



33rd | **ANNUAL REPORT**
2018-19

ESTER INDUSTRIES LIMITED

CORPORATE INFORMATION

Board of Directors	Mr. Arvind Singhania	Chairman & CEO
	Mr. Ashok Kumar Newatia	Independent Director
	Mr. M. S. Ramachandran	Independent Director
	Mr. Dinesh Chandra Kothari	Independent Director
	Dr. Anand Chand Burman	Independent Director
	Mr. P. S. Dasgupta	Independent Director
	Mr. Sandeep Dinodia	Independent Director
	Mrs. Archana Singhania	Non - Executive Director
	Mr. Pradeep Kumar Rustagi	Executive Director & CFO
Head - Legal & Company Secretary	Mr. Diwaker Dinesh	
Statutory Auditors	M/s Walker Chandiook & Co. LLP, Gurgaon	
Lenders	Bank of India	
	Bank of Baroda	
	Union Bank of India	
	Canara Bank	
	State Bank of India	
	Tata Capital Financial Services Limited	
Head Office	Plot No. 11, Block-A, Infocity-I, Sector -34, Gurgaon-122001, Haryana	
Registered Office & Works	Sohan Nagar, P.O. Charubeta Khatima – 262 308, District Udham Singh Nagar, Uttarakhand	
Registrar & Share Transfer Agents	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	

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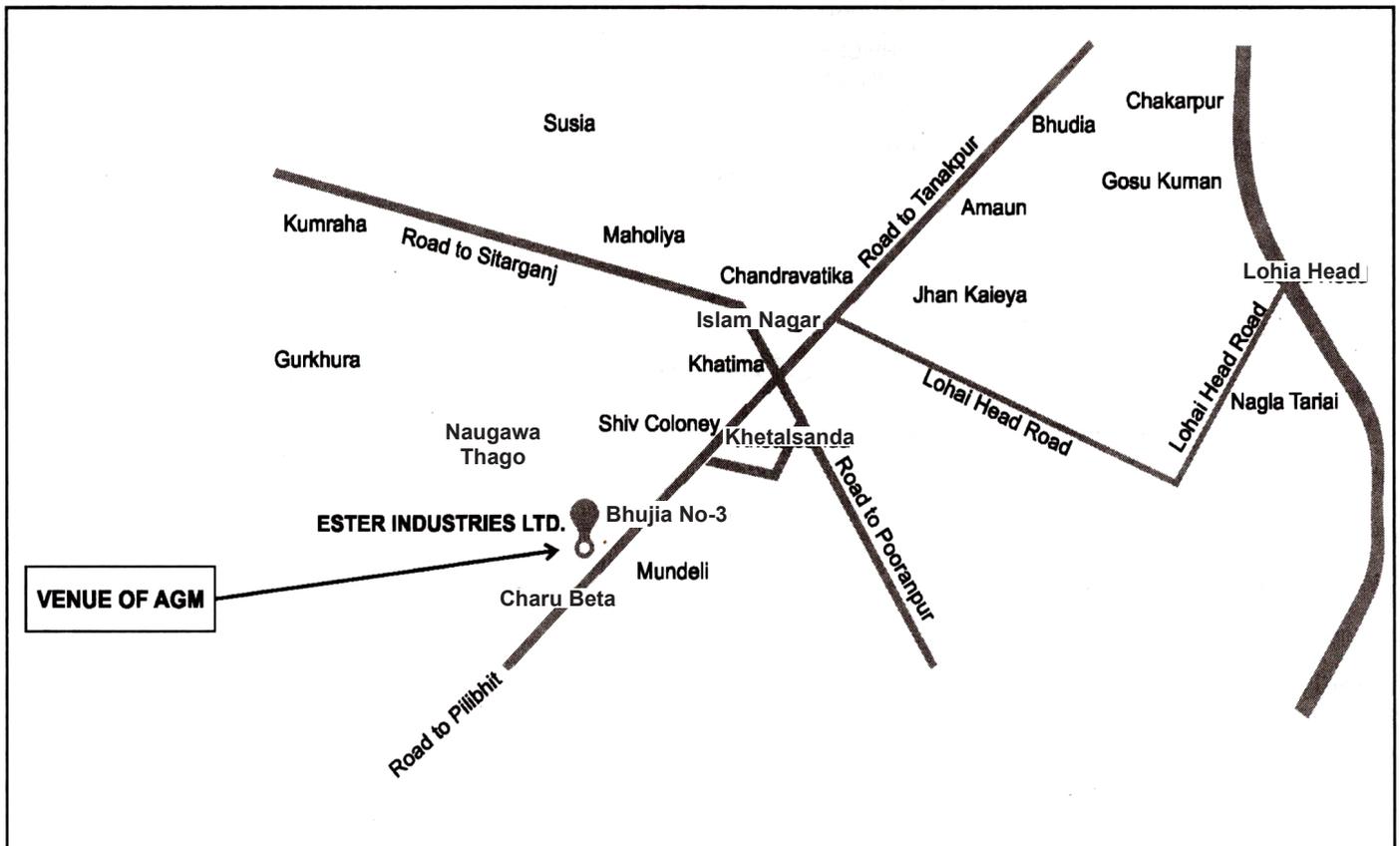
Date of AGM

16th September, 2019

Venue of AGM

Sohan Nagar, P.O. Charubeta, Khatima - 262308,
District Udham Singh Nagar, Uttarakhand

ROUTE MAP FOR VENUE OF AGM





CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

Phone : (05943) 250153-57, Fax No. : (05943) 250158

Website : www.esterindustries.com, Email : investor@ester.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **33rd ANNUAL GENERAL MEETING (AGM)** of ESTER INDUSTRIES LIMITED will be held on Monday, 16th September, 2019 at 10:30 AM at the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand, to transact the following businesses-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2019 together with the reports of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mrs. Archana Singhania (DIN 01096776) who retires by rotation and being eligible, offers herself for re-appointment;

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following resolutions:

As Ordinary Resolution

4. RATIFICATION OF REMUNERATION OF COST AUDITOR

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), a Remuneration of Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousands Only) plus applicable taxes and out of pocket expenses payable to M/s. R. J. Goel & Co. (Regn. No. 00026), the Cost Auditors appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2019-20, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby approved and ratified.”

As Special Resolution

5. RE-APPOINTMENT OF MR. SANDEEP DINODIA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“**RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”)

and the rules framed thereunder, (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Mr. Sandeep Dinodia (DIN 00005395), an Independent Director of the Company, whose term of office as an Independent Director expires on 31st March, 2020 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for another term of five (5) consecutive years for a term commencing from 1st April, 2020 up to 31st March, 2025.”

6. ALTERATION IN ARTICLES OF ASSOCIATION OF THE COMPANY

“**RESOLVED THAT** pursuant to Section 14 of the Companies Act, 2013 and other applicable provisions, if any, related thereto, the complete existing Articles of Association of the Company be and is hereby replaced with new set of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to sign and execute such documents/ writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

By Order of the Board of Directors
For Ester Industries Limited

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
(Membership No.: A22282)

Place : New Delhi
Date : 13th August, 2019

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT SOHAN NAGAR, P.O. CHARUBETA, KHATIMA-262308, DISTRICT UDHAM SINGH NAGAR, UTTARAKHAND NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Additional information pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/ re-appointment as mentioned under item no. 3 and 5 at the Annual General Meeting forms part of this Notice.
3. M/s Walker Chandiook & Co. LLP, Chartered Accountants, was appointed as Statutory Auditors by the Shareholders in their Annual General Meeting (AGM) held on 4th September, 2017, to hold office from 31st AGM till 36th AGM. The requirement to place the matter relating to the ratification of appointment of Statutory Auditors by the Members at every Annual General Meeting is done away with vide applicable provisions of the Companies (Amendment) Act, 2017. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 for Item Nos. 4 to 6 of the accompanying Notice, is annexed hereto.
5. The Register of Member and Share Transfer Books will remain closed from Tuesday, 10th September, 2019 to Monday, 16th September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
6. A route map showing directions to reach the venue of the Annual General Meeting forms part of this Annual Report.
7. If dividend on Equity Shares, as recommended by the Board, is approved at the Annual General Meeting, the payment of such dividend will be made after 21st September 2019, as under:

- (i) to all beneficial owners in respect of Shares held in electronic form as per details furnished by the

Depositories for this purpose as at the end of business hours on 9th September, 2019.

- (ii) to all Members in respect of Shares held in physical form, after giving effect to valid share transfers lodged with the Company on or before 9th September, 2019.

8. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
9. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
10. Members are requested to notify immediately:
 - I. In case shares are held in physical form:** any change in address, if any, to the Company at Plot No.11, Block-A, Infocity-I, Sector 34, Gurgaon – 122001, Haryana, India or to the Registrar and Share Transfer Agent of the Company viz. MAS Services Limited, T-34, Okhla Industrial Area, Phase II, New Delhi- 110 020, India quoting their folio number.
 - II. In case shares are held in dematerialised form:** any change in address, if any, to their Depository Participants
11. Members/Proxies should bring Annual Report along with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
12. Members desiring any information on the accounts are required to write to the Company at Plot No.11, Block-A, Infocity-I, Sector 34, Gurgaon – 122001, India at least 7 days before the Meeting so as to enable the management to keep the information ready. Replies will be provided only at the Meeting.
13. All the documents referred to in the accompanying Notice are open for inspection in physical or electronic form at Registered Office of the Company and copies of these documents will also be available for inspection at the Head Office (Corporate Office) in physical or electronic form, during normal business hours on all the working days except Saturday up-to the date of the Annual General Meeting. Such documents will be available for inspection during the meeting also.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account (s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

15. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
16. Members holding shares under multiple folios are requested to submit their applications to RTA for consolidation of folios into a single folio.
17. Pursuant to Section 101 of the Companies Act, 2013 and rules made thereunder, the companies are allowed to send communication to shareholders electronically. We therefore, request you to kindly register/update your email ids with your respective depository participant (in case of dematerialized shares) and Company's registrar and share transfer agent (in case of physical shares).
18. Electronic copy of the Notice of the 33rd Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 33rd Annual General Meeting of the Company inter-alia indicating the process and manner of e- voting along with Annual Report is being sent through the permitted mode.
19. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for the financial year ended on 31.03.2019 will also be available on the Company's website **www.esterindustries.com** for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: **investor@ester.in**
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MAS Services Limited (Registrar & Share Transfer Agent).
21. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
22. In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your correct bank account details with the Company/RTA/ Depository Participant, as the case may be.

23. Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013 and rules made thereunder, all the dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, till date the Company has transferred to IEPF the unclaimed and unpaid amount pertaining to dividends declared up to the financial year 2010-11.

Members who have not yet encashed their dividend warrants for the financial year 2013-14 (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 Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 24th September, 2018 (date of last Annual General Meeting) and the details of unclaimed shares on the website of the Company viz. **www.esterindustries.com** and also on the website of the Ministry of Corporate Affairs viz. **www.iepf.gov.in**. Shareholders 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.

In terms of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more are required to be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPF Authority) within a period of thirty days of such shares becoming due to be so transferred. Accordingly, equity shares which were/ are due to be so transferred, have been/ shall be transferred by the Company 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 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 Members, whose unclaimed dividends/

shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in or on the following link

<http://www.iepf.gov.in/IEPF/refund.html>

24. VOTING THROUGH ELECTRONIC MEANS

Commencement of E-voting	9.00 AM, 13 th September, 2019
End of E-voting	5.00 PM, 15 th September, 2019

- i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).
- ii. The facility for voting through ballot paper/venue e-voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper/ venue e-voting.
- iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the Annual General Meeting.
- iv. The remote e-voting period commences at **9.00 AM on 13th September, 2019 and ends at 5.00 PM on 15th September, 2019**. The remote e-voting module shall be blocked by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on **Monday, 9th September, 2019** (Cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting through ballot paper/venue e-voting at the AGM. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **Monday, 9th September, 2019**, may follow the same instructions as mentioned in the notice for e-Voting. If a person who was not a member of the Company as on the cut-off date shall treat this Notice for information purpose only.

vi. The process and manner for remote e-voting are as under:

(A) The instructions for members for voting electronically are as under:-

- I. Log on to the e-voting website www.evotingindia.com
- II. Click on Shareholders/Members.
- III. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- IV. Next enter the Image Verification as displayed and Click on Login.
- V. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- VI. If you are a first time user or holding share in physical form follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field which is printed on the Attendance slip or as provided in email, if Annual Report sent through electronic mode.
Dividend Bank Details or Date of Birth (DOB)#	Enter the Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login #If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- VII. After entering these details appropriately, click on “SUBMIT” tab.
- VIII. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company

on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- IX. For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
- X. Click on the EVSN of Ester Industries Limited.
- XI. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XIII. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote
- XIV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XV. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVI. If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVII. **Shareholders can also cast their vote using CDSL's mobile app M-Voting. The M-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- XVIII. **Note for Non – Individual Shareholders and Custodians** Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to **helpdesk.evoting@cdslindia.com**. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account (s) for which they wish to vote on. The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their

vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or contact Mr. Rakesh Dalvi, Manager of CDSL, Marathon Futurex, A Wing, 25th Floor, N.M. Joshi Marg, Lower Parel, Mumbai-400013 Ph.: 1800225533, write an email to **helpdesk.evoting@cdslindia.com**
25. Mr. Akash Jain, Company Secretary in Practice (Membership No. F9617 and COP No. 9432) has been appointed as the Scrutinizer to scrutinize the e-voting and ballot process in a fair and transparent manner.
26. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper/venue e-voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
27. The combined results of e-voting and ballot paper/venue e-voting at AGM will be declared within 48 hours from the conclusion of the AGM. The declared Results, along with Scrutinizer shall be placed on the Company's website **www.esterindustries.com** and on the website of CDSL e-voting viz **www.evotingindia.com** immediately after the declaration of results. The Results shall also be simultaneously forwarded to the National Stock Exchange of India Limited, BSE Limited. The result of the voting, with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not shall also be displayed on the Notice Board of the company at its Registered Office and its Head Office.
28. The Resolution, if passed by a requisite majority, shall be deemed to have been passed on the date of the AGM.
29. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or Head Office address or e-mail their grievances/queries to the Company Secretary as detailed below -

Registered Office:

Sohan Nagar, PO Charubeta, Khatima-262308
Distt. Udham Singh Nagar, Uttarakhand

Head Office:

Plot No. 11, Block-A, Infocity-I, Sector 34,
Gurgaon – 122001
Email Id: **investor@ester.in**

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

In the Board Meeting held on 13th May, 2019, after considering the recommendation of the Audit Committee, the Directors have re-appointed M/s. R J Goel & Co. (Regn. No. 00026), Cost Accountants, as the Cost Auditor at a remuneration of Rs. 3,50,000 (Rupees Three Lacs Fifty Thousands only) to conduct the audit of Cost records for financial year 2019-20. Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

None of the Directors, Key Managerial Personnel (KMPs) or the relatives of Directors or KMPs is interested or concerned in the said Resolution.

Item No. 5

Pursuant to the provisions of section 149 of the Companies Act, 2013 ('the Act') and prescribed provisions of the erstwhile Listing Agreement, the Company had appointed Mr. Sandeep Dinodia, as Independent Director of the Company in the Annual General Meeting held on 28th September, 2015 to hold office up to 31st March, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company. Section 149 (11) of the Act provides that Independent Directors shall not hold office for more than two consecutive terms.

The Board of Directors of the Company and the Nomination and Remuneration Committee have evaluated the performance of Mr. Sandeep Dinodia and on the basis of the said evaluations have concluded that he is the person of integrity having relevant expertise and experience.

Mr. Dinodia fulfils his responsibilities towards the Company in a professional and ethical manner, actively participate in discussions during the Board and Committee meetings and act objectively and constructively while bringing an independent opinion during deliberations at the said meetings and the overall performance of the above-stated Independent Director has been satisfactory. It is, therefore, proposed his re-appointment as Independent Director of the Company for a second term of five consecutive years, commencing from 1st April, 2020 up to 31st March, 2025.

He has given a declaration to the Board that he meets the criteria of independence as provided under section 149 (6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

He is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has also received separate notice in writing from a member, proposing the candidature of Mr. Dinodia for the office of Director of the Company.

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings) are made part of this notice.

The copy of draft letter of appointment of the director setting out the terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day except Saturday up-to the date of the Annual General Meeting. The said Independent Director is not related to any of the Directors or Key Managerial Personnel (KMP including relatives of Directors and KMPs of the Company in terms of Section 2(77) of the Companies Act, 2013).

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director.

Mr. Dinodia may be deemed to be interested in the respective resolutions as it concerns his appointment. Save and except for the aforesaid Independent Director, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 of the Notice.

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

Item No. 6

The Articles of Association of the Company currently in force were originally adopted at the time of incorporation of the Company incorporated under the Companies Act, 1956. The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956. After the enactment of the Companies Act, 2013 in place of the Companies Act, 1956, it is proposed to amend the existing Articles of Association to make it consistent with the provisions of Companies Act, 2013 and the rules made thereunder.

A copy of the proposed set of new Articles of Association of the Company is available for inspection at the Registered Office of the Company during the business hours on any working day except Saturday, up to the date of the Annual General Meeting. The same will also be available for inspection during the meeting also.

None of the Directors and Key Managerial Personnel of the Company and their relatives is interested or concerned in the said Resolution.

The Board recommends the Special Resolutions set out at Item No 6 of the Notice for approval by the shareholders.

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

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
Membership No.: A22282

Place : New Delhi
Date : 13th August, 2019

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings) are detailed below:

Particulars	Mr. Sandeep Dinodia	Mrs. Archana Singhania
Director's Identification Number (DIN)	00005395	01096776
Date of 1 st appointment on the Board of Company	25/05/2015	04/08/2014
Date of appointment under current term on the Board of Company	25/05/2015	04/08/2014
Date of Birth	04/04/1962	23/09/1967
Age (in years)	57	51
Qualification	B. Com, CA, LL.B	B. Com (Hons)
Expertise and experience in specific functional areas	Mr. Dinodia is empanelled with the Institute of Internal Auditors –U.S.A. He is a Partner in S. R. Dinodia & Co. LLP. He has rich experience in the fields of Assurance, Financial & Legal Corporate Consulting and Taxation. He has more than twenty five years' of experience in auditing Non- Government Funded projects of various entities, which have a socio-economic impact. He has also been involved with compilation of systems of developmental projects in India, funded by various international agencies.	Mrs. Archana Singhania has been engaged in various Social Activities and associated with many NGOs and Trusts like Chander Bala Modi Academy, Youth Reach, Missionaries of Charity for last many years. Mrs. Singhania is/was director in Uniglobe Mod Travels Private Limited, Lombard Street (Estates) Private Limited, Fenton Investments Private Limited and many other companies.
Terms and conditions for re-appointment	Details given in Corporate Governance Report	
Proposed remuneration and Remuneration last drawn (including sitting fee, if any)	Details given in Corporate Governance Report	
Shareholding in the Company as on 31.03.2019	Nil	Nil
Relationship with other Directors and KMPs of the Company	Mr. Sandeep Dinodia is not related to any of the Directors or Key Managerial Personnel (KMP including relatives of Directors and KMPs of the Company in terms of Section 2(77) of the Companies Act, 2013).	Mrs. Archana Singhania is a wife of Mr. Arvind Singhania
Number of Board meetings attended during the year	4	3
Directorship in other Companies	The Hi-Tech Gears Limited (Listed Company)	<ul style="list-style-type: none"> • Fenton Investments Private Limited (Private Company) • Rekha Finance and Investment Private Limited (Private Company)
Chairman/member in Committees of other Board	3	-

By Order of the Board of Directors
For Ester Industries Limited

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
Membership No.: A22282

Place : New Delhi
Date : 13th August, 2019

CHAIRMAN & CEO's MESSAGE



Dear shareholders,

It gives me immense pleasure to present the annual report for the financial year 2018-19.

Global economic growth remained steady at 3.1 percent in 2018, as a fiscally induced acceleration in the United States of America offset slower growth in some other large economies. Economic activity at the global level is expected to expand at a comfortable rate of 3 percent in 2019. The steady pace of global economic growth masks the increasing short-term risks carrying potential to severely disrupt economic activity and inflict serious damage on long-term development prospects. Over the course of 2018, there was a significant increase in trade tensions among the world's largest economies with an increasing trend in the number of disputes raised under the dispute settlement arm of the World Trade Organization. Moves by the United States of America to increase import tariffs have sparked a series of retaliatory measures and counter-retaliations.

According to the IMF, India's economy grew at a rate of 7.3 percent in FY 2019 and is expected to accelerate to 7.5 percent in FY 2020. The slow paced growth rate was due to a rise in commodity and crude oil prices. In spite of all the challenges, according to the IMF, India is expected to regain its title as the fastest growing major economy.

During FY 2018-19, your company has shown substantial improvement in financial performance. Our EBITDA margin has shown a substantial increase of 59 percent as compared to last year, whereas Profit After Tax grew by 487 percent to Rs 31.10 crores as against Rs 5.29 crores during the last year.

The Polyester film market in India continues to grow to the tune of 10-12 percent in 2018-19. Ester has delivered a value-driven revenue growth of approximately 25 percent for FY 2019. The performance of the division can be attributed to a continued strong demand scenario, better-cost management and Ester's focus on selling an improved product mix. During the year we saw the sector fundamentals improving accompanied by a strong demand growth and a strong growth in the FMCG sector. In the upcoming financial year, there are some additional capacities coming in the BOPET realm, however we expect these capacities to be absorbed with minimal disruption due to a healthy demand growth. The environment is extremely important and your company is committed to increasing our sustainability initiatives as well as creating a positive social impact. One of our many sustainability initiatives is the introduction of a Post-Consumer Recycled based BOPET film, which is made from flakes from Post Consumer Recycled PET bottles. We remain committed to increasing our sustainability efforts as well as increasing our production via debottlenecking and efficiency improvements.

Financial performance of Ester's Engineering Plastics SBU, as well as that of the EP industry, was adversely impacted in FY 2018-19 mainly by external factors – the US-China trade war triggering a crash in polymer prices in November and the IL&FS crisis creating severe liquidity issues, thereby impacting demand. Demand from the Auto Segment declined through the latter half of the year. Ester significantly reduced sales into the Lighting segment (*drop of 80% compared to the previous year*) owing to severe liquidity issues within this segment. Ester's EP SBU registered a growth of 13.8% (*1.2% in volumetric terms*) despite the significant adverse impact on sales of EP compounds in the latter half of the year. Consequently, sales volumes of EP compounds (*catering to end-use segments such as automotive, electrical & electronics and appliances*) registered a negative growth of -9.8%, whereas volumetric sales to the Optical Fiber Cable industry grew by a healthy 22.7%. A steady increase in unit selling price in the first eight months of the FY – consequent to steadily increasing polymer prices – coupled with reduced sales to the lower-priced Lighting segment, resulted in a growth of 2.3% and 41.6% for Compounds and OFC respectively (*in value terms*). Your Company maintained its steady Exports growth journey, with volumes into the Exports market registering a growth of 5.9%. The unexpected crash in polymer prices in November – triggered by the US-China trade war – resulted in your Company (*along with other EP players*) being burdened with high-cost inventory. Consequently, liquidation of the high-cost inventory in a reduced-demand scenario, adversely impacted profitability levels in the last 4 months of the FY. The 5-year

CAGR (FY 2013-14 to FY 2018-19) of Ester's EP business at 6.2% (*value terms*) and 5% (*volumetric terms*) remained more or less aligned with industry growth levels. Your Company would continue to work towards improved profitability levels and enhanced business robustness in FY 2019-20, focusing on productivity/efficiency improvement initiatives, new product/application development projects and an improved customer/product mix in the domestic as well as exports markets.

