer | - | - | 33.75 | - |
| Gati Kintetsu Express Pvt Ltd | Trade Payables | - | - | 0.02 | - |
| Kautilya Venture Capital Company Ltd | Shareholder (dividend paid) | 0.04 | - | 0.16 | - |
| Emerging Primary Securities Limited* | Shareholder (dividend paid) | 0.01 | - | 0.02 | - |

* These companies are struck off in the current year.

**Restored during the current year.

- (c) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.
- (d) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (e) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (f) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (g) No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
- (h) No funds have been received by the Holding Company or its subsidiary company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (i) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (j) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (k) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- 50** The previous year numbers have been regrouped/ reclassified wherever necessary to conform to current year presentation.
- 51** No subsequent event occurred post balance sheet date which requires adjustment in the consolidated financial statements for the year ended 31 March 2024.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sd/-
Nitin Toshniwal
Partner

Membership No.507568

Place: New Delhi
Date: 22 May 2024

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO

DIN: 00934017

Place: New Delhi
Date: 22 May 2024

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate
Affairs

DIN: 00879345

Place: New Delhi
Date: 22 May 2024

Sd/-
Sourabh Agarwal
Chief Financial Officer

Place: New Delhi
Date: 22 May 2024

Sd/-
Poornima Gupta
Company Secretary

Membership No. A49876

Place: New Delhi
Date: 22 May 2024

FORM AOC-1

for the financial year ended 31st March 2024

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso of Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART "A"- Subsidiaries

(₹ in Lacs)

| | | | |
|-----|---|---|--|
| 1. | Name of the Subsidiary | : | Ester Filmtech Limited |
| 2. | Date of acquisition | : | 21 st July, 2020 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | : | 1 st April, 2023 - 31 st March, 2024 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | : | Not Applicable |
| 5. | Share capital | : | 37300 |
| 6. | Reserves & surplus | : | (10,869.01) |
| 7. | Total assets | : | 73,048.00 |
| 8. | Total Liabilities | : | 46,617.01 |
| 9. | Investments | : | - |
| 10. | Turnover | : | 27910.67 |
| 11. | Profit & Loss before taxation | : | (7,771.27) |
| 12. | Provision for taxation | : | - |
| 13. | Profit & Loss after taxation | : | (7,771.27) |
| 14. | Proposed Dividend | : | - |
| 15. | % of shareholding held by the Company | : | 100 |

Notes:

1. Name of subsidiaries which are yet to commence operations- NIL
2. Names of Subsidiaries which have been liquidated or sold during the year-NIL

PART "B": Associates and Joint Ventures

There is no Associate or Joint Venture of the Company during the year under review.

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director -
Corporate Affairs
DIN: 00879345

Sd/-
Sourabh Agarwal
Chief Financial Officer

Sd/-
Poornima Gupta
Company Secretary
Membership No. A49876

Place: New Delhi
Date: 12th August 2024

ESTER
INDUSTRIES LTD.

CIN: L24111UR1985PLC015063

Registered Office:

Sohan Nagar, P.O. Charubeta, Khatima - 262308
Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) - 250153-57, Fax No, : (05943) - 250158

Corporate Office:

Plot No. 11, Block-A, Infocity-I, Sector-34, Gurgaon-122001, Haryana
Phone No.: +91-124-4572100, Fax No.: +91-124-4572199
Email: investor@ester.in, Website: www.esterindustries.com