The Specialty Polymer business went through a sluggish start in the earlier part of FY 2018-19, we are now witnessing a positive momentum. Our marquee product, a stain resistance polymer for the carpet industry, is beginning to get wide acceptance. We are also witnessing confident signs of sales growth for products like Deep Dyeable Master Batch as well as Cationic Dyeable Master Batch, which are in the final stages of approval with major customers. Another substantial development, which took place over the year, was a tie-up, which we entered with one of the world's biggest chemical companies to supply innovative Polybutylene Terephthalate (PBT). We are confident of reaping the fruits of all the labor we have put in over the last few years. There are various other products which are in the final stages of

approval. These products are expected to contribute significant volumes in coming quarters.

While we have made much progress, Ester's focus on reducing internal costs and continuously improving operational efficiencies remains to be strong. The core of our existence is to create value for our customers and stakeholders and this continues to remain our focus. As it is already reflected in the improvement in our EBITDA margin, the focus on cutting of costs shall reflect further in the upcoming fiscal years.

I would like to thank all my colleagues for their continued dedication, commitment and hard work for creating value for our shareholders. I would like to express my sincere gratitude to our shareholders, investors, partners and banks who continue to support us. I wish to express my appreciation to colleagues on the Board for their continued support and confidence in Ester. We solicit your continued support towards Ester's transformation.

With regards
Arvind Singhania
Chairman & CEO

DIRECTORS' REPORT

To The Members

Your directors are pleased to present the 33rd Annual Report together with Audited Statement of Accounts of your Company for the year ended 31st March 2019.

FINANCIAL RESULTS

(Rs. / crores)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Net Sales Revenue	1020.25	798.71
Other Operating Revenue	7.81	8.03
Other Income	5.72	5.67
Profit before Financial Expenses, Depreciation and Tax	113.67	71.30
Less: Interest & Other Financial Expenses	34.21	32.78
Profit / (Loss) before Depreciation and Tax	79.46	38.52
Less : Depreciation and amortization expenses	32.42	31.02
Profit / (Loss) before Tax	47.04	7.49
Less : Current & Deferred Tax expense / (credit)	15.94	2.20
Profit / (Loss) after Tax	31.10	5.29
Add : Other Comprehensive Income (net of income tax effect)	0.05	0.29
Total Comprehensive Income	31.15	5.58
Basic Earnings Per Equity Share (Rupees)	3.73	0.63
Diluted Earnings Per Equity Share (Rupees)	3.73	0.63

DIVIDEND AND RESERVES

Your directors have recommended payment of dividend at the rate of Rs. 0.50 per equity share as the Company has earned Net Profit after Tax (NPAT) of Rs. 31.10 Crores during the year under review. Your Company has not transferred any amount of Profit & Loss account to any reserve.

OPERATIONS REVIEW

During the year under review, your Company earned a Net Profit after Tax (NPAT) of Rs. 31.10 crores, a significant improvement as compared to NPAT of Rs. 5.29 crores earned during FY 2017-18. Revenue from Operations during the year under review stood at Rs. 1028.06 crores as compared to Rs. 806.74 crores (net of GST & Excise Duty) during FY 2017-18, an increase of 27.4%.

Main factors for increased revenue from operations were increase in sales of Polyester Film and Polyester Chips. Despite reduction in sales volume of Polyester Film – from 52415 MT to 52290 MT – increase in selling price of Polyester Film (consequent to increase in feedstock prices and on account of improvement in margins) resulted in increase in sales revenue by 25.9%. A significant increase in sales of Polyester Chips from Rs. 9.34 crores to Rs. 85.45 crores contributed towards overall increase in sales revenue.

Bridging of the demand supply gap – consequent to growth in demand – resulted in selling price increase being higher than the rise in feedstock prices, thereby improving profit of Polyester Film SBU. Demand for Polyester Film continues to grow at the rate of 10% - 12% (domestic) and 6%- 6.5% (global).

During the year under review, capacity utilization in Polyester Films was about 92%, with production marginally lower at 52510 MT as compared to 52534 MT during the FY 2017-18.

Sales of Engineering Plastics for OFC application– in quantitative terms – increased by 22.7% on the back of increased demand while in value terms the sales increased from Rs. 49.96 crores to Rs. 70.74 crores, an increase of 41.6%. Despite reduction in sales of Engineering Plastics Compounds in volumetric terms by 9.8% (from 7962 MT to 7182 MT), the sales in value terms increased marginally from Rs. 121.10 crores to Rs. 123.85 crores (an increase of 2.3%) driven primarily by higher polymer rates.

The profitability for the Engineering Plastics SBU witnessed a reduction in EBIT (from Rs. 12.54 crores to Rs. 7.69 crores) on account of sub – optimal performance mainly in the latter half of the FY. The business was burdened with high cost inventory consequent to the US – China Trade War that resulted in polymer rates crashing. Margins were significantly squeezed in liquidating the high cost inventory, given significantly reduced demand from auto segment.

The performance of Specialty Polymers SBU was muted during the year under review. SBU witnessed reduction in sales by 59.2% in quantitative terms and by 37.0% in value terms.

Improvement in the financial performance of the Company was primarily on account of improved market scenario in Polyester Film SBU and also on account of sustained focus towards its strategic objective of enhancing sales of Value Added & Specialty products. Company continues to take various initiatives towards optimizing costs and improving operating efficiencies.

Various initiatives taken over the last ten years – supported by capacity expansions – have resulted in Net Sales of the Company growing at a CAGR of 10.6% pa, from Rs. 372.41 crores in FY 2008-09 to Rs.1020.25 crores in FY 2018-19

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.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"). We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Pursuant to SEBI (LODR) Regulations, 2015, the Corporate Governance Report and the Practising Company Secretary's Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

SECRETARIAL STANDARDS

The Company is in compliance with all applicable Secretarial Standards as issued by the Institute of Company Secretaries of India (ICSI).

MANAGEMENT DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis Report on performance, state of affairs of the company, risk management system, industry trends and other material changes and commitments, if any, affecting the financial position of the company forms an integral part of the Annual Report.

PUBLIC DEPOSIT

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding at the end of financial year 2018-19.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Independent Directors

Pursuant to the provisions of section 149 & other applicable provisions of the Companies Act, 2013 ('the Act') and prescribed provisions of the erstwhile Listing Agreement, the Company had appointed Mr. Sandeep Dinodia, as Independent Director of the Company in the Annual General Meeting held on 28th September, 2015 to hold office upto 31st March, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Section 149(11) of the Act provides that Independent Director shall not hold office for more than two consecutive terms. Pursuant to Section 152, an Independent Director shall not be liable to retire by rotation. Accordingly the board recommends to re-appoint Mr. Sandeep Dinodia as Independent Director for a second term of 5 (Five) consecutive years to hold office up to 31st March, 2025.

Accordingly resolution proposing re-appointment of Mr. Sandeep Dinodia as Independent Director till 31st March, 2025, forms part of the Notice of the Annual General Meeting.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Archana Singhania will retire by rotation at the forthcoming AGM of Company and being eligible, offers herself for re-election.

Key Managerial Personnel (KMP)

Mr. Arvind Singhania, Chairman & Managing Director (designated as Chairman & CEO), Mr. Pradeep Kumar Rustagi, Executive Director & CFO and Mr. Diwaker Dinesh, Head-Legal & Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act and rules made thereunder. There was no change in the Key Managerial Personnel of the Company.

DECLARATION OF INDEPENDENCE

The Independent Directors of your Company have confirmed that they meet the criteria of Independence as prescribed under Section 149 of the Act read with Regulation 16 of the SEBI (LODR) Regulations, 2015 and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the SEBI (LODR) Regulations, 2015 and are independent of the management of the Company.

COMPOSITION AND MEETING OF THE BOARD AND AUDIT COMMITTEE

The details of the composition of Board of Directors and Audit Committee and number of Board and Audit Committee meetings held during the year are given in the Corporate Governance Report which forms part of the Annual Report.

AUDITORS AND AUDIT REPORT

Statutory Audit

M/s Walker Chandio & Co. LLP, Chartered Accountants, is the Statutory Auditors of the Company appointed by the Shareholders in their Annual General Meeting (AGM) held on 4th September, 2017, to hold office from 31st AGM till 36th AGM.

The Auditors' Report for the year under review read together with Annexures do not contain any qualification of significant nature and do not call for any explanation/clarification.

Cost Audit

In terms of Section 148(1) and other applicable provisions, if any, of the Act and rules made thereunder, the Company maintains Cost records.

At the recommendation of the Audit Committee, the Board has re-appointed M/s. R. J. Goel & Co., Cost Accountants, as the Cost Auditor for the financial year 2019-20. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board seeks ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20. A resolution seeking your ratification of the remuneration of M/s. R. J. Goel & Co. is provided in the Notice of AGM.

Secretarial Audit

In terms of Section 204 of the Act, M/s Dhananjay Shukla & Associates, Company Secretaries, has conducted secretarial audit of the Company for the financial year ended 31st March, 2019. The Report of M/s Dhananjay Shukla & Associates is provided in the "Annexure-A" forming part of this Report.

There are no qualifications, reservation or adverse remark made by the auditor in the 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, on the basis of information placed before them by the Management and Auditors, confirm that:-

- 1) in the preparation of the annual accounts for the Financial Year ended 31st March 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departure, if any.
- 2) they have selected appropriate accounting policies and applied them consistently and made judgement 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 the year under review;
- 3) they have taken proper and sufficient care 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) they have prepared the accounts of the Company for the financial year ended 31st March 2019 on a going concern basis.
- 5) proper internal financial controls laid down by them were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- 6) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROLS

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

Your company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes. Your Company maintains a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely and accurate preparation of reliable financial information. 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 (Indian Accounting Standards) Rules, 2015 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.

Compliance with laws 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.

CODE OF CONDUCT

The Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors and senior management of the Company. They have affirmed compliance with the Code of Conduct. 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 the Annual Report. A copy of the Code of Conduct is available on the Company's website viz. www.esterindustries.com

The Code of Conduct is based on the fundamental principles of good corporate governance and corporate citizenship. The Code covers the Company's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, vigil mechanism, transparency, auditability and legal compliance etc.

CHANGES IN CAPITAL

During the financial year 2018-19, there was no change in the Capital of the Company.

LISTING OF SECURITIES

Your Company's Equity Shares are currently listed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to BSE and NSE for the financial year 2019-20.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure – B**". Annual Return also is/ will be available on the Company's website viz. www.esterindustries.com

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

The particulars of the loan, if any (along with the purpose of utilization by recipient of loan) and investments covered under Section 186 of the Act are provided in Notes 7 and 8 to financial statements. The Company has not issued any guarantee or provided any security as covered under Section 186 of the Act.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Act and rule made thereunder, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The details of the Composition of the Committee is set out in Corporate Governance Report which forms part of the Annual Report. The Committee has adopted a Corporate Social Responsibility Policy. Brief outline of the CSR Policy of the Company along with total amount spent on CSR and reason for unspent amounts are set out in "**Annexure-C**" of this report as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Policy is uploaded on Company's website and the same can be accessed at the following link –

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

PERFORMANCE EVALUATION

The Company has a Policy for performance evaluation of all the Directors, 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.

During the year the following evaluation process was adopted–

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 Chairman, the views of executive directors and non-executive directors were also taken into account.
2. Nomination and Remuneration Committee carried out the evaluation of every Director's performance.
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. The Policy is uploaded on Company's website and the same can be accessed at the following link –

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

POLICY AND DISCLOSURE RELATING TO THE NOMINATION AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNELS AND OTHER EMPLOYEES

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 Companies Act, 2013. 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 Report.

The Policy is uploaded on Company's website and the same can be accessed at the following link –

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

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in “Annexure – D” of this report. The same is open for inspection at the Registered Office of your Company at all working days except Saturday, till the date of AGM.

RISK MANAGEMENT SYSTEM

The Audit Committee constituted by the Board reviews and evaluates the risk management plan along with matters pertaining to review of internal audit, financial results, operational performance etc. placed before it on quarterly basis. The terms of references of the Audit Committee stipulated by the Board includes the “Evaluation of Risk Management System.” The Audit Committee is mandated to make recommendation to the Board for the matters pertaining to framing, implementing and monitoring the risk management system & plan for the Company entity as and when the Committee thinks necessary. A detailed note on Risk Management System has been provided under the Management Discussion and Analysis (MDA) Report.

RELATED PARTY TRANSACTIONS

All contracts or arrangements with related parties, entered into or modified during the financial year, 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. However no material contract or arrangement with related parties was entered into during the year under review. The company has not entered any transaction with the Related parties, which are not at arm's length. Accordingly, no transactions are being reported in Form No. AOC-2 provided in “Annexure – E” pursuant to Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

The details of the related party transactions as required under IND AS 24 are set out in Note 36 to the standalone financial statements forming part of this Annual Report.

The Policy on Related Party Transactions, can be accessed on the Company website at the following link

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

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134 of the Act read with the Companies (Accounts)

Rules, 2014 is set out in the “Annexure – F” forming part of this report.

VIGIL MECHANISM

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 purpose of this Policy is to encourage employees and directors who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. 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 Policy can be accessed on the Company website at following link –

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

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has complied with provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There was no incident of sexual harassment reported and pending for investigation during the financial year 2018-19. For protection against sexual harassment, Company has formed an internal complaints committee to which employees can write their complaints. The Company has a Prevention of Sexual Harassment Policy which has laid down a process for dealing with such issues.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

ACKNOWLEDGEMENT

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

Your Directors wish to place on record their appreciation of the sincere services rendered by the workmen, staff and executives of the Company at all levels ensuring satisfactory management of the Company. Your Directors also thank the shareholders for their continued support.

For and on behalf of the Board

Date : 13th August, 2019
Place : New Delhi

Sd/-
Arvind Singhania
(Chairman & CEO)

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

[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 2019 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 2019 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,

2009 (till November 8, 2018)/ The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f November 9, 2018) **(No event took place under these Regulations during Audit period)**;

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(No event took place under these Regulations during Audit period)**;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(No event took place under these Regulations 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, 2009 **(No event took place under these Regulations during Audit period)**; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (till September 10, 2018)/ The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(w.e.f September 11, 2018) **(No event took place under these Regulations during Audit period)**.
- vi. The company is carrying on the business of manufacturing of Polyester films and Engineering Plastics and its Manufacturing Plant is located at Sohan Nagar, P.O-Charubeta, Khatima, Distt.:Udham Singh Nagar, Uttarakhand, PIN-262308. As informed 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.

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

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 Director. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been 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 meeting.

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, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

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.

We further report that, during the audit period, in compliance with Regulation 31 of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, one of the Promoter of the company (Wilemina Finance Corp.) has pledged 50,00,000 Equity Shares having face value of Rs 5/- each with consortium of Bank of India, Bank of Baroda, Union Bank of India and Tata Capital Financial Services Limited as security for new borrowing taken by the company within the limit as approved by the members of the company under Section 180 (1)(c) of the Companies Act, 2013 vide the Special Resolution dated September 11, 2014.

**For Dhananjay Shukla & Associates
Company Secretaries**

Sd/-

**Dhananjay Shukla
Proprietor**

Date : 13th August, 2019
Place: Gurugram

FCS-5886, CP No. 8271

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,

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. The verification was done on test check 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 and other Auditors 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 check 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

Date : 13th August, 2019
Place : Gurgaon

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

I. CIN	:	L24111UR1985PLC015063
II. Registration Date	:	4th February, 1985
III. Name of the Company	:	Ester Industries Limited
IV. Category / Sub-Category of the Company	:	Company Limited by Shares/Subsidiary of foreign Company
V. Address of the Registered office and contact details	:	Sohan Nagar, PO Charubeta, Khatima-262308 Distt. Udham Singh Nagar, Uttarakhand Ph.: (05943) 250153-57, Fax: (05943) 250158 Website: www.esterindustries.com Email: investor@ester.in
VI. Whether listed company	:	Yes
VII. Name, Address and Contact details of Registrar and Transfer agents	:	MAS Services Limited, T-34, Okhla Industrial Area, Phase-II New Delhi - 110020, Tel. 011-26387281

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are as stated under:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Polyester Films	22201	81.07%
2	Engineering Plastics	22207	18.93%
Total			100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	M/s Wilemina Finance Corporation (Foreign Company) 6th Floor, Tower A, 1, Cyber City, Ebene, Mauritius	NA	Holding Company	53.86%	2(46) read with 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/ HUF	303191	-	303191	0.36	303191	-	303191	0.36	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (1):-	303191	-	303191	0.36	303191	-	303191	0.36	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	49015012	-	49015012	58.78	49015012	-	49015012	58.78	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB-TOTAL (A) (2):-	49015012	-	49015012	58.78	49015012	-	49015012	58.78	-
TOTAL SHAREHOLDING OF PROMOTER (A)=(A)(1)+(A)(2)	49318203	-	49318203	59.14	49318203	-	49318203	59.14	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	23100	23100	0.03	-	18300	18300	0.02	(0.01)
b) Banks / FI	89977	3300	93277	0.11	52176	2800	54976	0.07	(0.04)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	300	300	-	-	300	300	-	-
g) FIs	-	700	700	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others -Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
SUB-TOTAL (B)(1):-	89977	27400	117377	0.14	52176	21400	73576	0.09	(0.05)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3187627	11000	3198627	3.84	3134695	10200	3144895	3.77	(0.07)
ii) Overseas	12876861	-	12876861	15.44	12876861	-	12876861	15.44	-
b) Individuals									
i) Individual shareholders holding nominal Share capital upto Rs. 1 lakh	8497087	1130207	9627294	11.54	9825807	954707	10780514	12.93	1.39
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6766526	-	6766526	8.11	5083273	-	5083273	6.09	(2.02)
c) Others									
- Non Resident Individual	378670	14600	393270	0.47	474919	9650	484569	0.58	0.11
- Clearing Member	409053	-	409053	0.49	813709	-	813709	0.98	0.49
- NBFCs registered with RBI	4215	-	4215	0.01	6590	-	6590	0.01	-
- Investor Education & Protection Fund	682333	-	682333	0.82	811569	-	811569	0.97	0.15
SUB-TOTAL (B)(2):-	32802372	1155807	33958179	40.72	33027423	974557	34001980	40.77	0.05
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	32892349	1183207	34075556	40.86	33079599	995957	34075556	40.86	0.00
C. SHARES HELD BYCUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0.00
GRAND TOTAL (A+B+C)	82210552	1183207	83393759	100	82397802	995957	83393759	100	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Wilemina Finance Corp	44915012	53.86	-	44915012	53.86	6.00	-
2	Uma Devi Singhania	150	-	-	150	-	-	-
3	Jai Vardhan Singhania	124858	0.15	-	124858	0.15	-	-
4	Arvind Singhania	150	-	-	150	-	-	-
5	Ayush Vardhan Singhania	178033	0.21	-	178033	0.21	-	-
6	MOVI Limited	4100000	4.92	-	4100000	4.92	-	-
	Total	49318203	59.14	-	49318203	59.14	6.00	-

(iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Arvind Singhania	150	-	01-04-2018	-	Nil movement during the year	150	-
		150	-	31-03-2019	-		150	-
2	Uma Devi Singhania	150	-	01-04-2018	-	Nil movement during the year	150	-
		150	-	31-03-2019	-		150	-
3	Wilemina Finance Corp.	44915012	53.86	01-04-2018	-	Nil movement during the year	44915012	53.86
		44915012	53.86	31-03-2019	-		44915012	53.86
4	Ayush Vardhan Singhania	178033	0.21	01-04-2018	-	Nil movement during the year	178033	0.21
		178033	0.21	31-03-2019	-		178033	0.21

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	Jai Vardhan Singhania	124858	0.15	01-04-2018	-	Nil movement during the year	124858	0.15
		124858	0.15	31-03-2019			124858	0.15
6	MOVI Limited	4100000	4.92	01-04-2018	-	Nil movement during the year	4100000	4.92
		4100000	4.92	31-03-2019			4100000	4.92

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vettel International Limited	12876861	15.44	01-04-2018	-	Nil movement during the year	12876861	15.44
		12876861	15.44	31-03-2019			12876861	15.44
2.	Soyuz Trading Company Limited	NIL	NIL	01-04-2018	-	-	NIL	NIL
				28-09-2018	232500	Purchase	232500	0.28
				05-10-2018	245000	Purchase	477500	0.57
				12-10-2018	174142	Purchase	651642	0.78
				19-10-2018	15227	Purchase	666869	0.80
				26-10-2018	68038	Purchase	734907	0.88
				09-11-2018	3934	Purchase	738841	0.89
				29-03-2019	142950	Purchase	881431	1.06
				31-03-2019	881431		881431	1.06
		3.	Suresh Bhatia	325000	0.39	01-04-2018		
				20-04-2018	145000	Purchase	470000	0.56
				12-10-2018	(10000)	Sale	460000	0.55
				02-11-2018	200000	Purchase	660000	0.79
				01-02-2019	(15000)	Sale	645000	0.77
				22-02-2019	(645000)	Sale	NIL	NIL
				31-03-2019	NIL		NIL	NIL
4.	JM Financial Services Limited	145250	0.17	01-04-2018			145250	0.17
				06-04-2018	23110	Purchase	168360	0.20
				13-04-2018	(12702)	Sale	155658	0.19
				20-04-2018	(155221)	Sale	437	0.00
				27-04-2018	249390	Purchase	249827	0.30
				04-05-2018	(12000)	Sale	237827	0.29
				18-05-2018	(500)	Sale	237327	0.28
				25-05-2018	79	Purchase	237406	0.28
				01-06-2018	(154937)	Sale	82469	0.10
				08-06-2018	(142)	Sale	82327	0.10
				15-06-2018	100	Purchase	82427	0.10
				22-06-2018	(100)	Sale	82327	0.10
				29-06-2018	16249	Purchase	98576	0.12
				30-06-2018	(732)	Sale	97844	0.12
				06-07-2018	(68)	Sale	97776	0.12
				13-07-2018	(573)	Sale	97203	0.12
				20-07-2018	(1226)	Sale	95977	0.11
				27-07-2018	(401)	Sale	95576	0.11
				24-08-2018	(93978)	Sale	1598	0.00
				31-08-2018	926	Purchase	2524	0.00
		07-09-2018	(2254)	Sale	270	0.00		
		14-09-2018	680	Purchase	950	0.00		
		17-09-2018	2400	Purchase	3350	0.00		
		21-09-2018	(462)	Sale	2888	0.00		
		28-09-2018	(388)	Sale	2500	0.00		
		05-10-2018	(920)	Sale	1580	0.00		
		12-10-2018	199208	Purchase	200788	0.24		
		19-10-2018	700	Purchase	201488	0.24		
		26-10-2018	(730)	Sale	200758	0.24		
		02-11-2018	(200047)	Sale	711	0.00		

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				09-11-2018	(11)	Sale	700	0.00
				16-11-2018	(190)	Sale	510	0.00
				23-11-2018	(10)	Sale	500	0.00
				30-11-2018	1676	Purchase	2176	0.00
				07-12-2018	(1676)	Sale	500	0.00
				21-12-2018	161	Purchase	661	0.00
				28-12-2018	(526)	Sale	135	0.00
				31-12-2018	15	Purchase	150	0.00
				04-01-2019	(50)	Sale	100	0.00
				11-01-2019	100	Purchase	200	0.00
				18-01-2019	(100)	Sale	100	0.00
				01-02-2019	200	Purchase	300	0.00
				22-02-2019	634700	Purchase	635000	0.76
				22-03-2019	220	Purchase	635220	0.76
				29-03-2019	(134)	Sale	635086	0.76
				30-03-2019	(66)	Sale	635020	0.76
		635020	0.76	31-03-2019			635020	0.76
5.	Vinay Mittal	NIL	NIL	01-04-2018			NIL	NIL
				21-09-2018	67858	Purchase	67858	0.08
				02-11-2018	315512	Purchase	383370	0.46
				09-11-2018	215629	Purchase	598999	0.72
				22-03-2019	(22002)	Sale	576997	0.69
		576997	0.69	31-03-2019			576997	0.69
6.	Rajagopalan Sugumar	369946	0.44	01-04-2018			369946	0.44
				13-04-2018	47494	Purchase	417440	0.50
				20-04-2018	47560	Purchase	465000	0.56
				22-06-2018	(36831)	Sale	428169	0.51
				29-06-2018	(8152)	Sale	420017	0.50
				06-07-2018	(6109)	Sale	413908	0.50
				13-07-2018	(20487)	Sale	393421	0.47
				20-07-2018	57079	Purchase	450500	0.54
				27-07-2018	6300	Purchase	456800	0.55
				03-08-2018	(55442)	Sale	401358	0.48
				24-08-2018	(20000)	Sale	381358	0.46
				31-08-2018	6826	Purchase	388184	0.46
				14-09-2018	36009	Purchase	424193	0.51
				17-09-2018	(14906)	Sale	409287	0.49
				21-09-2018	6507	Purchase	415794	0.50
				28-09-2018	4909	Purchase	420703	0.50
				05-10-2018	(91400)	Sale	329303	0.39
				02-11-2018	(15047)	Sale	314256	0.38
				09-11-2018	109000	Purchase	423256	0.51
				08-02-2019	(197)	Sale	423059	0.51
				22-02-2019	1000	Purchase	424059	0.51
				01-03-2019	(23825)	Sale	400234	0.48
				08-03-2019	8079	Purchase	408313	0.49
				15-03-2019	2304	Purchase	410617	0.49
				22-03-2019	10231	Purchase	420848	0.50
		420848	0.50	31-03-2019			420848	0.50
7.	Lucky Holdings Private Limited	NIL	NIL	01-04-2018			NIL	NIL
				08-02-2019	32813	Purchase	32813	0.04
				15-02-2019	88427	Purchase	121240	0.15
				22-02-2019	206001	Purchase	327241	0.39
		327241	0.39	31-03-2019			327241	0.39
8.	Narendra Singhania	204353	0.25	01-04-2018			204353	0.25
				30-11-2018	13503	Purchase	217856	0.26
				07-12-2018	11497	Purchase	229353	0.28
		229353	0.28	31-03-2019			229353	0.28
9.	Hetal Ketan Thakkar	250000	0.30	01-04-2018			250000	0.30
				18-01-2019	(21022)	Sale	228978	0.27

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				08-03-2019	(28978)	Sale	200000	0.24
		200000	0.24	31-03-2019			200000	0.24
10.	Shaunak Jagdish Shah	199195	0.24	01-04-2018	-	Nil	199195	0.24
		199195	0.24	31-03-2019		movement during the year	199195	0.24
11.	KIFS Trade Capital Private Limited	697000	0.84	01-04-2018			697000	0.84
				01-06-2018	(644000)	Sale	53000	0.06
				07-09-2018	(240)	Sale	52760	0.06
				28-09-2018	(52760)	Sale	NIL	NIL
		NIL	NIL	31-03-2019			NIL	NIL
12.	Sachin Kasera	525000	0.63	01-04-2018			525000	0.63
				08-06-2018	(275000)	Sale	250000	0.30
				17-08-2018	(223449)	Sale	26551	0.03
				25-08-2018	(26551)	Sale	NIL	NIL
		NIL	NIL	31-03-2019			NIL	NIL
13.	Ashish Kacholia	1225207	1.47	01-04-2018			1225207	1.47
				06-04-2018	96092	Purchase	1321299	1.58
				13-04-2018	3908	Purchase	1325207	1.59
				24-08-2018	(350621)	Sale	974586	1.17
				31-08-2018	(274379)	Sale	700207	0.84
				07-09-2018	(335000)	Sale	365207	0.44
				14-09-2018	(340000)	Sale	25207	0.03
				05-10-2018	(25207)	Sale	NIL	NIL
		NIL	NIL	31-03-2019			NIL	NIL
14.	Edelweiss Custodial Services Limited	292312	0.35	01-04-2018			292312	0.35
				06-04-2018	18480	Purchase	310792	0.37
				13-04-2018	11779	Purchase	322571	0.39
				20-04-2018	(199576)	Sale	122995	0.15
				27-04-2018	205	Purchase	123200	0.15
				04-05-2018	370	Purchase	123570	0.15
				11-05-2018	336	Purchase	123906	0.15
				18-05-2018	(4278)	Sale	119628	0.14
				25-05-2018	(103498)	Sale	16130	0.02
				01-06-2018	(167)	Sale	15963	0.02
				08-06-2018	2377	Purchase	18340	0.02
				15-06-2018	2516	Purchase	20856	0.03
				22-06-2018	423	Purchase	21279	0.03
				29-06-2018	100	Purchase	21379	0.03
				06-07-2018	7153	Purchase	28532	0.03
				03-08-2018	(348)	Sale	28184	0.03
				10-08-2018	(200)	Sale	27984	0.03
				17-08-2018	(4)	Sale	27980	0.03
				07-09-2018	103526	Purchase	131506	0.16
				14-09-2018	(12957)	Sale	118549	0.14
				21-09-2018	(72841)	Sale	45708	0.05
				28-09-2018	(23952)	Sale	21756	0.03
				05-10-2018	29520	Purchase	51276	0.06
				12-10-2018	6216	Purchase	57492	0.07
				19-10-2018	(16874)	Sale	40618	0.05
				26-10-2018	1777	Purchase	42395	0.05
				02-11-2018	1100	Purchase	43495	0.05
				09-11-2018	(5720)	Sale	37775	0.05
				16-11-2018	1362	Purchase	39137	0.05
				23-11-2018	(16546)	Sale	22591	0.03
				30-11-2018	3276	Purchase	25867	0.03
				07-12-2018	(396)	Sale	25471	0.03
				14-12-2018	(2534)	Sale	22937	0.03
				21-12-2018	(724)	Sale	22213	0.03

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
				28-12-2018	(1658)	Sale	20555	0.02
				31-12-2018	2420	Purchase	22975	0.03
				04-01-2019	(13)	Sale	22962	0.03
				11-01-2019	1504	Purchase	24466	0.03
				18-01-2019	(2868)	Sale	21598	0.03
				25-01-2019	1368	Purchase	22966	0.03
				01-02-2019	375	Purchase	23341	0.03
				08-02-2019	(966)	Sale	22375	0.03
				15-02-2019	(4736)	Sale	17639	0.02
				22-02-2019	410	Purchase	18049	0.02
				01-03-2019	2518	Purchase	20567	0.02
				08-03-2019	(100)	Sale	20467	0.02
				15-03-2019	(2018)	Sale	18449	0.02
				22-03-2019	600	Purchase	19049	0.02
				29-03-2019	(2195)	Sale	16854	0.02
		16854	0.02	31-03-2019			16854	0.02
15.	Suresh Bhatia	250576	0.30	01-04-2018			250576	0.30
				01-06-2018	(95576)	Sale	155000	0.19
				24-08-2018	95576	Purchase	250576	0.30
				12-10-2018	(225000)	Sale	25576	0.03
				26-10-2018	(20576)	Sale	5000	0.01
				18-10-2018	(5000)	Sale	NIL	NIL
		NIL	NIL	31-03-2019			NIL	NIL

Note: 1. We have considered Top 10 shareholders at the beginning of the year i.e. 1st April, 2018 and at the end of the year i.e. 31st March, 2019.
2. Since the shares to Investor Education and Protection Fund Authority (IEPFA) have been transferred by operation of law pursuant to Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shareholding of IEPFA has not been included in the above-stated list.

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
DIRECTORS								
1	Mr. Arvind Singhania*	150	-	01-04-2018	-	Nil movement during the year	150	-
		150	-	31-03-2019	-		150	-
2	Mr. M S Ramachandran	-	-	01-04-2018	-	Nil movement during the year	-	-
		-	-	31-03-2019	-		-	-
3	Mr. Sandeep Dinodia	-	-	01-04-2018	-	Nil movement during the year	-	-
		-	-	31-03-2019	-		-	-
4	Mr. Ashok Kumar Newatia	-	-	01-04-2018	-	Nil movement during the year	-	-
		-	-	31-03-2019	-		-	-
5	Mr. P S Dasgupta	-	-	01-04-2018	-	Nil movement during the year	-	-
		-	-	31-03-2019	-		-	-
6	Dr. Anand Chand Burman	-	-	01-04-2018	-	Nil movement during the year	-	-
		-	-	31-03-2019	-		-	-
7	Mr. Dinesh Chandra Kothari	20000	0.02	01-04-2018	-	Sale	20000	0.02
				22-03-2019	(10000)		10000	0.01
		10000	0.01	31-03-2019	-		10000	0.01
8	Mrs. Archana Singhania	-	-	01-04-2018	-	Nil movement during the year	-	-
		-	-	31-03-2019	-		-	-
9	Mr. Pradeep Kumar Rustagi*	400	-	01-04-2018	-	Nil movement during the year	400	-
		400	-	31-03-2019	-		400	-
KEY MANAGERIAL PERSONNEL (KMP)								
10	Mr. Diwaker Dinesh	10	-	01-04-2018	-	Nil movement during the year	10	-
		10	-	31-03-2019	-		10	-

*Mr. Arvind Singhania and Mr. Pradeep Kumar Rustagi are also the KMP in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,267.32	504.15	Nil	30,267.32
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	16.33	Nil	Nil	16.33
Total (i+ii+iii)	30283.65	504.15	Nil	30,787.80
Change in Indebtedness during the financial year				
• Addition	5349.69	30.30*	Nil	5379.99
• Reduction	11394.47	Nil	Nil	11394.47
Net Change	(6044.78)	30.30	Nil	(6014.48)
Indebtedness at the end of the financial year				
i) Principal Amount	24238.87	534.45	Nil	24773.32
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	24238.87	534.45	Nil	24773.32

* Rs. 30.30 Lakh is on account of Exchange fluctuation only

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Arvind Singhania Chairman & CEO	Mr. Pradeep Kumar Rustagi Executive Director & CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	138.82	88.08	226.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.32	0.72
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	330.00	10.00	340.00
5	Others (PF, SAF)	9.60	5.80	15.40
	Total (A)	478.82	104.20	583.02
	Ceiling as per the Act	10% Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013 to all the Whole-time/Managing Director read with the Section 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013		

B. REMUNERATION TO OTHER DIRECTORS:

(Rs. in Lacs)

Directors	Particulars of Remuneration			
	Fee for attending board / committee meetings	Commission	Others, please specify	Total
1. INDEPENDENT DIRECTORS				
Mr. Sandeep Dinodia	0.80	7.00	-	7.80
Mr. M S Ramachandran	1.20	7.00	-	8.20
Mr. Dinesh Chandra Kothari	0.60	7.00	-	7.60
Mr. P S Dasgupta	0.30	7.00	-	7.30
Dr. Anand Chand Burman	0.20	7.00	-	7.20
Mr. Ashok Kumar Newatia	1.00	7.00	-	8.00
TOTAL B(1)	4.10	42.00	-	46.10
2. OTHER NON-EXECUTIVE DIRECTORS				
Mrs. Archana Singhania	0.40	7.00	-	7.40
TOTAL B(2)	0.40	7.00	-	7.40
TOTAL B = B(1) + B(2)	4.50	49.00	-	53.50
Ceiling as per the Act	In terms of Companies Act, 2013, the ceiling for payment of sitting fee is Rs. 1 (one) Lac per meeting for each director and 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013			
TOTAL MANAGERIAL REMUNERATION (A+B)				636.52
Overall Ceiling as per the Act	11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013 read with the Section 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**(Rs. in Lacs)**

Sl. No.	Particulars of Remuneration	Mr. Diwaker Dinesh Head Legal & Company Secretary
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	17.92 0.32 -
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, (PF, SAF)	1.17
	Total	19.41

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES -

There were no penalties / punishment / compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Date : 13th August, 2019
Place: New Delhi

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

ANNEXURE C**1. Brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

Ester 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 involvement of employees in progressing its CSR program, whilst addressing the needs of various stakeholders.

The CSR policy of the Company covers all the activities specified in Schedule VII of the Companies Act, 2013. The CSR Policy of company can be accessed under policies section of the Company website at the following link

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

- The composition of the CSR committee:** The Composition of Committee comprises of Mr. M S Ramachandran, Chairman of the Committee, Mr. Ashok Kumar Newatia, Mr. Arvind Singhania and Mrs. Archana Singhania, Members of the Committee.
- Average net profit of the company for last three financial years for the purpose of computation of CSR:** Average of preceding three financial years (2015-16, 2016-17 and 2017-18) being loss, the Company is not required to incur any amount on CSR activities during financial year 2018-19.
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not applicable as explained in Point No. 3
- Details of CSR spent during the financial year:** Rs. 1.57 Lacs
- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :** Not applicable as explained in Point No. 3
- A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Sd/-
Arvind Singhania
Chairman & CEO

Sd/-
M. S. Ramachandran
Chairman of the Committee

Date : 13th May, 2019
Place : New Delhi

ANNEXURE D**Disclosure in Board's report as per provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****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**

Name of Director	Ratio of Remuneration director to median remuneration	% increase in Remuneration
Executive Director		
Mr. Arvind Singhania Chairman & CEO	148:1	222
Mr. Pradeep Kumar Rustagi Executive Director & CFO	32:1	11

The percentage increase in remuneration of the Company Secretary is 2%.

Note: 1. For the financial year 2018-19, the Non-Executive Director has been paid commission and sitting fee within the limits prescribed under the Companies Act, 2013. However there is no increase in sitting fee for per meeting of the Board/Committee. Details of commission and sitting fee paid to Non-Executive Director have been given in Annexure B of the Directors' Report.

2. For the financial year 2017-18 no commission was paid to Executive Director and Non-Executive Director.

II. The percentage increase in the median remuneration of employees in the financial year – There was a decrease of 3% in median remuneration of employees.**III. The number of permanent employees on the rolls of company – 500 as on 31st March, 2019****IV. Average percentile increase already made in the remuneration of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average percentage increase in the remuneration of employees other than managerial personnel in the last financial year is around 1.96% while average percentage increase in managerial remuneration is 116%. There are various factors to ensure fair remuneration to the employee and managerial personnel including industry trend, individual and company performance, existing remuneration, increase given in past etc. The increase in remuneration to Managerial Personnel is due to payment of commission for financial year 2018-19, however no commission was paid to Executive Directors during previous financial year viz. 2017-18.

V. It is hereby affirmed that the remuneration is as per the remuneration policy of the company.**VI. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.**

Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Sd/-
Arvind Singhania
Chairman & CEO

Date : 13th August, 2019

Place : New Delhi

FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188 (1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1.	Details of contracts or arrangements or transactions not at arm's length basis:	NIL
	a) Name(s) of the related party and nature of relationship	
	b) Nature of contracts/arrangements/transactions	
	c) Duration of the contracts / arrangements/transactions	
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	e) Justification for entering into such contracts or arrangements or transactions	
	f) Date(s) of approval by the Board	
	g) Amount paid as advances, if any	
2.	Details of material contracts or arrangement or transactions at arm's length basis:	NIL
	a) Name(s) of the related party and nature of relationship	
	b) Nature of contracts/arrangements/transactions	
	c) Duration of the contracts/arrangements/transactions	
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	e) Date(s) of approval by the Board, if any	
	f) Amount paid as advances, if any	

Sd/-
Arvind Singhania
Chairman & CEO

Date : 13th August, 2019

Place : New Delhi

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

A. CONSERVATION OF ENERGY

1. Steps taken or impact on conservation of energy – Energy Conservation Initiatives taken:

- 40 Nos. Flood Lights of Metal Halide (150 Watt) are replaced by LED Light (30 Watt) resulting into saving of about 21024 units per annum (Rs. 1.40 Lacs).
- 20 Nos. Flood Lights of CFL (85 Watt) are replaced by LED Light (30 Watt) resulting into saving of about 4818 units per annum (Rs. 0.32 Lacs).
- 150 Nos. Street Lights of CFL (85 Watt) are replaced by LED Light (35 Watt) resulting into saving of about 32850 units per annum (Rs. 2.18 Lacs).
- Replaced existing pumps motor with high efficiency IE#3 in co-ex Vacuum System (Watering) resulting into saving of about 6365 units per annum (Rs. 0.42 Lacs).
- False Ceiling done in battery room area of 6x625 KVA UPS for reduction of heat loss resulting into saving of 7500 units per annum (Rs. 0.50 Lacs)

• Steps taken by the company 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 2018-19 for utilizing alternate sources of energy:

Power Requirement – Mostly met through Hydro-electric 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 total spend of Rs. 7364.58 lacs on Power & Fuel during the FY 2018-19, only Rs. 558.59 lacs is on fossil fuels, HSD & Furnace Oil.

2. The capital investment on energy conservation equipments during 2018-19:

During the year under review, Company has incurred capital investment of about Rs. 185.00 lacs on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

- Upgraded TUT Drives from D.C Drive to A.C Drive in Film Plant # 2 with advanced technology for the improvement of plant runability.
- Upgraded Gauging System in Film Plant # 2 with advanced technology for improving product quality.
- Additional Poly-Cold Unit installed for vacuum improvement in Metalizer # 2 for enhancing production and improving product quality.
- Since old switchgears had become obsolete, new Upgraded Panel/MCC were installed in Utility Section for improvement in reliability of Starter feeders.

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

- Development of new products and improvement in product quality

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

Not Applicable

4. Research and Development –

Sales revenue from products manufactured during R & D	– Rs. 608.16 lacs
Expenditure incurred on R & D for production of aforesaid products	– Rs. 775.33 lacs
Net Expenditure incurred on R & D activities	-- Rs. 167.17 lacs

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. (Rs. in Lacs)

	2018-19	2017-18
1. Earnings – FOB Value of Exports	23547.66	23306.03
2. Outgo – CIF Value of Imports	17114.12	14211.11

Sd/-

Arvind Singhania
Chairman & CEO

Date : 13th August, 2019

Place : New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

According to the International Monetary Fund, the global economy grew by 3.6 percent in 2018 which is 0.2 percent lesser as compared to 2017. The Indian economy has continued its momentum to be the fastest growing major economy in the world, despite escalating protectionism, volatility in oil prices and other macroeconomic issues affecting many countries. According to the IMF, Indian economy is projected to grow by 7.3 percent in 2019 and 7.5 percent in 2020. According to World Bank's Ease of Doing Business rankings, India leapfrogged to the 77th rank jumping 23 notches from last year.

Over the last few years, Packaging Industry continued to play a crucial role in adding value to various manufacturing sectors by delivering preservation of quality and enhanced shelf life of various products. The growth of the packaging industry is being driven by increased presence of multinational companies, brand awareness of an average Indian consumer and changing packing needs requiring visually appealing and versatile packaging solutions.

Operational Performance

Business Segment: Polyester Films Business

Flexible packaging is the most economical and environmentally friendly method to package, preserve and distribute food, beverages, other consumables, pharmaceuticals and other products that need extended shelf life. PET is a clear, strong and lightweight plastic that is widely used to produce a wide variety of packaging materials for beverages, foods, personal and home care, pharmaceuticals as well as other consumer and industrial goods. PET is a popular choice due to its high tensile strength, chemical & dimensional stability, transparency, reflectivity as well as gas and aroma barrier properties. These properties enable longer shelf life, making PET the preferred product to protect foods, beverages and pharmaceuticals. PET indirectly is a big contributor to keep food price inflation stable so as to curb hunger. Health and safety board from across the globe have approved PET as a safe material to be used in the food and beverage industry. Historically the market of the PET film industry comprises of both thin (below 50 microns) and thick films (above 50 microns).

Industry Overview

Global Market: Demand

The global demand for BOPET has been constantly growing at an approximate rate of 6-7 percent per annum over the last 5 years and is approximately over 5 million tonnes. Strong demand in Asia is going to be a major driver of growth of demand at a healthy rate of 5-6 percent per annum up till 2023. Forecast demand growth can be expected to be significantly higher, particularly in India and China, where we can expect to see growth rates of around 8-10 percent per annum. The key end use sector for BOPET film continues to be flexible packaging, which accounts for nearly 60 percent of global consumption. Another

contributing factor to growth in the next five years is expected to be from the electrical and electronic sector where the demand for high-end display screens (OLED) and photovoltaic cells (PV) continue to rise. We believe that the global demand for BOPET will continue to grow at a steady pace in the near future.

Global Market: Capacity

During last 5-7 years, world BOPET film consumption grew by over 1.2 million tons, whereas film extrusion capacity increased by nearly 2 million tons. China accounted for about 65 percent of this increase in capacity and India accounted for about 15 percent. This significant capacity expansion since 2011 caused an oversupply of BOPET film, which in turn resulted in drop in capacity utilization levels from 82 percent in 2011 to 70 percent in 2017. During last 2 years, there have not been any significant capacity additions and with the growth in demand, the overall capacity utilization level recorded an improvement over previous years. Since capacity utilization levels and margins are positively correlated hence improvement in capacity utilization levels helped improvement in margin levels. Several new capacities in different parts of the world are likely to start in next 24 months. These capacities are expected to be in excess of demand growth in the short term which is likely to pose a challenge to current margin levels. These new capacities may have a staggered impact due to delayed start-up of some of these capacities and likely closure of old inefficient lines.

Indian Market

The domestic demand for BOPET films in India is continuing to grow at a CAGR of about 10-12 percent per annum over the last five years. Low per capita consumption of BOPET films, new innovation in packaging formats, rising disposable incomes continue to be the key factors behind this growth. We expect this growth momentum to continue. There are some capacity expansions planned to start in India during 2019-20. With the demand growth remaining strong, we expect these new capacity expansions to have minimal impact on capacity utilization factors and hence on margins.

The total production capacity of BOPET films in India at the end of 2018 remained at about 628,000 metric tons per annum as no new capacities were added during FY 2017-18. During 2019-20 the total production capacity is expected to increase by about 65KT. The domestic demand in 2018 was approximately 465,000 metric tonnes, a 10 percent increase from approximately 420,000 metric tonnes back in 2017.

Performance Overview (FY 2018-19)

The sales volume of the BOPET film business has been relatively stable with a marginal drop from 52415 metric tones in FYE 2018 to 52290 metric tones in FYE 2019. The drop in sales volume was offset by a substantial increase in sales value from Rs 581.1 crores in FY 2018 to Rs 716.4 crores in FY 2019, an increase of 23.28 percent. A Higher realization, higher raw material cost & richer product mix of value added products was also a contributing factor to the increase in sales value.

Ester's efforts to strengthen its portfolio of Value Added and Specialty Products remains robust along with continuous focus and efforts to improve internal efficiencies. Ester is continuing to build strong and long-term focused business partnerships with key users focusing on commercialization of several prestigious projects with some of the leading FMCG and strategic end users across the globe. Ester is also continuing its efforts to qualify its products with leading multinational converters for their global supplies of BOPET films.

Ester is continuing its journey of margin improvement through various efficiency improvement plans such as waste reduction, productivity enhancement, energy and packing cost reduction as well as automating our entire business processes.

Ester is continuously focusing on its sustainability efforts and we are proud to announce our Post Consumption Recycled films, which is produced from post-consumer recycled PET polymer. We are also committing significant investments to developing other green and sustainable projects that will help us leave a green footprint in the world. We are also continuously developing a wide range of value added products including but not limited to high barrier films, graphic art films and a wide range of matte finish films.

Outlook

As mentioned, the demand for BOPET films in India continues to grow at approximately 10 percent. Over the next 24 months, few capacity additions are planned across the globe, these capacity expansions are likely to cause an oversupply situation in the short-term which may cause a drop in capacity utilization factors across the world and thereby impacting margins. The contributing factors continue to remain rising disposable income, new innovation in packaging formats and an increase in consumption of packaged foods due to increasing numbers of nuclear families.

Ester remains committed to focus on its strategy towards

- Expanding value added and specialty products portfolio through selective investments
- Expanding product portfolio by investments in technical and product development capabilities
- Capacity expansion to achieve cost efficiency
- Diversifying into new market segments
- Building stronger customer relationships
- Business process re-engineering towards continual efficiency improvements
- Incorporate industry best practices for continuous improvement and better profitability

Engineering Plastics Business

The Product

Engineering Plastics (such as Polybutylene Terephthalate, Polyamides and Polycarbonate) possess enhanced mechanical and/or thermal properties and dimensional stability as compared to commodity plastics (such as Polystyrene, Polypropylene and Polyethylene). Engineering Plastics usually exhibit a

combination of improved properties that make them suitable for applications in various industries such as automotive, electrical & electronics, construction, medical, consumer durables and telecommunication.

Ester manufactures and sells its products – compounds of PBT, PET, PA6, PA66, PC, ABS, POM and their respective blends – under the brand name “Estoplast”.

Industry Overview

Global Market

The global engineering plastics market – estimated at USD 70-80 Bn in 2018 (*based on various industry reports*) – is expected to grow at a CAGR of ~5% over the next 5 years. Based on regions, the global EP compounds market is segregated into North America, Latin America, Europe, Asia Pacific and Middle East & Africa, with Asia Pacific accounting for a major share of the market. Imposition of U.S. import tariffs and the United Kingdom's potential exit from the European Union are likely to influence the global demand/supply position.

China – being a major manufacturing hub for the automobile and electronics industries – is the leading consumer of EP compounds in the APAC region. Rapid industrialisation in developing economies such as India, South Korea, Thailand and Vietnam is expected to boost demand over the next few years. Demand in North America and Europe is projected to grow at a moderate pace.

Automotive & transportation – the largest end-use segment – is projected to witness negative growth in the first half of 2019, before staging a recovery in the last two quarters. The growing demand for hybrid / electric vehicles is expected to drive the market. With growing investments in renewable energy and demand for safe and secure electrical distribution systems, the global switchgear market is projected to grow at a CAGR of 6.9% through to 2024. Based on product type, the high performance plastics segment is expected to register a healthy CAGR of 9.6% over the next 5 years, attributed to an increasing application in the medical industry.

With new product development and new application additions becoming essential for global companies to sustain their market positions, an increased activity level has been witnessed in strategic mergers and acquisitions in the EP industry. This industry consolidation trend is expected to continue over the next few years.

Domestic Market – Automotive Segment

The automotive segment – one of the key drivers of the Indian economy – currently contributes ~7% to India's GDP, with the Automotive Mission Plan 2016-26 aspiring to increase the contribution to 12%. India is expected to emerge as the world's third largest passenger-vehicle market by 2021. A number of economic trends – rapid urbanisation, significant growth in the consuming class and rising demand for mobility – are expected to contribute towards meeting this target. The Indian automotive industry (*including component manufacturing*) is expected to grow to a value of USD 250 to 280 Bn by 2026.

Overall domestic automobile sales grew by 6.26% in FY19 (CAGR of 6.96% between FY 13-19), with 30.92 Mn vehicles sold in FY19. Segment-wise sales growth is tabulated below;

Segment	Growth in FY18-19
Passenger Vehicles	2.7%
Commercial Vehicles	17.6%
Two-Wheelers	4.9%
Three-Wheelers	10.3%
Overall	6.26%

Source: Society of Indian Automobile Manufacturers (SIAM)

Within the Passenger Vehicles segment, Passenger Cars, Utility Vehicles and Vans grew by 2.05%, 2.08% and 13.1% respectively.

Within the Commercial Vehicles segment, Medium & Heavy Commercial vehicles grew by 14.66%, whereas Light Commercial vehicles grew by 19.46%.

Within the Two-Wheelers segment, Motorcycle and Moped sales grew by 7.76% and 2.41% respectively, while Scooter sales declined by 0.27%.

Within the Three-Wheelers segment, Passenger Carrier and Goods Carrier sales registered a growth of 10.62% and 8.75% respectively.

Overall automobile exports grew by 14.5%. While Passenger Vehicles exports declined by 9.64%, Commercial Vehicles, Three-Wheeler & Two-Wheeler segments registered a growth of 3.17%, 49% & 16.55% respectively.

Domestic Market – Electrical Segment

The electrical industry – comprising of the electrical equipment and lighting industries – contributes towards the second largest demand for engineering plastics after the Auto segment. Within the electrical equipment industry, the switchgear and energy meters industries account for the major EP demand.

Switchgears are categorized into Low Voltage (upto 1 kV), Medium Voltage (1.1 kV to 40kV) and High Voltage (> 40 kV). The Switchgear market is expected to grow at a CAGR of ~7% through to 2023. Low Voltage Switchgear (LVSG) market has been dominating in India for more than five years and this trend is expected to continue. With government directives to replace older redundant systems to achieve operational safety & security in industrial establishments and robust investment in the infrastructure, telecom and railways sectors, India is emerging as a significant switchgear market within the global switchgear landscape. India is fast becoming a prime hub for most global switchgear players – be it for manufacturing or for selling.

The Lighting market in India is rapidly evolving, with conventional products being replaced with energy-efficient LED products. The ever-increasing need for a smart, connected lifestyle as well as energy-efficiency measures being promoted through government initiatives are expected to drive the growth of the Indian LED lighting industry. This transformation is being witnessed across public, home and professional lighting. As reported by the Electric Lamp and Component Manufacturers Association (ELCOMA) the Indian LED market is expected to

grow to INR 261 Bn by 2020, accounting for 80% of the total lighting industry. Demand from Tier-II cities and rural demand through the government's Street Lighting National Project are expected to fuel further growth of this sector.

Domestic Market – Optical Fiber Cable Segment

India tops the world's data consumption chart, with monthly mobile data traffic expected to grow from 150 PB in 2015 to 1700 PB by 2020, registering a CAGR of over 60%. However, its "fiber deployed to population ratio" – at a modest 0.1 – is the lowest in the world (along with LATAM) with China at 1.1 and USA and Japan topping the chart at 1.7. India's tower fiberization stands at 20-25% as compared to 65% in China. India's National Digital Communication Policy (NDCP 2018) has set aggressive targets including 60% tower fiberization by 2022 and 50% households having fixed broadband access.

The government's BharatNet project – that envisages delivery of high-speed broadband services in over 2.5 lakh villages – has been plagued with RoW issues and is running behind schedule. Harnessing private sector capabilities for execution, maintenance & utilisation of network for delivery of services – through PPP model – is now being considered to progress this at a rapid pace.

Global OFC demand in 2018 – estimated at 511 Mn fKm – is expected to register a CAGR of >12% through to 2023. With India's data consumption appetite being the largest in the world and the relatively poor state of its supporting infrastructure, growth in OFC demand in India is expected to be higher. In forthcoming years, India's fiber deployment is expected to quadruple, with the Telecom Industry at the cusp of emerging technologies such as 5G, IoT, Smart City & AI.

Key drivers for Industry Growth

- Increasing global demand for light-weight automobiles to meet newer / more stringent emission standards. BS VI norms to come into force in India effective April 2020.
- Environmental concerns to drive demand for Electric Vehicles. The Government of India approved the FAME-II scheme in February 2019.
- Innovative recycling technologies for engineering plastics
- Growing demand for polyamides in 3D printing.
- Electrification programs across the country and development of transmission & distribution networks expected to fuel growth in the India switchgear market.
- Increasing Government initiatives (such as Street Lighting National Project) to boost LED adoption and growing awareness about cost-effectiveness of LED lighting are expected to result in high demand growth in this sector.
- Enhanced usage of high performance plastics with increasing application in the Medical industry
- Rapid increase in data traffic and emerging technologies such as 5G, IoT, Smart City & AI expected to drive OFC demand. India's National Digital Communication Policy (NDCP 2018) has accordingly set aggressive targets.

While the above-mentioned factors are expected to fuel demand growth, the industry continues to face the threat of substitution by upgraded commodity thermoplastics such as polypropylene – mainly in the automotive industry – owing to increasing cost of engineering plastics, with continued price volatility.

Performance Overview

FY 2018-19 has not been a good year for the Engineering Plastics industry, with a number of external factors adversely impacting performance. Ester's Engineering Plastics SBU registered a growth of 13.8% (1.2% in volumetric terms) in FY 2018-19. The higher growth in value terms was mainly on account of ~12% increase in unit selling price as compared to the previous year, owing to the continued increase in polymer prices for the first 8 months of the year. Significantly reduced sales into the relatively lower-priced lighting segment also had a positive effect on unit selling price. Profitability was, however, adversely impacted as passing on the full impact of the cost increase to customers timely was challenging, given the intensely competitive market environment. Demand from the Automotive segment – that accounts for ~40% of the total EP demand – was severely impacted in the latter half of the year on account of fuel cost, increased insurance expenses and tightening liquidity consequent to the IL&FS crisis.

Sales volumes of EP compounds (*catering to end-use segments such as automotive, electrical & electronics and appliances*) declined by 9.8% – mainly on account of reduced demand from the Automotive segment in the latter half of the year. Moreover, Ester restricted sales of EP compounds to the Lighting segment owing to severe liquidity issues within this segment. Volumetric sales to the Optical Fiber Cable industry, however, registered a healthy growth of ~23%. Exports volumes continued to grow steadily, registering a growth of ~6% in FY 2018-19.

Polymer rates maintained a rising trend through most of the year. However, the US-China trade war triggered a crash in polymer rates in November. Ester – along with most other EP players – was burdened with high cost inventory due to this unexpected development. Several customers restricted their procurement activities owing to declining polymer prices. The situation was further aggravated with reduced demand from the automotive segment setting in around the same period. Liquidation of the high cost inventory, coupled with the reduced-demand scenario, adversely impacted financial performance in the last 4 months of FY 2018-19.

Despite the above-mentioned setbacks, the 5-year CAGR (FY 2013-14 to FY 2018-19) of Ester's EP business at 6.2% (*value terms*) and 5% (*volumetric terms*) remained more or less aligned with industry growth levels.

Key Initiatives for Sustainable Long-term Business

- Build on relationship with OEMs & Tier-1/2 customers in the automotive/ electrical/appliances segments and secure new approvals
- Work towards enhanced profitability
 - Process improvement to enhance productivity/ efficiency

- Variable cost reduction through R&D and Supply Chain initiatives
- Enhanced customer / product mix
- Explore opportunities for strategic alliances, including toll-compounding
- Enhance Ester's UL-certified and Food-grade product portfolio
- Expand global footprint to maintain steady growth in Exports volumes
- Continue to focus on new product development (*including new polymers*) & collaborative application development projects to enter niche markets.
- Enhance R&D capability (*in-house or through strategic alliances*) aligned with technological developments and acquire advanced technical expertise in the field of EP compounding to address changing customer needs.

Specialty Polymer Business

Aligned with the objective of becoming a technology focused enterprise, Ester continued its efforts on the Specialty Polymer Business. During 2018-19, Ester succeeded in getting a modest number of product approvals which was the result of consistent efforts of the last few years.

While we did go through a soft start at the beginning of FYE 2019, we did see things picking up substantially in the latter part of the year. Our main focus industries have been textile, rigid packaging, carpets and industrial applications and fruits have started to show in many of the focus industries. We have been able to successfully establish a market and distribution network in the USA, Europe and China. With the support of these marketing and relationship building efforts. We have signed a multi-year agreement to supply innovative Polybutylene Terephthalate (PBT). Your company is also proud to announce the progress made in a number of other projects which are in various stages of approvals. Some of our major customers have approved our Deep Dyeable Master Batch and our Cationic Dyeable Master Batch is in the final stages of customer approval. We are confident that FYE 2020 shall be a transformational year for the Specialty Polymer business and we shall accrue our returns for our investments in the time going forward.

BUSINESS & FINANCIAL PERFORMANCE

	Quantity Produced (MT) (During 2018-19)	Quantity Produced (MT) (During 2017-18)	Growth
Polyester Chips	62974	54436	15.68%
Specialty Polymers	1200	2138	(43.87%)
PET Film – Non Metallized	52510	52534	(0.05%)
PET Film – Metallized	10621	9790	8.49%
Engineering Plastics	13558	12839	5.60%

	Quantity Sold (During 2018-19)	Quantity Sold (During 2017-18)	Growth
Polyester Chips	10057	2016	398.86%
Specialty Polymers	1150	2822	(59.25%)

	Quantity Sold (During 2018-19)	Quantity Sold (During 2017-18)	Growth
PET Film – Non Metallized	41615	42664	(2.46%)
PET Film – Metallized	10675	9751	9.48%
Sub Total–PET Film	52290	52415	(0.24%)
Engineering Plastics	12140	12001	1.16%

	Net Sales Value (Rs. in Lacs) (During 2018-19)	Net Sales Value (Rs. in Lacs) (During 2017-18)	Growth
Polyester Chips	8544.96	933.74	815.13%
Specialty Polymers	3029.43	4809.21	(37.00%)
PET Film – Non Metallized	54934.21	44049.63	24.71%
PET Film – Metallized	16701.43	12866.08	29.81%
Sub Total–PET Film	71635.64	56915.71	25.86%
Engineering Plastics	19458.89	17106.30	13.75%
Others	229.23	331.30	(30.81%)
Total	102898.16	80096.27	28.47%
Rebates & Discounts	873.25	225.45	
Total Net Sales	102024.91	79870.82	27.74%

	(Rs. in Lacs) (During 2018-19)	(Rs. in Lacs) (During 2017-18)	Growth
EBITDA	11367.30	7129.64	59.44%
PBT	4704.36	748.83	528.23%
PAT	3110.63	529.41	487.57%
Other Comprehensive Income	5.31	29.03	(81.71%)
Total Comprehensive Income	3115.94	558.43	457.98%

Main factors for increased revenue from operations were increase in sales of Polyester Film and Polyester Chips. Despite reduction in sales volume of Polyester Film – from 52415 MT to 52290 MT – increase in selling price of Polyester Film (consequent to increase in feedstock prices and on account of improvement in margins) resulted in increase in sales revenue by 25.9%. A significant increase in sales of Polyester Chips from Rs. 9.34 crores to Rs. 85.45 crores contributed towards overall

Key Financial Ratios

Pursuant to Schedule V(B)(1)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, key financial ratios along with reason for change as compared to immediately previous financial year are given below:

Particulars	2018-19	2017-18	Change %	Reason for change
Debtors Turnover	7.53	6.04	25%	Increase in Polyester Chips sales that has shorter credit period and increased proportion of domestic sales in Film that has shorter credit period as compared to exports
Inventory Turnover	8.53	6.90	24%	Sales turnover increased from Rs. 798.71 crores to Rs. 1020.25 crores (by 27.7%) while average inventory increased from Rs. 115.73 crores to Rs. 119.67 crores (by 3.4%) due to concerted efforts.
Interest Coverage Ratio	2.21	1.06	109%	Due to improved margins in Film SBU, overall EBIT for the Company improved.
Current Ratio	1.15	0.88	31%	On account of fresh Term Loan of Rs. 53 crores availed to improve Net Working Capital and Current Ratio during the FY 2018-19
Debt Equity Ratio	1.12	1.49	25%	On account of increase in retained profits by Rs. 31.10 crores and repayment of Term Loan of Rs. 43 crores during the year
Operating Profit Margin (%)	7.40	4.33	71%	Due to improved margins in Film SBU, overall EBIT for the Company improved.
Net Profit Margin (%)	3.05	0.66	360%	Due to improved margins in Film SBU, PAT for the Company improved.
Return on Net Worth (%)	12.08	2.34	416%	Due to improved margins in Film SBU, PAT for the Company improved.

increase in sales revenue.

Bridging of the demand supply gap – consequent to growth in demand – resulted in selling price increase being higher than the rise in feedstock prices, thereby improving profit of Polyester Film SBU. Demand for Polyester Film continues to grow at the rate of 10% - 12% (domestic) and 6%- 6.5% (global).

Sales of Engineering Plastics for OFC application– in quantitative terms – increased by 22.7% on the back of increased demand while in value terms the sales increased from Rs. 49.96 crores to Rs. 70.74 crores, an increase of 41.6%. Despite reduction in sales of Engineering Plastics Compounds in volumetric terms by 9.8% (from 7962 MT to 7182 MT), the sales in value terms increased marginally from Rs. 121.10 crores to Rs. 123.85 crores (an increase of 2.3%) driven primarily by higher polymer rates.

The profitability for the Engineering Plastics SBU witnessed a reduction in EBIT on account of sub – optimal performance mainly in the latter half of the FY. The business was burdened with high cost inventory consequent to the US – China Trade War that resulted in polymer rates crashing. Margins were significantly squeezed in liquidating the high cost inventory, given significantly reduced demand from auto segment.

The performance of Specialty Polymers SBU was muted during the year under review. SBU witnessed reduction in sales by 59.2% in quantitative terms and by 37.0% in value terms.

Improvement in the financial performance of the Company was primarily on account of improved market scenario in Polyester Film SBU and also on account of sustained focus towards its strategic objective of enhancing sales of Value Added & Specialty products. Company continues to take various initiatives towards optimizing costs and improving operating efficiencies.

Due to repayment of term borrowings strictly as per repayment schedule, the financial leveraging indicated by Total Outside Liabilities : Total Equity ratio stand at 1.12 as at 31st March 2019. The book value per equity share stood at Rs. 37.70

Detailed explanation of ratios

(i) Debtors Turnover

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 sales turnover by average trade receivables.

(ii) Inventory Turnover

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

(iii) Interest Coverage Ratio

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing EBIT by finance cost

(iv) 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

(v) 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 a Company's total liabilities by its shareholder's equity

(vi) Operating Profit Margin (%)

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by sales turnover.

(vii) Net Profit Margin (%)

The Net Profit Margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing profit for the year by sales turnover.

(viii) Return on Net Worth (%)

Return on Net Worth (RONW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed. Capital employed is total equity less intangible assets, capital redemption reserve and capital reserve.

Risk Management

In Ester, Audit Committee reviews and evaluates the risk management plan. It is understood that risk is an integral part of any business. Risk Management Policy aims to detail the objectives and principles of risk management along with an overview of the risk management process and related roles and responsibilities. Risk Management Policy drafted by the Company covers inter alia process, governance and execution of the risk management framework. Under the policy & process document, a monitoring process has been institutionalized to ensure periodic review of organization risk profile, identify emerging risks, their classification into various categories viz: Strategic, Financial, Operational and Compliance, and assess the implementation status of mitigation plans. Considering the

current volatile and dynamic environment, identified risks and the progress in the implementation of mitigation plans to manage the identified / inherent risks are reviewed and if required, 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.

Intellectual Capital

The business environment has undergone a remarkable set of changes in the last decade. 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 move towards competitiveness.

All these changes in the competitive 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 achieve above, we continue with our journey of evolving from a function based organization to a Process Based Organization. The focus is to enhance customer value creation and elimination of waste.

We continue to focus on human capital development and continue with our various people initiatives. The learning and development framework is modified to align with the objective of moving from a function based organisation to Process Based Organisation. Operating processes for entire business operations are being relooked for improvement keeping the customer delivery in mind. These processes are being kept at the centre for training the workforce. Having multi-skilled workforce is the first and most critical element to the success of the project. Therefore, extensive trainings are being conducted to build self-sufficient process teams. Reward programs are being linked to learning certifications.

Roles and performance parameters are being re-defined for teams and individuals. The rolls will get enriched for the Company as well as for individual career growth. Technology will be taken to the front line level far beyond the current boundaries to track and monitor performance on a regular basis.

Creating a customer centric organization by challenging the functional boundaries require a big cultural shift and mind-set change and therefore, the senior management is leading from the front to keep the workforce aligned and engaged through continuous communication with the team and active participation in floor level activities.

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

Corporate Governance is a set of transparency and accountability which are integral part of our business and endeavour 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.

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 Ester Industries Limited 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.

1. Board of Directors

The Board of the Company is constituted in compliance with the Companies Act, 2013, Securities Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and in accordance with best practices in Corporate Governance with an optimum combination of Executive, Non- executive and Independent directors, having a pool of collective knowledge from various disciplines like Engineering, Finance, Legal, Business Management, Corporate Planning etc. on its board.

All the Independent Directors of the Company have confirmed that they meet the criteria as mentioned under SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013. Terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

In the opinion of the Board the Independent Directors of the Company fulfil the conditions specified in these SEBI (LODR) Regulations, 2015 and are independent of the management.

Composition of the Board

Category	Name of Directors
Non-Independent Directors	Executive Directors Mr. Arvind Singhania, Chairman & CEO (Promoter Category) Mr. Pradeep Kumar Rustagi, Executive Director & CFO
	Non- Executive Director Mrs. Archana Singhania (Promoter Category)
Independent Directors	Mr. M. S. Ramachandran Mr. Ashok Kumar Newatia Mr. Dinesh Chandra Kothari Dr. Anand Chand Burman Mr. P. S. Dasgupta Mr. Sandeep Dinodia

Mrs. Archana Singhania is wife of Mr. Arvind Singhania. Apart from them no Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013 read with the rules made thereunder

Attendance record of the Directors in Board Meetings and Annual General Meeting and the number of Directorship and Committee Chairmanship/ Membership held by them in other Companies

The Board of Directors and its committees meet at regular intervals. 4 (Four) Board Meetings were held during the year 2018-19 on 16th May, 2018, 14th August, 2018, 2nd November, 2018 and 11th February, 2019. Last Annual General Meeting (AGM) of the Company was held on 24th September, 2018.

Name of the Director	Designation	Attendance Particulars		No. of directorships in other Companies ¹		No of Membership/Chairmanship of Committees in other Companies ²	
		Board Meeting	Last AGM	Board Membership	Chairperson of the Board	Committee Membership	Chairperson of Committees
Mr. Arvind Singhania	Chairman & CEO	4	No	2	None	None	None
Mr. Ashok Kumar Newatia	Independent Director	4	No	None	None	None	None
Mr. M S Ramachandran	Independent Director	4	No	5	1	1	1
Mr. Dinesh Chandra Kothari	Independent Director	2	No	3	None	4	1
Dr. Anand Chand Burman	Independent Director	2	No	5	1	None	None
Mr. P S Dasgupta	Independent Director	2	No	7	None	7	2
Mr. Sandeep Dinodia	Independent Director	4	No	1	None	2	1
Mrs. Archana Singhania	Non- Executive Director	3	No	None	None	None	None
Mr. Pradeep Kumar Rustagi	Executive Director & CFO	4	Yes	None	None	None	None

Note –

- The other Directorships held by Directors as mentioned above do not include directorships of Private Limited Company, Directorship in the Company incorporated outside India and Companies as per Section 8 of the Companies Act, 2013.
- As required in the SEBI (LODR) Regulations, 2015, the disclosure includes memberships/ chairpersonship of Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted) only.

Directorship in Listed Companies (other than Ester Industries Limited)

S. No.	Name of the Director	Name of the Other Listed Entities	Category of Directorship
1	Mr. Arvind Singhania	Lemon Tree Hotels Limited	Independent Director
2	Mr. Ashok Kumar Newatia	NIL	NA
3	Mr. M S Ramachandran	Gulf Oil Lubricants Ltd.	Independent Director
		GOCL Corporation Ltd.	Independent Director
		International Paper APPM Ltd.	Independent Director
		Supreme Petrochem Ltd.	Independent Director
		ICICI Prudential Life Insurance Co. Ltd.	Independent Director-Chairman
4	Mr. Dinesh Chandra Kothari	Asian Hotels (North) Limited	Independent Director
		Aro Granite Industries Limited	Independent Director
5	Dr. Anand Chand Burman	Hero MotoCorp Limited	Independent Director
		Dabur India Limited	Non-Executive - Non Independent Director-Chairman
6	Mr. P S Dasgupta	Cummins India Ltd.	Independent Director
		Maral Overseas Ltd.	Independent Director
		Bhilwara Technical Textiles Ltd.	Independent Director
		RSWM Limited	Independent Director
		Timken India Ltd.	Independent Director
7	Mr. Sandeep Dinodia	The Hi-Tech Gears Limited	Independent Director
8	Mrs. Archana Singhania	NIL	NA
9	Mr. Pradeep Kumar Rustagi	NIL	NA

Key Board Skills/ Expertise/ Competence

The Board has identified the following skill set with reference to its Business and Industry which are required for our business and available with the Board:

- Knowledge of Company's businesses, industry, competition, major risks
- Leadership, Business Strategy, Sales & Marketing, Corporate Governance
- Knowledge of Finance, Accounts and Legal
- Technical skills and specialized knowledge of company's businesses

Board procedure and functioning

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. In case of business exigencies, resolutions are passed by circulation or a Board meeting is conducted depending on the matter.

All Board Members are given advance notice of the Meetings in compliance with the Companies Act, 2013. The Meetings are governed by structured Agenda. The detailed Agenda along with the explanatory notes are also circulated in advance to participate effectively in the Board discussions. All agenda items are backed by comprehensive background information and relevant documents to enable the Board to take informed decisions. The Directors are also free to recommend inclusion of any matter in the agenda for discussion and also seek any other information or documents on any matter of Agenda. Information provided to the Directors include the following information as stated in SEBI (LODR) Regulations, 2015-

- Annual operating plans of the business, revenue and capital budgets, acquisitions etc.
- Quarterly results of the company and its business segments
- Quarterly Operational Performance Report of the Company and its business segments

- Minutes of the Board Meeting and all Committee Meetings
- Information on recruitment and remuneration of Senior Management Personnel including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Quarterly report on fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the listed entity, or substantial non- payment for goods sold by the listed entity.
- Any issue involving possible public or product liability claims of substantial nature,
- Significant development on the human resources and industrial relations front.
- Details of any investment, merger, joint venture or collaboration agreement, if any.
- Sale of material nature, of investments, subsidiaries assets, which are not in normal course of business.
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Familiarisation Programme

As per the requirement of Regulation 25 of the SEBI (LODR) Regulations, 2015 which inter-alia stipulates that the Company shall familiarise the independent directors, the Company undertakes various initiative to familiarise

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 is uploaded on Company's website at the following link:

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

Statutory Compliance

The Board quarterly reviews the Compliance Report of the laws applicable to the Company as well as the steps taken by the company to rectify the instances of non-compliance, if any.

Compliance of Code of Conduct

The Company has adopted the Code of Conduct for all Board Members, Senior Management Personnel of the Company. The code of conduct is available on the website of the Company viz. www.esterindustries.com

The Company has received confirmation from all Board members and senior management personnel of the Company regarding their adherence to the code. The declaration to this effect from Mr. Arvind Singhania, Chairman & CEO forms a part of this report.

Meeting of Independent Directors

During the year, a separate Meeting of the Independent Directors was held on 11th February, 2019 to review the performance of the Chairperson, Directors and the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the company's management and the Board, necessary for the Board to effectively and reasonably perform their duties.

Recommendation of the Committee of Board

During the financial year 2018-19, there was no such recommendation of the Committee of the Board, which was not accepted by the Board.

Certification from Company Secretary in Practice

Mr. Akash Jain, Practicing Company Secretary has issued a certificate as required under Schedule V(C) of SEBI(LODR) Regulations, 2015, confirming that none of the Directors of the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the Securities Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed with this Report as "Annexure-A"

2. Audit Committee

The Company has Audit Committee formed in pursuance of compliance with Regulation 18 of the SEBI (LODR) Regulation, 2015 and Section 177 of the Companies Act,

2013. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

All members of the audit committee are knowledgeable in project finance, accounts and company law matters etc. Minutes of each audit committee meeting are placed before the board and discussed in depth.

The terms of reference stipulated by the Board to the Audit Committee inter-alia includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices along with the reason for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by 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
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;

- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing 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 existing as on the date of coming into force of this provision.
- Examination of the financial statement and auditors' report thereon;
- Reviewing following information–
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee);
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses;
 - e. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) for public issue, rights issue, preferential issue
 - f. The appointment, removal and terms of remuneration of the internal auditor
 - g. annual statement of funds utilized of Public issue/ Right issue for purposes other than those stated in the offer document/ prospectus/notice
- Any other matter as referred by the Board time to time in the terms of reference of the audit committee.

During the year 2018-2019, the Audit Committee has met

on 16th May, 2018, 14th August, 2018, 2nd November, 2018 and 11th February, 2019.

The Composition of the Audit Committee and the particulars of meeting attended by the members of the Audit Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. Sandeep Dinodia Chairman of the Committee	Independent Director	4	4
Mr. M S Ramachandran Member	Independent Director	4	4
Mr. Dinesh Chandra Kothari Member	Independent Director	4	2
Mr. Ashok Kumar Newatia Member	Independent Director	4	4

Mr. Sandeep Dinodia & Mr. Dinesh Chandra Kothari are qualified Chartered Accountant having rich experience in Accounting and Finance. Other members of the Committee also have the knowledge of accounting and finance with wide exposure in their relevant areas.

The Company Secretary acts as the Secretary of the Committee.

The Chairman of the Board and CFO are the permanent invitee to the meetings. Representatives of Statutory Auditors and Internal Auditors are also being invited to the meetings. All the Meeting of Audit Committee are attended by Statutory Auditors. Cost Auditors also attend the meeting when the Cost Audit Report is discussed.

Mr. Sandeep Dinodia, Chairman of the Audit Committee could not attend the last Annual General Meeting held on 24th September, 2018.

3. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee, formed in pursuance of compliance with Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013. Minutes of each Nomination and Remuneration committee meeting are placed before the board and discussed in depth.

The Company Secretary acts as the Secretary of the Committee. Terms of reference of the Committee inter-alia include the following:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
- to recommend to the Board their appointment and removal
- to carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees,
- to devise a policy on Board diversity;
- to recommend the board, all remuneration, in whatever form, payable to senior management
- to perform any other function, duty as stipulated by the Companies Act or under any applicable laws, as amended from time to time.

During the year 2018-19, two meetings of Nomination and Remuneration Committee was held on 14th August, 2018 and 11th February, 2019. The Composition of the Nomination and Remuneration Committee and the particulars of meeting attended by the members of the Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. M S Ramachandran Chairman of the Committee	Independent Director	2	2
Mr. Dinesh Chandra Kothari Member	Independent Director	2	2
Mr. P S Dasgupta Member	Independent Director	2	1
Mr. Arvind Singhania Member	Executive Director and Promoter (Chairman & CEO)	2	2

Remuneration Policy & Criteria of making payment to Executive and Non-Executive Directors

Remuneration Policy of the Company is designed to act as a guideline for determining, inter-alia qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, and removal of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The objectives of the policy are as stated below:

- To formulate the criteria for identification of the persons who are qualified to become directors and who may be appointed in senior management;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To lay down a policy for remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company;
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

This policy is divided into three parts. The salient aspects of the same are as stated below –

A. Appointment of Director, Key Managerial Personnel (KMP) and Senior Management Personnel

The Policy prescribes the criteria for determination of positive attributes, independence and qualifications of Directors and the criteria for appointment of Senior Management Personnel.

The Nomination and Remuneration Committee has the responsibility to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and KMP and recommend to the Board his / her appointment. The Committee may also identify and recommend to the Board the person, who may be appointed in Senior Management as per the criteria prescribed in the Policy. The Committee makes endeavour to ensure that the person should possess adequate qualification, expertise and experience for the position. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

B. Board Diversity

All Board appointments are based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Nomination and Remuneration Committee seeks to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates are considered against objective criteria, having due regard to the benefits of diversity on the Board.

C. Remuneration to Director, KMP, Senior Management Personnel and other employees

The Company strives to provide fair compensation to Directors, KMP, Senior Management Personnel and other employee, taking into considerations factors like Industry benchmark, Company's performance vis a vis industry, scope of duties, roles and responsibilities, skill, knowledge, performance/track record, core performance requirements and expectations of individuals, legal and industrial obligations.

The policy can be accessed on Company website at the following link –

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

Details of Remuneration to Non-Executive Directors & Independent Directors

Non-Executive Directors are paid sitting fees of Rs. 10,000/- for attending each meeting of the Board of Directors and the Committee thereof (except Stakeholders' Relationship Committee and Borrowing Committee). The Shareholders have approved at the AGM of the Company on 4th September, 2017, the payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The quantum of the commission may be recommended by the Committee on year to year basis based on the profitability of the Company and on such recommendation, the Board may decide to pay commission to the directors. During the year commission was paid to Non-Executive Director of the Company as per the above said approved limit of commission.

The Board has recommended to re-appoint Mr. Sandeep Dinodia as Independent Director for a second term of 5 (Five) consecutive years to hold office from 1st April, 2020 till 31st March, 2025 on the above-stated terms and remunerations. Other terms and conditions of the

appointment of the Independent Directors are given on the website of the Company viz www.esterindustries.com.

The details of commission and sitting fees paid during the year 2018-19 to the Non-Executive Directors are given below –

(In Rs.)

Name of the Director	Commission	Sitting Fees	Total
Mr. Ashok Kumar Newatia	7,00,000	1,00,000	8,00,000
Mr. Sandeep Dinodia	7,00,000	80,000	7,80,000
Mr. M S Ramachandran	7,00,000	1,20,000	8,20,000
Mr. Dinesh Chandra Kothari	7,00,000	60,000	7,60,000
Mr. P S Dasgupta	7,00,000	30,000	7,30,000
Dr. Anand Chand Burman	7,00,000	20,000	7,20,000
Mrs. Archana Singhania	7,00,000	40,000	7,40,000

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fee and commission as stated above.

The Company has not given any Stock Option to any Director.

Details of remuneration 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 remuneration payable to any one managing director or whole-time director does not exceed 5% of the net profits of the company and if there is more than one such director, remuneration doesn't exceed 10% of the net profits to all such directors taken together. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole time Director in accordance with the Schedule V and other applicable provisions of the Act and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

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. is decided and approved by the Board on the recommendation of the Committee.

During financial year 2018-19, following remuneration to Executive Directors were paid/payable-

(In Rs.)

Particulars of Remuneration	Arvind Singhania Chairman & CEO	Pradeep Kumar Rustagi Executive Director & CFO
Basic Salary	80,00,004	40,02,000
Allowances & Perquisites	59,21,196	48,38,569
PF & SAF	9,60,000	5,80,240
Commission	3,30,00,000	10,00,000
Total	4,78,81,200	1,04,20,809

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available for the managing director and executive director. 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. During the year, no Performance Linked Incentives were paid to Mr. Arvind Singhania and Mr. Pradeep Kumar Rustagi. The company has not issued any Stock options.

Details of Shareholding of Directors in Ester Industries Limited

Name of the Director	No. of Shares held
Mr. Arvind Singhania	150
Mr. M S Ramachandran	Nil
Mr. Dinesh Chandra Kothari	10,000
Mr. Ashok Kumar Newatia	Nil
Dr. Anand Chand Burman	Nil
Mr. P S Dasgupta	Nil
Mr. Sandeep Dinodia	Nil
Mrs. Archana Singhania	Nil
Mr. Pradeep Kumar Rustagi	400

Performance Evaluation criteria for Independent Directors:

The Board considered following criteria while evaluating the performance of the Independent Directors:

- Participation at the Board/Committee meetings and willingness to spend time during the meeting
- Integrity and maintaining 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, Independence etc.

4. Stakeholders' Relationship Committee

The Company has a Stakeholders' Relationship Committee, formed in pursuance of compliance with Regulation 20 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013. Minutes of each Stakeholders' Relationship Committee meeting are placed before the board and discussed in depth.

The responsibility of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends and such other grievances as may be raised by the security holders from time to time.

The terms of reference of the Committee, which inter-alia includes the following-

- 1) Resolving the grievances of the security holders of the listed entity 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) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year 19 meetings of the Committee were held on 4th April, 2018, 6th July, 2018, 20th July, 2018, 10th August, 2018, 20th August, 2018, 17th September, 2018, 1st October, 2018, 3rd October, 2018, 22nd October, 2018, 12th November, 2018, 30th November, 2018, 10th December, 2018, 20th December, 2018, 31st December, 2018, 3rd January, 2019, 10th January, 2019, 11th February, 2019, 20th February, 2019 and 11th March, 2019.

The Composition of the Stakeholders' Relationship Committee and the particulars of meeting attended by the members of the Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. Ashok Kumar Newatia Chairman of the Committee	Independent Director	19	19
Mr. Arvind Singhania Member	Executive Director and Promoter (Chairman & CEO)	19	14
Mr. Pradeep Kumar Rustagi Member	Executive Director & CFO	19	19

Mr. Diwaker Dinesh, Head-Legal & Company Secretary of the Company acts as the Compliance Officer.

The Company has received 116 Complaints from the shareholders and all of them have been resolved by furnishing requisite information/ documents. All the complaints were resolved and there was no complaint pending as on 31st March, 2019.

The Company gives utmost priority to the redressal of Shareholders Grievances which is evident from the fact that all complaint received from the shareholders are resolved expeditiously to the satisfaction of the shareholders.

5. Borrowing Committee

The Company has a Borrowing Committee, authorized and empowered to borrow such amount as Company may require for the operations and business of the company within the limits approved by the Board and the Shareholders of the Company.

During the year 3 meetings were held on 25th April, 2018, 11th May, 2018 and 25th March, 2019.

The Composition of the Borrowing Committee and the particulars of meeting attended by the members of the Committee are given below:

Name of Members	Category	No. of Meetings held	Attendance of the Members
Mr. Ashok Kumar Newatia Chairman of the Committee	Independent Director	3	2
Mr. Arvind Singhania Member	Executive Director and Promoter (Chairman & CEO)	3	3
Mr. Pradeep Kumar Rustagi Member	Executive Director & CFO	3	3

The Company Secretary of the Company acts as the Secretary to the Committee.

6. Corporate Social Responsibility (CSR) Committee

The Committee is constituted in terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the Committee includes –

- formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy;
- to monitor the CSR Policy of the Company from time to time;
- to institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company;
- to perform any other function or duty as stipulated by the Companies Act, SEBI Regulations and/or any applicable laws, as may be prescribed from time to time.

During the year 2 meetings was held on 16th May, 2018 and 11th Feb, 2019.

The Composition of the Corporate Social Responsibility Committee and the particulars of meeting attended by the members of the Committee are given below:

Name of Members	Category	No. of Meetings Held	Attendance of the Members
Mr. M S Ramachandran Chairman of the Committee	Independent Director	2	2
Mr. Ashok Kumar Newatia Member	Independent Director	2	2
Mrs. Archana Singhania Member	Non-Executive Director and Promoter	2	1
Mr. Arvind Singhania Member	Executive Director and Promoter (Chairman & CEO)	2	2

7. General Body Meetings

Details of the Annual General Meetings and Extra Ordinary General Meetings held during the last three years are as follows:

Annual General Meeting

Financial Year	Date	Time	Venue	Special Resolution Passed
2017-18	24.09.2018	10.30 AM	Registered office -Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Ashok Kumar Newatia as an Independent Director of the Company 2. Re-appointment of Mr. M S Ramachandran as an Independent Director of the Company 3. Re-appointment of Dr. Anand Chand Burman as an Independent Director of the Company 4. Re-appointment of Mr. Dinesh Chandra Kothari as an Independent Director of the Company 5. Re-appointment of Mr. P S Dasgupta as an Independent Director of the Company
2016-17	04.09.2017	10.30 AM	Registered office -Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Arvind Singhania as Managing Director of the Company 2. Re-appointment of Mr. Pradeep Kumar Rustagi as Whole-time Director of the Company
2015-16	24.09.2016	10.30 AM	Registered office -Sohan Nagar, P.O Charubeta, Khatima -262308, District Udham Singh Nagar, Uttarakhand	No Special Resolution was passed

No resolution was passed through Postal Ballot during the year under review.

8. Disclosures

Related Party Transactions

The Company has a duly adopted policy for related party transactions which prescribes for prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy can be accessed on Company website at the following link –

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

All transactions, if any, entered into by the Company with related parties during the financial year were on arm's length basis. During the financial year 2018-19, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large.

Compliance by the company

The Company has complied with the requirement of the Stock Exchange, SEBI and other statutory authorities relating to the capital market during the last 3 years.

Whistle Blower policy (Policy on Vigil Mechanism)

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and ethics. No personnel has been denied access to the audit committee. The policy can be accessed on Company website at the following link –

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

Policy on Material Subsidiaries

In accordance with Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015 the Company has framed Policy on

Material Subsidiaries to set out the criteria to determine "Material Subsidiaries" and to provide the governance framework for them. The Company has no subsidiary company.

The policy can be accessed on Company website at the following link –

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

Certification in terms of Regulation 33 of the SEBI (LODR) Regulations, 2015

Certification by Chairman & CEO and Executive Director & CFO as stipulated in the Regulation 33 of the SEBI (LODR) Regulations, 2015 was placed before the Board along with the financial statement for the year ended 31st March 2019, and the Board reviewed the same. The said Certificate is annexed with the Corporate Governance Report.

Statutory Auditor fee

The details of Statutory Auditors fee for financial year 2018-19 is given below –

Fee particulars	Amount (Rs. in Lacs)
Audit fee	23.00
Reimbursement of out of pocket expenses	1.99
Total	24.99

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

- a) Number of Complaints filed during the year 2018-19 : NIL
- b) Number of Complaints disposed of during the year 2018-19 : NIL
- c) Number of Complaints pending as on 31st March, 2019 : NIL

Compliance with Mandatory & Non-mandatory Requirements.

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all the requirement of Regulations 17 to 27, whichever is applicable. The Company has also fulfilled the following

non-mandatory requirements as prescribed in Schedule II, PART E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –

- It is always the Company's endeavour to present unmodified/ unqualified Financial Statements. The auditors has given the unmodified opinion on the financial statement for the year ended on 31st March, 2019.
- The Internal Auditor has been reporting directly to the Audit Committee.

9. Means of Communication

- The Company intimates unaudited/ audited financial results to the stock exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Generally the results are published in Financial Express, Dainik Najariya.
- Website - Ester's website www.esterindustries.com contains a separate dedicated section 'Investors' which provides shareholders information like quarterly financial results, annual reports, shareholding patterns, news and announcements and other shareholder information. Further as all such information are also filed/ intimated to BSE and NSE, the shareholder can also obtain information from their website viz. www.bseindia.com and www.nseindia.com respectively.
- NSE Electronic Application Processing System (NEAPS)-NEAPS is a web based application designed by NSE for corporate. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report, Reconciliation of Share Capital Audit, statement of investor grievances etc. are intimated/ filed electronically on NEAPS.
- BSE Listing Centre - It is a web based application for compliances and intimation under SEBI (LODR) Regulations, 2015 for companies Listed in BSE. All intimations, compliance filings like corporate action, financial results, shareholding pattern, corporate governance report, Reconciliation of Share Capital Audit, statement of investor grievances etc. are intimated/ filed electronically on Listing Centre.
- Designated e-mail address for investor services- In terms of Regulation 46(2) of the SEBI (LODR) Regulations, 2015, the designated e-mail address for investor complaints is investor@ester.in. The shareholders may also send their queries at the email id of Registrar and Transfer Agent (RTA) viz. info@masserv.com.
- Earning call, Press Release and Investor Presentation- The company issues press release every quarter briefing the details of quarterly and year to date results and performance of the company with a message of Chairman. Investor presentation on financial results are posted on the website of the Company and sent to stock exchanges. Earning calls with analysts and investors for discussion on results are made on quarterly basis after dissemination of the quarterly and year to date results.

10. General Shareholder Information:

• Forthcoming Annual General Meeting

Day, Date & Time	Monday, 16 th September, 2019, 10.30 AM
Venue	Sohan Nagar, P.O. Charubeta, Khatima - 262308, District Udham Singh Nagar, Uttarakhand

• Financial Calendar (Tentative and subject to change)

Financial Results for the Quarter ending 30th June 2019	August – 2019
Financial Results for the Quarter ending 30th September 2019	November – 2019
Financial Results for the Quarter ending 31st December 2019	February – 2020
Financial Results for the Quarter and year ending 31st March 2020	May – 2020
Annual General Meeting for Financial Year 2019-20	September – 2020

• Books closure date – 10th September, 2019 to 16th September, 2019 (both days inclusive)

• Dividend

Our Board has recommended the Final Dividend of Rs. 0.50/- per share i.e. 10% on Equity Share of face value of Rs. 5.00 each for the Financial Year 2018-19. In case dividend is declared, it will be paid after 21st September, 2019.

In terms of the Section 125 of the Companies Act, 2013, the amount that remained unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the year under review, the unclaimed dividend amount for the year 2010-11 (Final) was transferred to the IEPF established by the Central Government under applicable provisions of the Companies Act. The shareholders, who have not encashed their dividend warrants relating to the dividend specified in table below are requested to immediately send their request for issue of duplicate warrants.

Year of Dividend	2013-14
Nature of Dividend	Final
Date of Declaration	22-09-2014
Last date to claim dividend	23-10-2021
Proposed date of transfer of Dividend	22-11-2021

Once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof with the Company.

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA)

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus etc.) if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such

shares shall remain frozen till the rightful owner claims the shares.

Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The shareholders whose dividend/shares as transferred to the IEPF Authority can now claim their shares/dividend from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority in the link given below:

<http://www.iepf.gov.in/IEPF/refund.html>

In accordance with the aforesaid IEPF Rules, the Company had sent notice to all the shareholders whose shares were due to be transferred to the IEPF Authority, to take immediate action in the matter. As required under the IEPF Rules, the Company had also published newspaper advertisement informing the Members who had not claimed their dividend for a period of 7 years to claim the same from the Company before the shares pertaining to such dividend are transferred to IEPF Authority and thereafter accordingly the Company had transferred all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.

• **Stock Market Data:**

The data for trading in equity shares of the Company at Bombay Stock Exchange and National Stock Exchange are provided below:

• **Listing of Equity Shares on Stock Exchanges**

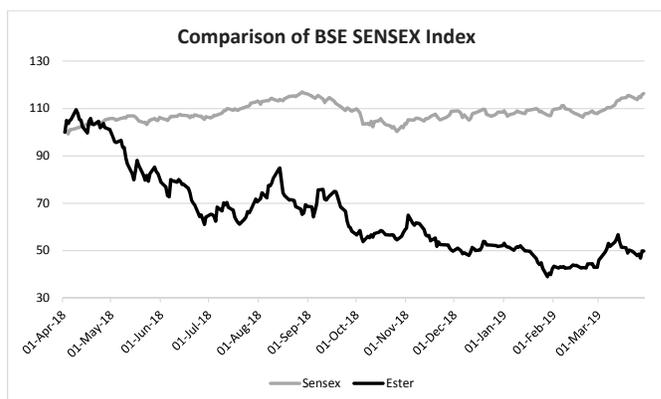
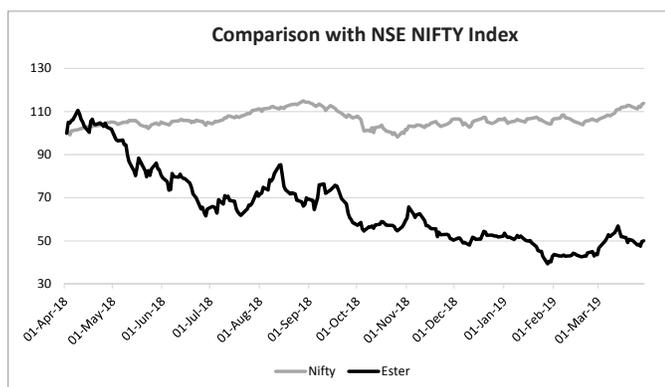
Ester Industries Limited (ISIN - INE778B01029) is presently listed on Bombay Stock Exchange and National Stock Exchange. The details of the same are mentioned as under:

Address of Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
Listed Capital	83393759 Equity Shares of Rs. 5/- each	83393759 Equity Shares of Rs. 5/- each
Website of Stock Exchanges	www.bseindia.com	www.nseindia.com
Scrip Code	500136	ESTER

The Listing Fees for the financial year 2019-20 has been paid to stock exchanges within the prescribed time period.

Month	Bombay Stock Exchange			National Stock Exchange		
	Month's High Price (In Rs.)	Month's low Price (In Rs.)	Volume (No. of Shares)	Month's High Price (In Rs.)	Month's low Price (In Rs.)	Volume (No. of Shares)
Apr-18	78.00	66.85	11,23,180	77.90	66.10	29,03,497
May-18	71.20	53.60	4,60,315	71.90	53.50	17,53,180
Jun-18	58.40	42.75	2,71,767	57.50	42.70	10,74,015
Jul-18	53.80	42.75	3,53,103	51.80	43.00	13,11,781
Aug-18	64.00	45.10	9,52,088	63.70	46.00	42,55,509
Sep-18	55.00	39.10	10,30,822	54.95	38.65	50,92,590
Oct-18	43.50	36.70	5,63,621	43.70	35.75	18,56,811
Nov-18	47.80	34.95	3,92,362	52.00	34.95	19,54,200
Dec-18	39.55	33.70	2,14,388	39.45	33.50	6,30,138
Jan-19	38.80	26.75	3,00,987	38.90	26.50	7,37,930
Feb-19	33.10	29.00	1,64,428	33.00	29.00	16,73,544
Mar-19	41.15	31.35	2,99,047	41.30	30.90	14,57,457

• **Performance in comparison to broad based indices**



- **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 of 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.

- **Registrar and Share Transfer Agents**

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 :info@masserv.com

- **Share Transfer System**

The share transfer which are received in physical form are processed within a period of 10 to 15 days from the date of receipts, subject to the documents being valid and complete in all respects. Pursuant to Regulation 40 of SEBI (LODR) Regulations, 2015, effective from 1st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

- **Distribution of Shareholding as on 31st March 2019:**

Shareholding of Nominal Value of Rs. 5 each	No. of Shareholders	% to total holders	No. of shares	% to total shares
1-5000	18971	90.32	4460093	5.35
5001-10000	907	4.32	1437716	1.72
10001-20000	486	2.31	1432614	1.72
20001-30000	223	1.06	1117515	1.34
30001-40000	101	0.48	728915	0.87
40001-50000	92	0.44	879619	1.06
50001-100000	106	0.50	1553286	1.86
100001 & Above	119	0.57	71784001	86.08
Total	21005	100	83393759	100

- **Shareholding Pattern as on 31st March 2019:**

Category of Shareholder	No. of Shareholders	No. of Shares	% to total shares
A. PROMOTER AND PROMOTER GROUP			
1. Indian			
Individual/HUF	4	303191	0.36
Sub Total (A1)	4	303191	0.36
2. Foreign			
Bodies Corporate	2	49015012	58.78
Sub Total (A2)	2	49015012	58.78
Total Shareholding of Promoter and Promoter Group (A = A1 + A2)	6	49318203	59.14
B. PUBLIC SHAREHOLDING			
1. Institutions			
a. Mutual Funds/UTI	3	18300	0.02
b. Financial Institutions/Banks	7	54976	0.07
c. Insurance Companies	1	300	0.00
Sub Total (B1)	11	73576	0.09

Category of Shareholder	No. of Shareholders	No. of Shares	% to total shares
2. Non Institutions			
a. Bodies Corporate	206	16021756	19.21
b. Resident Individuals	20494	15863787	19.02
c. Non-Resident Individual	216	484569	0.58
d. Clearing Member	69	813709	0.98
e. NBFC registered with RBI	2	6590	0.01
f. IEPF Authority	1	811569	0.97
Sub Total (B2)	20988	34001980	40.77
Total Public Shareholding (B = B1 + B2)	20999	34075556	40.86
GRAND TOTAL (A) + (B)	21005	83393759	100

- **Dematerialization of Shares:**

As on 31st March 2019, 98.81% of the Company's shares were held in dematerialized form.

- **Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments and their likely impact on equity:**

As on 31st March, 2019, there are no outstanding Warrants or any Convertible warrants or any convertible Instruments and their likely instruments. The Company has not issued any GDR/ ADR.

- **Plant location**

The company has single Plant location at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand

- **Investor Correspondence**

MAS Services Limited,

(Unit : Ester Industries Limited)

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

New Delhi – 110 020

Phone No. – 011-26387281/82/83

Fax No. – 011-26387384

E-Mail: info@masserv.com

Or

The Company Secretary

Ester Industries Limited

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

- **Credit Rating**

Brickwork Ratings India Private Limited has assigned following ratings for credit limit of the Company-

Tenure	Facility	Rating*
Long term	Fund based	BWR BBB (Pronounced as BWR Triple B) Outlook: Stable
Short term	Fund based and Non Fund based	BWR A3+ (Pronounced as BWR A Three Plus)

*Please refer to BWR website www.brickworkratings.com for definition of the rating assigned

- **Investor Grievances Redressal Mechanism** – In case of any complaint, the Investor can contact the Company or our Registrar & Transfer Agent. Further the Company process investor complaints through a centralized web based “SEBI complaints redress system” (SCORES) also. Investor can check online status of complaint and action taken on the same. It assists in speedy resolution of complaint in more transparent manner.

DECLARATION

This is to confirm that the Board of Directors has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website. It is further declared that all the Board Members and Senior Management of the Company have affirmed adherence to and compliance with the 'Code of Conduct' laid down by the Company.

For Ester Industries Limited

Sd/-

Arvind Singhania
Chairman & CEO
DIN: 00934017

Place : New Delhi

Date : 13th May, 2019

ANNEXURE – A

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ester Industries Limited** having CIN L24111UR1985PLC015063 and having registered office at Sohan Nagar, P.O. Charubeta, Khatima-262308, Udham Singh Nagar, Uttarakhand (*hereinafter referred to as 'the Company'*), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2019** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	ARVIND SINGHANIA	00934017	01/07/1994
2	ARCHANA SINGHANIA	01096776	04/08/2014
3	PRADEEP KUMAR RUSTAGI	00879345	14/02/2011
4	SANDEEP DINODIA	00005395	25/05/2015
5	PS DASGUPTA	00012552	14/02/2011
6	ANAND CHAND BURMAN	00056216	12/08/2010
7	DINESH CHANDRA KOTHARI	00195609	19/09/2008
8	M S RAMACHANDRAN	00943629	19/09/2008
9	ASHOK KUMAR NEWATIA	01057233	01/07/1997

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

Sd/-

Akash Jain
Practising Company Secretary
Membership No.: F9617
CP No.: 9432

Place : Gurgaon

Date : 13th August, 2019

COMPLIANCE CERTIFICATE BY CHAIRMAN & CEO AND EXECUTIVE DIRECTOR & CFO

In compliance of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, we certify as under:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 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 listed entity'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 listed entity during the financial year 2018-19 which are fraudulent, illegal or violative of the listed entity'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 listed entity 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 in internal control over financial reporting during the year;
 - (2) significant changes 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 listed entity's internal control system over financial reporting.

Sd/-
ARVIND SINGHANIA
Chairman & CEO
DIN: 00934017

Sd/-
PRADEEP KUMAR RUSTAGI
Executive Director and CFO
DIN: 00879345

Place: New Delhi

Date: 13th May, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

M/s Ester Industries Limited

Sohan Nagar, P.O. Charubeta, Khatima-262308,
Udham Singh Nagar, Uttarakhand

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, 2019 as stipulated in Regulation 17 to 27, clauses (b) to (i) of sub-regulations (2) of Regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the company's management including the preparation and maintenance of all relevant supporting records and management.

Our Responsibility

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.

Opinion

In our opinion and to the best of our 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 the above mentioned Listing Regulations as applicable during the year ended March 31, 2019.

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.

Restriction on Use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Sd/-
Akash Jain
Practising Company Secretary
Membership No.: F9617
CP No.: 9432

Place : Gurgaon

Date : 13th August, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Ester Industries Limited Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Ester Industries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies 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 financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Allowance for inventories</p> <p>Refer note 5.4 for accounting policy and note 11 to the financial statements.</p> <p>The Company holds significant inventories and records allowance for identified obsolete, slow-moving and non-moving inventories.</p> <p>At the end of each reporting period, management of the Company assesses whether there is any objective evidence that certain inventories, which are stated at cost, are above their net realisable value. If so, these inventories are written down to their net realisable value.</p> <p>The complexities involved in this assessment include:</p> <ul style="list-style-type: none"> • Judgement in specific identification process performed by management to ascertain slow moving and obsolete inventories; • Assessing the net realisable value of slow moving and obsolete inventory <p>The above complexities involve specific management judgements and estimates with respect to slow moving and obsolete inventory and hence considered to be a key audit matter for current year audit.</p>	<p>Our audit procedures to assess allowance for inventories included, but were not limited to the following-</p> <ul style="list-style-type: none"> • Understood the management process for identification of slow moving, non-moving or obsolete inventories and ensured that the same is consistently applied. • Assessed the design and operating effectiveness of Company's controls (including the automated controls) around recording of inventory allowance; • Inquired with the management about slow and non-moving inventories as on 31 March 2019 and their corresponding status of the same having regard to planned consumption or planned re-processing. • Tested the computation for allowance for slow-moving, non-moving and obsolete inventories with the management analysis and performed independent age-wise analysis of the inventory line items along with specific inquiries with the management to ensure the completeness of the inventory recognised as slow moving, non-moving and obsolete. • Tested the net realisable value of finished goods inventory on a sample basis to recent selling prices less costs to sell to identify allowance required for finished goods. • Compared and assessed the actual utilization or liquidation of inventories to the previous assessment or estimates done by the management to determine the efficacy of the process of estimation by the management. • Tested inventory ageing obtained through system reports, where applicable. • Ensured the disclosures in the financial statements are in accordance with the applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the 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.

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 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 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.

Our opinion on the 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 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 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 financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the 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, 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 system 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 management's 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.
 - 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, 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, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report 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;
 - 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;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid 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 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated May 13, 2019 as per Annexure II expressed an unmodified opinion;
 - g) 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 37 to the financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2019;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2019;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Ashish Gupta
Membership No.: 504662

Place : New Delhi
Date : May 13, 2019

Annexure I to the Independent Auditor's Report of even date to the members of Ester Industries Limited, on the financial statements for the year ended March 31, 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are 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 program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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 under sub-section (1) of Section 148 of the Act in respect of Company's products 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) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. 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 become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	8.06	March 1990 to May 1991	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	17.46	June 1988 to March 1992	Joint Commissioner, Meerut, UP
Central Excise Act, 1944	Excise Duty	164.2	April 1990 to February 1992	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	11.72	June 1987 to October 1988	Assistant Commissioner, Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	20.61	March 1991 to May 1991	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	17.23	April 1992 to November 1993	Commissioner, Central Excise, Meerut, UP
Central Excise Act, 1944	Excise Duty	4.68	August 1993 to March 1994 and January 2010	Commissioner (Appeal), Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	12.95	April 1991 to November 1992	Joint Commissioner, Meerut II, UP
Central Excise Act, 1944	Excise Duty	1.58	July 1987 to December 1988	Commissioner, Central Excise, Meerut, UP
Central Excise Act, 1944	Excise Duty	5.22	April 1992 to July 1993	Assistant Commissioner, Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	34.44	January 2010 to January 2012	Commissioner (Appeals), Central Excise, Meerut II, UP
Central Excise Act, 1944	Excise Duty	2.5	April 2009 to December 2009	Commissioner (Appeals), Central Excise, Rampur, UP

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	3.00	January 1995	Commissioner (Appeals), Noida, UP
Finance Act, 1994	Service Tax	27.57	April 1988 to March 2016	Deputy Commissioner, Central Excise, Rampur, UP
Finance Act, 1994	Service Tax	123.30	April 2010 to March 2015	Commissioner (Appeals), Central Excise, Meerut II, UP
Finance Act, 1994	Service Tax	13.53	October 2011	Assistant Commissioner, Central Excise, Rampur, UP
The Customs Act, 1962	Custom Duty	2.58	January 1997 to March 1998	Additional Commissioner (Customs), Mumbai
The Customs Act, 1962	Custom Duty	4.48	January 1997 to March 1998	Additional Commissioner (Customs), Mumbai
The Customs Act, 1962	Custom Duty	7.59	January 1997 to March 1998	Additional Commissioner (Customs), Mumbai
The Customs Act, 1962	Custom Duty	43.05	April 1998 to March 1999	Commissioner of Customs, Mumbai
The Customs Act, 1962	Custom Duty	14.43	June 2016	Additional Commissioner of Customs (Appeals), New Delhi
The Customs Act, 1962	Custom Duty	15.35	June 2016	Additional Commissioner of Customs (Appeals), New Delhi
Income Tax Act, 1961	Income Tax	18.00	Assessment year 1993-94 to Assessment year 1995-96	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	3.41	Assessment year 1997-98	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	11.16	Assessment year 2005-06	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	5.78	Assessment year 2004-05	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	14.09	Assessment year 2006-07 to Assessment year 2007-08 and Assessment year 2011-12	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	4.05	Assessment year 2006-07 to 2013-14	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Income Tax	33.68	Assessment year 2004-05	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	45.74	Assessment year 2014-15	Commissioner of Income Tax (Appeals), New Delhi

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures or loan from government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation were invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in

the financial statements etc., as required by the applicable Ind AS.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Ashish Gupta
Partner
Membership No.: 504662

Place : New Delhi
Date : May 13, 2019

Annexure II to the independent auditor's report of even date to the members of Ester Industries Limited on the financial statements for the year ended March 31 2019

Independent auditor's report on the Internal Financial Controls 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 financial statements of Ester Industries Limited ('the Company') as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's responsibility for internal financial controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR.

Meaning of internal financial controls over financial reporting

6. A company's IFCoFR 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 IFCoFR 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 over financial reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 over financial reporting and such controls were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013**

Sd/-
**Ashish Gupta
Partner
Membership No.: 504662**

Place : New Delhi
Date : May 13, 2019

BALANCE SHEET

as at March 31, 2019

(Rs. in lacs)

		As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	6	38,525.25	39,659.59
Capital work-in-progress		326.23	127.43
Intangible assets	6	135.76	194.04
Financial assets			
Loans	8A	718.03	728.19
Other financial assets	9A	39.88	94.63
Income tax assets (net)		131.46	131.46
Other non-current assets	10	192.90	32.40
Total non-current assets		40,069.51	40,967.74
Current assets			
Inventories	11	12,515.04	11,418.91
Financial assets			
Investments	7	17.13	27.07
Trade receivables	12	12,280.00	14,818.60
Cash and cash equivalents	13	20.79	70.24
Bank balances other than above	14	583.15	642.37
Loans	8B	64.16	47.18
Other financial assets	9B	7.62	57.95
Other current assets	15	981.66	2,355.59
Total current assets		26,469.55	29,437.91
Total assets		66,539.06	70,405.65
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16A	4,169.69	4,169.69
Other equity	17	27,271.90	24,155.96
Total equity		31,441.59	28,325.65
Liability			
Non-current liabilities			
Financial liabilities			
Borrowings	18A	6,105.32	2,752.92
Other financial liabilities	22A	103.12	191.42
Provisions	19A	847.70	893.99
Deferred tax liabilities (net)	20	2,301.93	1,763.96
Other non-current liabilities	23A	2,774.89	2,927.53
Total non-current liabilities		12,132.96	8,529.82
Current liabilities			
Financial liabilities			
Borrowings	18B	16,731.41	23,613.27
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	21	78.34	37.40
b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,242.15	3,833.96
Other financial liabilities	22B	2,938.50	5,110.36
Other current liabilities	23B	644.82	645.78
Provisions	19B	117.20	67.86
Current tax liabilities (net)		212.09	241.55
Total current liabilities		22,964.51	33,550.18
Total equity and liabilities		66,539.06	70,405.65

Summary of significant accounting policies

1-5

The accompanying notes are integral part of the financial statements.
This is the Balance Sheet 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

Sd/-
Ashish Gupta
Partner
Membership no.504662

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place : New Delhi
Date : May 13, 2019

STATEMENT OF PROFIT AND LOSS for the period ended March 31, 2019

(Rs. in lacs)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from operations	24	1,02,806.23	82,449.00
Other income	25	572.01	567.05
Total revenue		1,03,378.24	83,016.05
Expenses			
Cost of material consumed		70,459.51	52,674.23
Excise duty		-	1,774.84
Changes in inventories of finished goods and work-in-progress	26	(267.10)	1,251.80
Employee benefits expense	27	4,727.92	4,428.46
Finance costs	28	3,421.40	3,278.44
Depreciation and amortisation expense	6	3,241.54	3,102.37
Other expenses	29	17,090.61	15,757.08
Total expenses		98,673.88	82,267.22
Profit before tax		4,704.36	748.83
Tax expense	30		
Current tax		1,058.48	177.58
Deferred tax expense		535.25	41.85
Total tax expenses		1,593.73	219.43
Profit after tax		3,110.63	529.40
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		8.03	43.37
Income tax effect		(2.72)	(14.34)
Total comprehensive income		3,115.94	558.43
Earnings per equity share			
Basic (Rs.)	31	3.73	0.63
Diluted (Rs.)	31	3.73	0.63

Summary of significant accounting policies 1-5

The accompanying notes are integral part of the 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

Sd/-
Ashish Gupta
Partner
Membership no.504662

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place : New Delhi
Date : May 13, 2019

CASH FLOW STATEMENT for the year ended March 31, 2019

	(Rs. in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit before tax	4,704.36	748.83
Adjustments for:		
Depreciation and amortisation expense	3,241.54	3,102.37
Loss on sale of property, plant and equipments (net)	115.50	73.15
Finance costs	3,421.40	3,278.44
Interest income on financial assets measured at amortised cost	(120.74)	(117.04)
Unrealised foreign exchange loss/(gain) (net)	39.92	(37.64)
Bad debts, advances and irrecoverable balances written off	46.77	39.79
Mark to market loss on derivative contracts	3.08	119.79
Provisions/liabilities no longer required written back	(117.62)	(21.08)
Income recognised on account of government assistance	(244.22)	(283.08)
Reversal of provision for doubtful debts	-	(46.73)
Provision for doubtful debts / advances	201.11	20.76
Gain on fair valuation of financial assets	(1.38)	(1.35)
Provision for obsolete inventories	57.96	101.92
Operating profit before working capital changes and other adjustments:	11,347.68	6,978.13
Working capital changes and other adjustments:		
(Increase) in current and non-current loans	(6.82)	(128.53)
Decrease/(increase) in other non-current and current assets	1,032.43	(1,193.33)
(Increase)/decrease in inventories	(1,099.52)	205.48
Increase/(decrease) in other financial and non-financial liabilities	373.20	(60.47)
Increase in provisions	11.08	84.97
Decrease/(increase) in other non-current and current financial assets	203.69	(52.46)
Decrease/(increase) in trade receivables	2,462.43	(3,013.82)
(Decrease)/increase in trade payables	(1,534.17)	2,278.44
Cash flow from operating activities post working capital changes	12,790.00	5,098.41
Income tax paid (net of refunds)	(1,087.94)	(10.00)
Net cash flow from operating activities (A)	11,702.06	5,088.41
B Cash flows from investing activities		
Purchase of property plant and equipments (including capital work-in-progress and intangible assets)	(2,582.38)	(1,595.35)
Sale of property plant and equipments	15.14	96.22
Investment in bank deposits	(846.05)	(850.78)
Proceeds of deposits matured	942.70	742.86
Interest received	112.58	110.62
Sales/(purchase) of investment (net)	11.32	(5.00)
Net cash used in investing activities (B)	(2,346.69)	(1,501.43)
C Cash flows from financing activities (refer note 18)		
Proceeds from long-term borrowings	5,349.69	1,437.86
Repayment of long-term borrowings	(4,453.48)	(5,286.64)
(Repayment)/proceeds from short-term borrowings (net)	(6,881.86)	3,514.59
Finance cost paid	(3,419.17)	(3,286.41)
Net cash used in financing activities (C)	(9,404.82)	(3,620.60)
D Net decrease in cash and cash equivalents (A+B+C)	(49.45)	(33.62)
E Cash and cash equivalents at the beginning of the year (refer note 13)	70.24	103.86
F Cash and cash equivalents at the end of the year (D+E)	20.79	70.24
Reconciliation of cash and cash equivalents as per cash flow statement		
Cash in hand	9.84	3.18
Balances with banks:		
In current accounts	10.95	55.56
Bank deposits with original maturity upto 3 months	-	11.50
Total of cash and cash equivalents	20.79	70.24

This is the Cash flow statement 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

Sd/-
Ashish Gupta
Partner
Membership no.504662

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place : New Delhi
Date : May 13, 2019

STATEMENT OF CHANGES IN EQUITY as at March 31, 2019

Equity share capital

(Rs. in lacs)

Particulars	Opening balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
Equity share capital	4,169.69	-	4,169.69	-	4,169.69

Other equity

(Rs. in lacs)

Particulars	Equity component of redeemable financial instrument	Reserves and surplus					Total
		Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	
Balance as at April 1, 2017	-	6,121.01	3,520.74	335.37	1,528.16	12,015.42	23,520.70
Profit for the year	-	-	-	-	-	529.40	529.40
Other comprehensive income							
Re-measurement gains (losses) on defined benefit plans	-	-	-	-	-	29.03	29.03
Equity component of redeemable financial instrument (net of tax)	76.83	-	-	-	-	-	76.83
Balance as at March 31, 2018	76.83	6,121.01	3,520.74	335.37	1,528.16	12,573.85	24,155.96
Profit for the year	-	-	-	-	-	3,110.63	3,110.63
Other comprehensive income							
Re-measurement gains on defined benefit plans	-	-	-	-	-	5.31	5.31
Balance as at March 31, 2019	76.83	6,121.01	3,520.74	335.37	1,528.16	15,689.79	27,271.90

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

Sd/-
Ashish Gupta
Partner
Membership no.504662

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place : New Delhi
Date : May 13, 2019

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2019

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 financial statements for the year ended 31 March 2019 along with the comparative financial information were authorized and approved for issue by the Board of Directors on 13 May 2019. The revisions 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. Standards issued but not yet effective

Ind AS 116- Leases: On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard and it is expected to have a material impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatment: The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight; and

Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 109, Prepayment Features with Negative Compensation: Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendment to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendment should be applied retrospectively and is effective from 01 April 2019, with earlier application permitted. The Company does not expect any impact on its financial statements of such amendment.

Amendments to Ind AS 19, Plan Amendment, Curtailment or Settlement: The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendments.

Amendments to Ind AS 23 Borrowing Costs: The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company does not expect any effect of this amendment on its financial statements.

4. 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
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.

5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Companies Act, 2013.

5.2 Property, plant and equipment (PPE)

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. Property, plant and equipment purchased on deferred payment basis are recorded at equivalent cash price. The difference between the cash price equivalent and the amount payable is recognised as interest expense over the period until payment.

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. 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 29.94 years
Administrative buildings	12 to 61.35 years
Plant and machinery*	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*	6.16 years
Vehicles	8 years
Batteries under UPS project (Plant and Machinery) *	5 years
Leasehold improvements	Over the period of lease

Depreciation on the amount of additions made to fixed assets due to up gradations / 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. The life of plant and machinery based on triple shift working

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.

5.3 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.

Patent is amortized on a straight-line basis over its useful life, which is considered to be of a period of 5.26 years.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

5.4 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.

5.5 Revenue recognition and other income

5.5.1: Revenue

Revenue arises mainly from the sale of manufactured goods. To determine whether to recognise revenue, the Company follows the following 5-step process:

- 1) Identifying the contract with a customer
- 2) Identifying the underlying 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 fair value of consideration received or receivable, after deduction 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.

Sale of goods

Revenue from sale of goods is recognized when control over ownership of the goods have been passed to the buyer. 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 revenue.

5.5.2 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.

Dividends

Dividend income is recognised at the time when right to receive dividend is established, which is generally when the shareholders approve the dividend.

Insurance claims income

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

5.6 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one

that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

5.7 Leases

Company as a lessee

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.

5.8 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.

5.9 Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('Rs.') 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

5.10 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and 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. 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.
- iii. **Investments in other equity instruments** – Investments in equity instruments which are held for trading are classified 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.

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.

5.11 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.

5.12 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).

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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).

5.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current accounts and other short term highly liquid investments with original maturity of three months and less.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

5.18 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.

5.19 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

Allowance for obsolete and slow-moving inventory – The allowance for obsolete, non-moving and slow-moving inventory reflects management's judgement on identification of the underlying inventory and estimating the net realisable value on the basis of past experience and historical and expected future trends.

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.

6. Property, plant and equipment and intangible assets

(Rs. in lacs)

Particulars	Property, plant and equipment							Intangible assets		
	Land-freehold	Building	Vehicles	Office equipments	Furniture and fixtures	Plant and machinery	Total	Patent	Software	Total
Gross carrying amount										
As at April 1, 2017	1,653.36	5,934.17	466.21	323.09	378.34	35,589.48	44,344.65	216.48	81.40	297.88
Additions	-	40.75	87.87	18.40	4.53	1,356.17	1,507.72	0.63	32.19	32.82
Disposal/adjustments	-	(103.27)	(110.76)	(28.77)	(3.53)	(615.24)	(861.57)	-	(0.81)	(0.81)
As at March 31, 2018	1,653.36	5,871.65	443.32	312.72	379.34	36,330.41	44,990.80	217.11	112.78	329.89
Additions	-	11.24	70.04	12.50	10.79	2,111.62	2,216.19	11.77	6.18	17.95
Disposal/adjustments	-	(16.13)	(87.03)	(129.88)	(0.07)	(1,321.53)	(1,554.64)	-	(5.25)	(5.25)
As at March 31, 2019	1,653.36	5,866.76	426.33	195.34	390.06	37,120.50	45,652.35	228.88	113.71	342.59
Accumulated depreciation										
As at April 1, 2017	-	201.09	46.98	67.31	31.60	2,601.44	2,948.42	45.88	24.96	70.84
Charge for the year	-	204.86	91.18	60.21	32.35	2,647.99	3,036.59	45.92	19.86	65.78
Disposal/adjustments	-	(8.54)	(80.95)	(21.01)	(2.37)	(540.93)	(653.80)	-	(0.77)	(0.77)
At April 1, 2018	-	397.41	57.21	106.51	61.58	4,708.50	5,331.21	91.80	44.05	135.85
Depreciation charge for the year	-	199.98	92.03	54.88	32.88	2,785.79	3,165.56	45.67	30.31	75.98
Disposal/adjustments	-	(12.23)	(58.82)	(122.63)	(0.06)	(1,175.94)	(1,369.68)	-	(5.00)	(5.00)
As at March 31, 2019	-	585.16	90.42	38.76	94.40	6,318.35	7,127.09	137.47	69.36	206.83
Net block										
As at April 1, 2018	1,653.36	5,474.24	386.11	206.21	317.76	31,621.91	39,659.59	125.31	68.73	194.04
As at March 31, 2019	1,653.36	5,281.60	335.91	156.58	295.66	30,802.15	38,525.26	91.41	44.35	135.76

Footnotes:

- (i) Refer note 37B 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.

7. Investments

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
Current		
Investments in mutual funds - quoted		
BOI AXA-Capital Protection Oriented Fund [Nil (March 31, 2018: 99,990) units of Rs. 10 each]	-	10.91
Canara Robeco MF series 7 [100,000 (March 31, 2018:100,000 units of Rs. 10 each)]	11.57	10.94
Canara Robeco MF series 8 [50,000 (March 31, 2018 : 50,000) units of Rs. 10 each]	5.56	5.22
Total current investment	17.13	27.07
Aggregate amount of quoted investments (this represents market value as well)	17.13	27.07

8. Loans

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
A) Non-current (Unsecured considered good)		
Security deposits*	718.03	728.19
Total non-current loans (A)	718.03	728.19
B) Current (Unsecured considered good)		
Loans to employees	54.91	45.40
Security deposits	9.25	1.78
Total current loans (B)	64.16	47.18
Total loans (A+B)	782.19	775.37

* Deposits includes deposits with Uttarakhand Power Corporation Limited which carries interest of 6.25% per annum (March 31, 2018: 6.75% per annum)

9. Other financial assets

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
A) Non-current (Unsecured considered good)		
Bank deposits with maturity of more than 12 months (refer note 14)	39.79	89.17
Earnest money deposit	0.09	5.46
Total non-current other financial assets (A)	39.88	94.63
B) Current (Unsecured considered good)		
Insurance claim/survey fee recoverable	1.94	16.97
Income accrued and due	-	37.57
Earnest money deposit	5.68	3.41
Total current other financial assets (B)	7.62	57.95
Total other financial assets (A+B)	47.50	152.58

10. Other non-current assets

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
Capital advances	168.16	20.17
Prepaid expenses	2.13	1.99
Balances with government authorities	10.24	10.24
Prepaid lease rent	12.37	-
Total other non-current assets	192.90	32.40

11. Inventories**(Rs. in lacs)**

	As at March 31, 2019	As at March 31, 2018
Raw materials {including goods in transit Rs. 622.84 lacs (March 31, 2018: Rs. 1,505.88 lacs)}	5,844.49	5,482.18
Work-in-progress	637.84	953.44
Finished goods {including goods in transit Rs.1,738.17 lacs (March 31, 2018: Rs. 1,291.15 lacs)}	4,081.43	3,498.73
Stores and spares {including goods in transit Rs. 173.93 lacs (March 31, 2018: Rs. 44.02 lacs)}	1,951.28	1,484.56
Total inventories	12,515.04	11,418.91

(i) The Company has created provision for obsolete, non-moving and slow-moving inventories amounting to Rs. 57.96 lacs (31 March 2018: Rs. 101.92 lacs)

(ii) The cost of inventories recognised as expense during the year is Rs. 70,192.41 lacs (31 March 2018: Rs. 53,926.03 lacs)

12. Trade receivables**(Rs. in lacs)**

	As at March 31, 2019	As at March 31, 2018
Unsecured considered good	12,283.33	14,818.60
Credit impaired	338.50	180.38
	12,621.83	14,998.98
Allowance for doubtful receivables		
Unsecured considered good (expected credit loss)	(3.33)	-
Credit impaired	(338.50)	(180.38)
Total trade receivables	12,280.00	14,818.60

For credit risk related disclosures, refer note 33A(b).

13. Cash and cash equivalents**(Rs. in lacs)**

	As at March 31, 2019	As at March 31, 2018
Cash in hand	9.84	3.18
Balances with banks		
In current accounts	10.95	55.56
Bank deposits with original maturity upto 3 months	-	11.50
Total cash and cash equivalents	20.79	70.24

14. Bank balances other than above**(Rs. in lacs)**

	As at March 31, 2019	As at March 31, 2018
Earmarked bank balances		
Unpaid dividend accounts *	7.38	27.49
Bank deposits		
Deposits with remaining maturity for less than 12 months	575.77	614.88
Deposits with remaining maturity for more than 12 months	39.79	89.17
Total **	622.94	731.54
Less:- Amount disclosed under non-current assets (refer note 9)	(39.79)	(89.17)
Total other bank balances	583.15	642.37

* The Company can utilise these balances only toward settlement of the respective unpaid dividend.

** Margin money deposit (including interest accrued) of Rs. 615.56 lacs (March 31, 2018: Rs. 715.55 lacs) are subject to lien of lending banks for securing letter of credit and bank guarantee facilities sanctioned by them.

15. Other current assets

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
Considered good		
Receivables under export benefit scheme	307.65	428.54
Advance to vendors	292.64	578.37
Prepaid expenses	199.19	266.31
Balances with government authorities	176.15	1,082.37
Other advances	6.03	-
	981.66	2,355.59
Considered doubtful		
Receivables under export benefit scheme	9.70	16.24
Other advances	88.07	41.87
Less: Provision of export benefit receivable	(9.70)	(16.24)
Less: Provision of other advances	(88.07)	(41.87)
	-	-
Total other current assets	981.66	2,355.59

16 A. Equity share capital

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount (Rs in lacs)	Number	Amount (Rs in lacs)
i) Authorised				
Equity shares of Rs. 5 each	15,00,00,000	7,500.00	15,00,00,000	7,500.00
Equity shares of Rs. 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 Rs. 5 each	8,33,93,759	4,169.69	8,33,93,759	4,169.69
		4,169.69		4,169.69

iii) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Equity shares	Number	Amount (Rs in lacs)	Number	Amount (Rs in lacs)
Balance at the beginning of the year	8,33,93,759	4,169.69	8,33,93,759	4,169.69
Balance at the end of the year	8,33,93,759	4,169.69	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 Rs. 5 per share. Each equity shareholder is entitled for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders 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 shareholders.

v) Shares held by Holding/Ultimate Holding Company and/or their Subsidiaries/Associates

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount (Rs in lacs)	Number	Amount (Rs in lacs)
Name of the equity shareholder				
Wilemina Finance Corporation, Holding Company				
Equity shares of Rs. 5 each fully paid	4,49,15,012	2,245.75	4,49,15,012	2,245.75
	4,49,15,012	2,245.75	4,49,15,012	2,245.75

vi) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	Number	%	Number	%
Wilemina Finance Corporation, Holding Company				
Equity shares of Rs. 5 each fully paid	4,49,15,012	53.86%	4,49,15,012	53.86%
Vettel International Limited, Public Shareholder				
Equity shares of Rs. 5 each fully paid	1,28,76,861	15.44%	1,28,76,861	15.44%

vii) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(Rs. in lacs)

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount (Rs in lacs)	Number	Amount (Rs in lacs)
During financial year 2013-14, the Company has allotted 9,972,703 equity shares of Rs 498.64 lacs pursuant to a scheme of arrangement entered between Sriyam Impex Private Limited and the Company.	99,72,703	498.64	99,72,703	498.64
	99,72,703	498.64	99,72,703	498.64

16 B. Preference shares

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount (Rs in lacs)	Number	Amount (Rs in lacs)
i) Authorised				
Cumulative convertible preference shares of Rs. 50 each	6,00,000	300.00	6,00,000	300.00
Redeemable cumulative preference shares of Rs. 50 each	80,00,000	4,000.00	80,00,000	4,000.00
		4,300.00		4,300.00

17. Other equity

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
Reserves and surplus		
Capital reserve	3,520.74	3,520.74
Securities premium	6,121.01	6,121.01
Capital redemption reserve	335.37	335.37
General reserve	1,528.16	1,528.16
Retained earnings	15,689.79	12,573.85
Equity component of redeemable financial instrument	76.83	76.83
Total	27,271.90	24,155.96

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 in the Statement of Profit and Loss

18. (A) Borrowings

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
Secured loans*		
Term loans from:		
Banks	5,042.07	4,744.84
Financial institution	2,397.35	1,788.28
Vehicle loans	157.69	189.41
Unsecured loans		
Redeemable financial instrument (foreign currency loan) from related party	444.80	392.87
Total non-current borrowings	8,041.91	7,115.40
Less: Current maturities of non-current borrowings* (refer note 22)	1,936.59	4,362.48
Non-current borrowings	6,105.32	2,752.92

* For liquidity risk related disclosures, refer note 33B.

I. Term loans

- a) **From Bank of India** of Rs. Nil (March 31, 2018: Rs. 575.04 lacs) for Engineering Plastics Extruder, Twin Screw Extruder for Film Plant 1 and UPS bearing floating interest at the MCLR plus 3.60% per annum. The term loan was repayable in 20 equal quarterly installments starting from June 2014.#
- b) **From Bank of India** of Rs. 299.20 lacs (March 31, 2018: Rs. 696.28 lacs) as Corporate loan for augmentation of working capital bearing floating interest at the rate MCLR plus 3.60% per annum. The Corporate loan is repayable in 20 equal quarterly installments starting from March 2015.#
- c) **From Bank of India** of Rs. 1,465.91 lacs (March 31, 2018: Rs. Nil) as Corporate loan for augmentation of working capital bearing floating interest at the rate MCLR plus 3.60% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.##
- d) **From Bank of Baroda** of Rs. 149.33 lacs (March 31, 2018: Rs.348.52 lacs) as Corporate loan for augmentation of working capital bearing floating interest at the MCLR plus 3.75% per annum. The Corporate loan is repayable in 20 equal quarterly installments starting from April 2015.#
- e) **From Bank of Baroda** of Rs. 1,417.00 lacs (March 31, 2018: Nil) as Corporate loan for augmentation of working capital bearing floating interest at the MCLR plus 3.75% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.##
- f) **From Union Bank of India** of Rs. Nil (March 31, 2017: Rs.46.70 lacs) for metalizer project. The term loan bearing floating interest at the MCLR plus 3.70% per annum. The term loan is repayable in 20 equal quarterly installments starting from September 2013.#
- g) **From Union Bank of India** of Rs. 54.78 lacs (March 31, 2018: Rs. 274.79 lacs) for bio mass (Husk) fuelled thermic fluid heater bearing floating interest at the MCLR plus 3.70% per annum. The term loan is repayable in 20 equal quarterly installments starting from September 2014.#
- h) **From Union Bank of India** of Rs. 1,158.94 lacs (March 31, 2018: Nil) as Corporate loan for augmentation of working capital bearing floating interest at the MCLR plus 3.70% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from March 2019.##
- i) **From State Bank of India** of Rs 496.91 lacs (March 31, 2018: Rs.695.48 lacs) as Corporate loan for augmentation of working capital. The term loan bearing floating interest at the MCLR plus 4.35% per annum. The term loan is repayable in 20 equal quarterly installments starting from December 2016.#
- j) **From consortium member banks namely Bank of India, Bank of Baroda, Union Bank of India, Canara Bank and State Bank of India** of Rs. Nil lacs (March 31, 2018: Rs.2,108.03 lacs) for expansion of Film Plant capacity. The term loans bear floating interest rate ranging from MCLR plus 3.60% per annum to 4.50% per annum. These term loans was repayable in 28 equal quarterly installments starting from April 2012.#
- k) **From Tata Capital Financial Services Limited** of Rs. 1,121.78 lacs (March 31, 2018: Nil) as Corporate loan for augmentation of working Capital bearing floating interest at the LTLR minus 7% per annum. The Corporate loan is repayable in 16 unequal quarterly installments starting from Sep 2019.##
- l) **From Tata Capital Financial Services Limited** of Rs.1,275.58 lacs (March 31, 2018: Rs. 1,788.28 lacs) has been sanctioned for repayment of outstanding dues of Karnataka Bank and augmentation of Working Capital. 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 machineries installed at factory premises at Uttarakhand and further secured by personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 6.50% per annum. Out of Rs. 1,275.58 lacs, Rs. 31.85 lacs is repayable in 17 months from April 2019 with terminal date of repayment being August 2020, and balance Rs. 1,243.73 lacs is repayable in 24 months from April 2019 with terminal date of repayment being March 2021.

Above term loans are secured by first pari passu charge on fixed assets of the Company (both present & 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 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 & 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 guarantee of its holding company and personal guarantee of Mr. Arvind Singhania. Above loans are also secured by pledge of 50 lacs equity shares of the company on pari-passu basis held by Wilemina Finance Corporation.

II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the loans. Vehicle loans bearing interest rates ranging from 8.25% per annum to 13.25% per annum. These loans are repayable in monthly installments till March 2023.

III. Redeemable financial instrument

During the financial year 2017-18, the Company had obtained interest free unsecured foreign currency loan from its Holding Company. This foreign currency loan is repayable in two installments of USD 500,000 and USD 285,000 on 15 April 2023 and on 03 May 2023 respectively.

B) Current borrowings*

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
Working capital loans from banks	8,912.73	10,355.50
Bills discounting	3,011.13	4,480.86
Buyers' credit for raw material	-	2,556.95
Acceptances	4,807.55	6,219.96
Total borrowings - current	16,731.41	23,613.27

* For liquidity risk related disclosures, refer note 33B.

Working capital loans, bills discounting and acceptances: 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 and bill discounting facilities 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 1.15% per annum to 4.05% per annum. The bill discounting from banks bear floating interest rate ranging from 8.10% per annum to 10.25% per annum.

Buyers' credit for raw material are against LOUs / LOCs issued by consortium of banks. The LOUs / LOCs facilities is sanctioned to the Company as a sub limit of Non Fund (LCs) based facility. The facility is secured by first charge by way of hypothecation of stocks 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. Buyers' credit for raw material taken in USD, Euro and JPY bears interest rate ranging from 0.23% per annum to 3.56% per annum.

The changes in the entities liabilities arising from financing and non financing activities can be classified as follows:

Particulars	Borrowings		Total
	Non-current	Current	
April 1, 2017	10,943.77	20,098.68	31,042.45
Cash flows:			
- Repayments	(5,286.64)	-	(5,286.64)
- Proceeds	1,437.86	3,514.59	4,952.45
- Finance cost	1078.71	2,199.73	3,278.44
- Finance cost paid	(1,091.34)	(2,195.07)	(3,286.41)
- Others	33.04	(4.66)	28.38
March 31, 2018	7,115.40	23,613.27	30,728.67
Cash flows:			
- Repayments	(4,453.48)	(6,881.86)	(11,335.34)
- Proceeds	5,349.69	-	5,349.69
- Finance cost	1,113.24	2,308.16	3,421.40
- Finance cost paid	(1,111.01)	(2,308.16)	(3,419.17)
- Others	28.07	-	28.07
March 31, 2019	8,041.91	16,731.41	24,773.32

19. Provisions
(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
A) Provisions - non-current		
Provision for gratuity (refer note 39)	655.25	699.54
Provision for compensated absence	192.45	194.45
Total provisions - non-current	847.70	893.99
B) Provisions - current		
Provision for gratuity (refer note 39)	97.00	49.14
Provision for compensated absence	20.20	18.72
Total provisions - current	117.20	67.86
Total provisions (A+B)	964.90	961.85

20. Deferred tax liabilities (net)
(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	5,024.87	4,973.02
Less: Deferred tax assets	915.60	2,459.93
Less: Minimum alternate tax credit entitlement	1,807.34	749.13
Deferred tax liabilities (net)	2,301.93	1,763.96

Movement in deferred tax liabilities (net)	(Rs. in lacs)			
Particulars	As at April 1, 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2019
Deferred tax liabilities arising on account of :				
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	4,914.42	73.66	-	4,988.08
Redeemable financial instrument	36.79	-	-	36.79
Allowance for expected credit loss	8.13	(8.13)	-	-
Others	13.68	(13.68)	-	-
Total	4,973.02	51.85	-	5,024.87
Deferred tax assets arising on account of :				
Unabsorbed depreciation	1,986.63	(1,626.16)	-	360.47
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	455.14	85.51	-	540.65
Employee benefits	-	2.72	(2.72)	-
Others	18.16	(3.68)	-	14.48
Total	2,459.93	(1,541.61)	(2.72)	915.60
Minimum alternate tax credit entitlement	749.13	1,058.21	-	1,807.34
Deferred tax liabilities (net)	1,763.96	535.25	2.72	2,301.93

(Rs. in lacs)

Particulars	As at April 1, 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at March 31, 2018
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	4,727.02	187.40	-	-	4,914.42
Redeemable financial instrument	-	(4.33)	-	41.12	36.79
Allowance for expected credit loss	-	8.13	-	-	8.13
Others	19.87	(6.19)	-	-	13.68
Total	4,746.89	185.01	-	41.12	4,973.02

Deferred tax assets arising on account of :					
Unabsorbed depreciation	2,103.61	(116.98)	-	-	1,986.63
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	373.91	81.24	-	-	455.15
Employee benefits	-	14.34	(14.34)	-	-
Allowance for expected credit loss	5.87	(5.87)	-	-	-
Others	25.31	(7.15)	-	-	18.16
Total	2,508.70	(34.42)	(14.34)	-	2,459.94
Minimum alternate tax credit entitlement	571.54	177.58	-	-	749.12
Deferred tax liabilities (net)	1,666.65	41.85	14.34	41.12	1,763.96

21. Trade payable

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
Trade payables		
Due to micro and small enterprises*	78.34	37.40
Due to others	2,242.15	3,833.96
Total trade payables	2,320.49	3,871.36

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2019:

(Rs. in lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
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i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;

Principal amount	78.34	37.40
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	563.94	895.05
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;

	-	-
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iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and

	-	-
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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.

22. Other financial liabilities

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
A) Non-current		
Capital creditors	103.12	191.42
Total non current other financial liabilities (A)	103.12	191.42
B) Current		
Current maturities of non-current borrowings (refer note 18)	1,936.59	4,362.48
Interest accrued	-	16.33
Capital creditors	139.55	52.70
Unpaid dividend	7.38	27.49
Deposits from dealer/customer and others	32.67	42.37
Derivative liability	3.09	2.61

Employee related paybles	588.06	331.02
Others payables	231.16	275.36
Total current other financial liabilities (B)	2,938.50	5,110.36
Total other financial liabilities (A+B)	3,041.62	5,301.78

23. Other liabilities

(Rs. in lacs)

	As at March 31, 2019	As at March 31, 2018
A) Non-current		
Deferred income*	2,774.89	2,927.53
Total non current liabilities (A)	2,774.89	2,927.53
B) Current		
Deferred income*	251.08	253.33
Advances from customers	280.99	249.87
Statutory dues	112.75	142.58
Total current liabilities (B)	644.82	645.78
Total other liabilities (A+B)	3,419.71	3,573.31

* 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.

24. Revenue from operations

(Rs. in lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	1,02,024.91	81,645.66
Other operating revenue (refer note (i) below)	781.32	803.34
Total revenue from operations	1,02,806.23	82,449.00
i) Other operating revenue comprises of the following income:		
Sales of scrap	96.21	121.77
Export incentive from merchandise exports from India scheme	351.04	338.49
Duty drawback earned	334.07	343.08
	781.32	803.34

Revenue for the year ended March 31, 2019 is net of Goods and Services tax (GST) which is applicable from July 01, 2017, however, revenue before June 30, 2017 is net of Value Added Tax (VAT) but gross of excise duty. Accordingly to this extent, the revenue for the year ended March 31, 2019 is not comparable with the previous year ended March 31, 2018.

25. Other income

(Rs. in lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on:		
- Fixed deposits {tax deducted at source Rs. 4.84 lacs (March 31, 2018 Rs. 4.79 lacs)}	46.44	47.10
- Others {tax deducted at source Rs. 6.46 lacs (March 31, 2018: Rs. 3.92 lacs)}	74.30	69.94
Insurance claim	38.07	55.45
Dividend income	-	0.01
Provisions/liabilities no longer required written back	117.62	21.08
Reversal of impairment of trade receivable (expected credit loss)	-	46.73
Foreign exchange fluctuation gain (net)	-	32.45
Income recognised on account of government assistance*	244.22	283.08
Gain on fair valuation of financial assets	1.38	1.35
Miscellaneous income	49.98	9.86
Total other income	572.01	567.05

* This represent income recognised in relation Export Promotion Capital Goods ('EPCG'), considered as government assistance.

26. Changes in inventories of finished goods and work-in-progress**(Rs. in lacs)**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing stock		
- Finished goods	4,081.43	3,498.73
- Work-in-progress	637.84	953.44
	4,719.27	4,452.17
Opening stock		
- Finished goods	3,498.73	4,778.37
- Work-in-progress	953.44	925.60
	4,452.17	5,703.97
Total changes in inventories	(267.10)	1,251.80

27. Employee benefits expense**(Rs. in lacs)**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	4,153.09	3,811.62
Contribution to provident fund and other funds	272.77	284.52
Gratuity (refer note 39)	111.14	111.54
Staff welfare expenses	190.92	220.78
Total employee benefits expense	4,727.92	4,428.46

28. Finance cost**(Rs. in lacs)**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on term loans	1,094.68	1,052.64
Interest on working capital	1,828.28	1,679.35
Interest on buyers' credit facilities	6.96	50.66
Interest on statutory dues	15.98	-
Interest on capital creditors	18.56	26.07
Other borrowing costs	456.94	469.72
Total finance cost	3,421.40	3,278.44

29. Other expenses**(Rs. in lacs)**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing expenses		
Consumption of stores and spare parts	1,960.30	1,674.61
Consumption of packing material	1,464.48	1,565.03
Power and fuel	7,364.58	6,351.04
Material handling charges	419.96	442.93
Provision for obsolete inventories	57.96	101.92
(Decrease) in excise duty on closing stock	-	(519.86)
Total manufacturing expenses (A)	11,267.28	9,615.67
Selling expenses		
Freight	2,371.00	3,182.53
Commission and brokerage	228.07	258.72
Others	-	0.22
Total selling expenses (B)	2,599.07	3,441.47

Administration and other expenses		
Rent	51.62	49.04
Rates and taxes	17.63	24.16
Insurance	254.34	237.20
Repairs and maintenance:		
- Building	84.79	99.69
- Plant and machinery	299.94	268.91
- Others	224.74	231.81
Corporate social responsibility expenditure (refer note (i) below)	1.57	2.80
Travelling and conveyance	459.43	492.45
Communication expenses	73.08	89.36
Legal and professional charges	535.84	480.26
Printing and stationery	14.17	21.38
Donations (other than political parties)	5.55	-
Directors sitting fees	4.90	4.01
Director's commission	49.00	-
Auditors' remuneration (refer note (ii) below)	24.99	24.31
Loss on sale of property, plant and equipment (net)	115.50	73.15
Bad debts, advances and irrecoverable balances written off	46.77	39.79
Provision for doubtful debts / advances	201.11	20.76
Security services	311.86	299.38
Foreign exchange fluctuation loss (net)	52.92	-
Miscellaneous expenses	394.51	241.48
Total administrative and other expenses (C)	3,224.26	2,699.94
Total other expenses (A+B+C)	17,090.61	15,757.08

i) Corporate social responsibility expenses

Gross amount required to be spent by the Company during the year is Rs Nil (31 March 2018: Rs.Nil).

Amount spent during the year on corporate social responsibility: Rs. 1.57 lacs (31 March 2018: Rs. 2.80 lacs).

(Rs. in lacs)

Particulars	Year	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2019	-	-	-
	31 March 2018	-	-	-
On purposes other than above	31 March 2019	1.57	-	1.57
	31 March 2018	2.80	-	2.80

ii) Auditors' remuneration

(Rs. in lacs)

- Statutory audit fee (including taxes)	14.00	14.00
- Limited review fee	9.00	9.00
- Out of pocket expenses	1.99	1.31
	24.99	24.31

30. Tax expenses

(Rs. in lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	1,058.48	177.58
Deferred tax expense	535.25	41.85
Income tax expense recognised in the statement of profit and loss	1,593.73	219.43

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 33.38% and the reported tax expense in the statement of profit and loss are as follows:

	(Rs. in lacs)	
Accounting profit before income tax	4,704.36	748.83
At India's statutory income tax rate of 33.38% (March 31, 2018: 33.06%)	1,570.32	247.56
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	(2.38)	(28.12)
Impact of tax rate changes	25.79	-
Others	-	(0.01)
Income tax expense	1,593.73	219.43

31. Earning per share (EPS)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity shareholders (Rs. in lacs)	3,110.63	529.40
Profit attributable to equity shareholders adjusted for the effect of dilution (Rs. in lacs)	3,110.63	529.40
Weighted average number of equity shares for basic EPS	8,33,93,759	8,33,93,759
Weighted average number of equity shares adjusted for the effect of dilution	8,33,93,759	8,33,93,759
Earnings per equity share		
Basic (Rs.)	3.73	0.63
Diluted (Rs.)	3.73	0.63

32. 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

(Rs. in lacs)

Particulars	Level	March 31, 2019	March 31, 2018
Financial assets			
Investments in mutual funds	Level 1	17.13	27.07
Total financial assets		17.13	27.07
Financial liabilities			
Derivative liability	Level 2	3.09	2.61
Total financial liabilities		3.09	2.61

(iv) The Company has made investment in certain quoted and unquoted securities and these investments are already impaired and hence, related fair value disclosure i.e. quantitative information about significant unobservable inputs has not been presented.

(v) Fair value of instruments measured at amortised cost for which fair value are disclosed
(Rs. in lacs)

Particulars	Level	March 31, 2019		March 31, 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposits	Level 3	718.03	718.03	728.19	728.19
Total financial assets		718.03	718.03	728.19	728.19
Borrowings*	Level 3	8,041.91	8,041.91	7,115.40	7,115.40
Total financial liabilities		8,041.91	8,041.91	7,115.40	7,115.40

The above disclosures are presented for non-current financial assets 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.

*Borrowings taken by the Company are as per the Company's credit and liquidity risk assessment and there is no comparable instrument having the similar terms and conditions with related security being pledged and hence the carrying value of the borrowings represents the best estimate of fair value.

33. Financial risk management

The accounting classification of each category of financial instruments, and there carrying amounts are set as below:

(Rs. in lacs)

Particulars	March 31, 2019		March 31, 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments - mutual funds	17.13	-	27.07	-
Trade receivables	-	12,280.00	-	14,818.60
Loans	-	782.19	-	775.37
Cash and cash equivalents	-	20.79	-	70.24
Other bank balances	-	583.15	-	642.37
Other financial assets	-	47.50	-	152.58
Total financial assets	17.13	13,713.63	27.07	16,459.16
Financial liabilities				
Borrowings	-	24,773.32	-	30,728.67
Trade payables	-	2,320.49	-	3,871.36
Security deposits and retentions	-	32.67	-	42.37
Derivative liabilities	-	3.09	-	2.61
Other financial liabilities	-	1,069.27	-	894.32
Total financial liabilities	-	28,198.84	-	35,539.33

(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 financial statements.

(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, 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, 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: (Rs. in lacs)

Description	Particulars	March 31, 2019	March 31, 2018
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	13,713.63	16,459.16
High credit risk	Trade receivables	341.83	180.38

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.

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
Polyester film	8,223.64	10,149.47
Engineering plastics	4,056.36	4,669.13

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 –

March 31, 2019

(Rs. in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	12,621.83	341.83	12,280.00
Loans	782.19	-	782.19
Cash and cash equivalents	20.79	-	20.79
Other bank balances	583.15	-	583.15
Other financial assets	47.50	-	47.50
Total financial assets	14,055.46	341.83	13,713.63

March 31, 2018

(Rs. in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	14,998.98	180.38	14,818.60
Loans	775.37	-	775.37
Cash and cash equivalents	70.24	-	70.24
Other bank balances	642.37	-	642.37
Other financial assets	152.58	-	152.58
Total financial assets	16,639.54	180.38	16,459.16

Expected credit loss for trade receivables under simplified approach

As at March 31, 2019

(Rs. in lacs)

Particulars	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days
Gross carrying value	933.38	99.19	91.60	23.77	-	21.23
Expected credit loss (impairment)	0.15	2.69	0.01	0.01	-	21.23
Carrying amount (net of impairment)	933.24	96.50	91.59	23.76	-	-

Particulars	181 - 360 Days	361 - 540 Days	541 - 720 Days	> 721 Days
Gross carrying value	122.59	25.60	2.27	196.29
Expected credit loss (impairment)	94.36	25.60	1.89	195.89
Carrying amount (net of impairment)	28.23	-	0.39	0.40

As at March 31, 2018

(Rs. in lacs)

Particulars	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days
Gross carrying value	1,212.65	237.18	54.70	29.81	3.23	0.10
Expected credit loss (impairment)	-	-	0.14	-	-	-
Carrying amount (net of impairment)	1,212.65	237.18	54.56	29.81	3.23	0.10

Particulars	181 - 360 Days	361 - 540 Days	541 - 720 Days	> 721 Days
Gross carrying value	8.43	1.40	0.36	199.74
Expected credit loss (impairment)	3.24	1.12	0.11	175.78
Carrying amount (net of impairment)	5.19	0.28	0.25	23.96

(Rs. in lacs)

Reconciliation of loss allowance	Trade receivables
Loss allowance as on April 1, 2018	180.38
Impairment loss recovered during the year	(2.27)
Impairment loss created during the year	163.72
Loss allowance on March 31, 2019	341.83

(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.

(Rs. in lacs)

March 31, 2019	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	19,470.44	4,680.31	2,535.52	26,686.27
Trade payables	2,320.49	-	-	2,320.49
Other financial liabilities	1,105.03	-	-	1,105.03
Total	22,895.96	4,680.31	2,535.52	30,111.79

(Rs. in lacs)

March 31, 2018	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	28,526.34	2,541.08	652.64	31,720.06
Trade payables	3,871.36	-	-	3,871.36
Other financial liabilities	747.88	-	-	747.88
Total	33,145.58	2,541.08	652.64	36,339.30

The Company had access to following funding facilities :

As at March 31, 2019

(Rs. in lacs)

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	11,500.00	9,041.56	2,458.44
Total	11,500.00	9,041.56	2,458.44

As at March 31, 2018

(Rs. in lacs)

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	11,000.00	10,355.50	644.50
Total	11,000.00	10,355.50	644.50

(C) Market risk

(i) Interest rate risk

Interest rate risk exposure

The Company's variable rate borrowing is subject to interest rate risk. Below is the overall exposure of the borrowing:

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowing	24,773.32	30,728.67
Fixed rate borrowing	-	-
Total borrowings	24,773.32	30,728.67

Sensitivity

Profit or loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
Interest sensitivity		
Interest rates – increase by 50 basis point (March 31, 2018: 50 basis point)	123.87	153.64
Interest rates – decrease by 50 basis point (March 31, 2018: 50 basis point)	(123.87)	(153.64)

Holding all other variables constant

(ii) Foreign exchange risk

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 (Rs. in lacs)	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Receivables					
Trade receivable	USD	51,38,000	77,88,986	3,553.44	5,065.18
	GBP	69,916	40,573	63.25	37.43
	EURO	4,45,685	11,17,480	346.07	900.35
Payables					
Trade payables	SGD	-	730	-	0.36
	EURO	455	6,69,932	0.35	540.37
	USD	17,02,494	50,65,561	1,178.30	3,294.64
Foreign currency unsecured loan	USD	7,85,000	7,85,000	534.44	504.15
Buyer's credit on raw material (against letter of credit)					
Buyer's credit on raw material	EURO	-	-	-	-
	USD	-	67,63,030	-	4,398.67
	JPY	-	4,16,95,000	-	256.80
	EURO	-	6,88,192	-	554.82

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(Rs. in lacs)

Particulars	Currency	Exchange rate increase by 5%		Exchange rate decrease by 5%	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Receivables					
Trade receivable	USD	177.67	253.26	(177.67)	(253.26)
	GBP	3.16	1.87	(3.16)	(1.87)
	EURO	17.30	45.02	(17.30)	(45.02)
Payables					
Trade payables	SGD	-	(0.02)	-	0.02
	EURO	(0.02)	(27.02)	0.02	27.02
	USD	(58.91)	(164.73)	58.91	164.73
Foreign currency unsecured loan	USD	(26.72)	(25.21)	26.72	25.21
Buyer's credit on raw material (against letter of credit)					
Buyer's credit on raw material	EURO	-	-	-	-
	USD	-	(219.93)	-	219.93
	JPY	-	(12.84)	-	12.84
	EURO	-	(27.74)	-	27.74

(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 is sensitive to higher/lower prices of instruments on the Company's profit for the year -

Particulars	March 31, 2019	March 31, 2018
Investments in mutual funds		
Price increase by (5%) - FVTPL instrument	0.86	1.35
Price decrease by (5%) - FVTPL instrument	(0.86)	(1.35)

The Company has made investment in certain quoted and unquoted securities and these investments are already been impaired and hence, related sensitivity impact has not been presented.

34. Segment reporting

The Company operates in two segments manufacturing and sale of polyester film and engineering plastics. The Company has chosen business segments as its primary 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 film: Polyester 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: 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.

A. Segment Disclosure

Year ended March 31, 2019

(Rs. in lacs)

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Net Total
Revenue					
External customers	83,350.06	19,456.17	1,02,806.23	-	1,02,806.23
Total revenue	83,350.06	19,456.17	1,02,806.23	-	1,02,806.23
Income/(expenses)					
Other income	-	-	-	572.01	572.01
Cost of material consumed	53,252.26	17,140.32	70,392.58	66.93	70,459.51
Changes in inventories of finished goods and work-in-progress	53.90	(321.00)	(267.10)	-	(267.10)
Depreciation and amortisation	2,647.04	170.58	2,817.62	423.92	3,241.54
Finance costs	-	-	-	3,421.40	3,421.40

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Net Total
Other expenses	15,107.03	1,929.26	17,036.29	4,782.24	21,818.53
Segment Profit	12,289.83	537.01	12,826.84	(8,122.48)	4,704.36
Segment assets	42,936.92	10,927.60	53,864.52	12,674.54	66,539.06
Segment liabilities	5,357.98	396.07	5,754.05	29,343.42	35,097.47
Other disclosures					
Capital expenditure	1,918.23	32.76	1,950.99	481.95	2,432.94

Year ended March 31, 2018

(Rs. in lacs)

Particulars	Polyester film	Engineering plastics	Total of segments	Unallocable	Net Total
Revenue					
External customers	64,833.89	17,615.11	82,449.00	-	82,449.00
Total revenue	64,833.89	17,615.11	82,449.00	-	82,449.00
Income/(expenses)					
Other income	-	-	-	567.05	567.05
Cost of material consumed	38,766.36	13,848.80	52,615.16	59.07	52,674.23
Changes in inventories of finished goods and work-in-progress	1,072.03	179.77	1,251.80	-	1,251.80
Depreciation and amortisation	2,551.45	180.75	2,732.20	370.17	3,102.37
Finance costs	-	-	-	3,278.44	3,278.44
Other expenses	15,580.75	2,151.87	17,732.62	4,227.76	21,960.38
Segment Profit	6,863.30	1,253.92	8,117.22	(7,368.39)	748.83
Segment assets	45,067.92	10,739.54	55,807.46	14,598.19	70,405.65
Segment liabilities	6,586.43	764.23	7,350.66	34,729.34	42,080.00
Other disclosures					
Capital expenditure	1,012.38	52.75	1,065.13	390.63	1,455.76

Revenue as per geographical market

(Rs. in lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from external customers:		
India	78,764.21	58,176.99
Outside India	24,042.02	24,272.01
Total revenue per statement of profit or loss	1,02,806.23	82,449.00
Segment assets		
India	8,317.24	8,815.64
Outside India	3,962.76	6,002.96
Total	12,280.00	14,818.60

Information about major customer

During the year ended March 31, 2019 revenue of approximately 12.06% (March 31, 2018: 10%) was derived from a single external customer in the polyester film business and approximately 9.70% in March 31, 2019 (March 31, 2018: 9%) was derived from a single external customer in the engineering plastics.

Non-current assets

Non-current assets of the Company (property, plant and equipment, capital work-in-progress, intangible assets) are held in India.

35. 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

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:

	(Rs. in lacs)	
	March 31, 2019	March 31, 2018
Total borrowings*	24,773.32	30,745.00
Total equity	31,441.59	28,325.65
Net debt to equity ratio	79%	109%

*Total borrowings include non-current borrowings, current borrowings and interest accrued.

36. 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: Name of the related parties	Nature of related party	
	March 31, 2019	March 31, 2018
Goldring Investments Corporation	Ultimate Holding Company	Ultimate Holding Company
Wilemina Finance Corporation	Holding Company	Holding Company
Mr. Arvind Singhania (Chairman and CEO)	Key managerial personnel	Key managerial personnel
Mr. Pradeep Kumar Rustagi (Executive Director)	Key managerial personnel	Key managerial personnel
Mr. Ayush Vardhan Singhania (son of Mr. Arvind Singhania)	Relatives of Key managerial Personnel	Relatives of Key managerial Personnel
Mr. Jai Vardhan Singhania (son of Mr. Arvind Singhania)	Relatives of Key managerial Personnel	Relatives of Key managerial Personnel
Mrs. Archana Singhania (wife of Mr Arvind Singhania)	Relatives of Key managerial Personnel	Relatives of Key managerial Personnel
Fenton Investments Private Limited	Enterprises owned or significantly influenced by key managerial personnel or their relatives	Enterprises owned or significantly influenced by key managerial personnel or their relatives

(a) Transactions with related parties carried out in the ordinary course of business:

(Rs. in lacs)

Sr. No.	Particulars	Year	Holding Company	Subsidiaries	Enterprises owned or significantly influenced by key managerial personnel or their relatives	Total
1	Rent paid					
	Fenton Investments Private Limited	March 31, 2019	-	-	-	-
		March 31, 2018	-	-	3.03	3.03

(b) Transactions with key managerial personnel and their relatives carried out in the ordinary course of business:

(Rs. in lacs)

Sr. No.	Particulars	Year	Key managerial personnel	Relative of key managerial personnel	Total
1	Managerial remuneration				
	Arvind Singhania	March 31, 2019	149.53	-	149.53
		March 31, 2018	149.14	-	149.14
	Pradeep Kumar Rustagi	March 31, 2019	100.39	-	100.39
		March 31, 2018	100.33	-	100.33
2	Loan given during the year				
	Pradeep Kumar Rustagi	March 31, 2019	2.50	-	2.50
		March 31, 2018	-	-	-
3	Loan received back during the year				
	Pradeep Kumar Rustagi	March 31, 2019	2.50	-	2.50
		March 31, 2018	-	-	-
4	Commision to Directors				
	Arvind Singhania	March 31, 2019	330.00	-	330.00
		March 31, 2018	-	-	-

	Pradeep Kumar Rustagi	March 31, 2019	10.00	-	10.00
		March 31, 2018	-	-	-
	Archana Singhaia	March 31, 2019	-	7.00	7.00
		March 31, 2018	-	-	-
5	Sitting Fees				
	Archana Singhaia	March 31, 2019	-	0.40	0.40
		March 31, 2018	-	0.30	0.30
6	Salary paid				
	Ayush Vardhan Singhania	March 31, 2019	-	48.00	48.00
		March 31, 2018	-	48.00	48.00
	Jai Vardhan Singhania	March 31, 2019	-	-	-
		March 31, 2018	-	24.00	24.00

(c) Closing balance with key managerial personnel and their relatives in the ordinary course of business : (Rs. in lacs)

1	Guarantees given against loans taken (jointly and severally) by the Company	Year	Key managerial personnel
	Arvind Singhania	March 31, 2019	24,170.83
		March 31, 2018	30,146.37

(d) Closing balance with related parties in the ordinary course of business : (Rs. in lacs)

Sr. No.	Particulars	Year	Holding Company
1	Unsecured loan		
	Wilemina Finance Corporation	March 31, 2019*	534.45
		March 31, 2018	504.15
2	Guarantees given against loans taken (jointly and severally) by the Company		
	Wilemina Finance Corporation	March 31, 2019	22,913.48
		March 31, 2018	28,358.10

* includes foreign exchange fluctuation of Rs 30.30 lacs

(e) Key managerial personnel compensation:

(Rs. in lacs)

Nature of transactions	March 31, 2019	March 31, 2018
Short-term employee benefits	589.92	249.47
Post-employment benefits	7.31	14.47
Other long-term benefits	5.24	8.05
	602.47	271.99

37. Contingent liabilities and commitments

(Rs. in lacs)

Particulars		March 31, 2019	March 31, 2018
A. Contingent liabilities*			
1	Claims against the Company not acknowledged as debts [^]	25.43	67.14
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	353.83	320.29
ii)	Demand raised by Income Tax department, disputed by the Company and pending in appeal	56.50	56.50

* 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 January 1, 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 April 1, 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 management has reviewed the impact of recent judgement of Hon'ble Supreme Court of India in relation to interpretation of definition of "basic wages" under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and has concluded that the amount of any potential liability for past years is unascertainable. It is not reputed to be material as no demand received as yet.

(Rs. in lacs)

B. Commitments		March 31, 2019	March 31, 2018
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	200.25	154.33
2	Estimated amounts of contracts remaining to be executed on other than capital account and not provided for	2,194.56	5,206.79

38. Leases disclosure as lessee**Operating leases**

The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed under the lease agreement and there are no subleases.

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
Lease payments for the year	51.62	49.04

39. Employee benefits - 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. 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

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
Current liability	97.00	49.14
Non-current Liability	655.25	699.54
Total	752.25	748.68

(ii) Expenses recognised in other comprehensive income

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	3.15	(43.76)
- Changes in experience adjustment	(11.18)	0.39
Cost recognised during the year	(8.03)	(43.37)

(Rs. in lacs)

	March 31, 2019	March 31, 2018	March 31, 2017
- Changes in experience adjustment (gain)/ loss	(11.18)	0.39	(14.66)

(iii) Expenses recognised in statement of profit and loss

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
Current service cost	57.87	57.98
Interest cost	53.27	53.56
Cost recognised during the year	111.14	111.54

(iv) Movement in the liability recognised in the balance sheet is as under:

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
Present value of defined benefit obligation at the beginning of the year	748.68	726.73
Current service cost	57.87	57.98
Interest cost	53.27	53.56
Actuarial (gain)/loss net	(8.03)	(43.37)
Benefits paid	(99.54)	(46.22)
Present value of defined benefit obligation at the end of the year	752.25	748.68

(v) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.66%	7.73%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	58 Years	58 Years
Average past service	14.45 Years	13.26 Years
Average age	42.96 Years	42.05 Years
Average remaining working life	15.04 Years	15.95 Years
Weighted average duration	12.26 Years	12.91 Years
Withdrawal rate		
Upto 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 (2006 – 08)

(b) Maturity profile of defined benefit obligation

(Rs. in lacs)

Year March 31, 2019	Year March 31, 2018	Amount March 31, 2019	Amount March 31, 2018
April 2019- March 2020	April 2018- March 2019	97.00	49.14
April 2020- March 2021	April 2019- March 2020	12.87	11.69
April 2021- March 2022	April 2020- March 2021	42.49	12.01
April 2022- March 2023	April 2021- March 2022	37.34	12.31
April 2023- March 2024	April 2022- March 2023	59.83	12.50
April 2024- March 2025	April 2023- March 2024	67.23	12.59
April 2025 onwards	April 2024 onwards	435.47	638.44

(vi) Sensitivity analysis

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2018
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	752.25	748.68
Impact due to increase of 0.50%	(22.00)	(23.41)
Impact due to decrease of 0.50%	23.31	24.81
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	752.25	748.68
Impact due to increase of 0.50%	23.80	25.35
Impact due to decrease of 0.50%	(22.64)	(24.11)

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 increase 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.

Employee benefits - 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 March 31, 2019 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.

(Rs. in lacs)

(i) Projected benefit obligation	March 31, 2019	March 31, 2018
Projected benefit obligation at beginning of year	1,255.73	1,305.14
Current service cost	97.32	93.19
Interest cost	97.07	95.93
Contributions by plan participants/employees	121.04	121.80
Actuarial loss due to interest guarantee	(3.05)	7.39
Benefits paid	(173.44)	(387.09)
Settlements/transfer In	12.17	19.37
Projected benefit obligation at end of year	1,406.84	1,255.73

(Rs. in lacs)

(ii) Reconciliation of plan assets	March 31, 2019	March 31, 2018
Fair value of plan asset at beginning of year	1,324.83	1,364.19
Actual return on plan asset	113.22	113.37
Employer contribution	97.32	93.19
Plan participants/employee contribution	121.04	121.80
Benefit paid	(173.44)	(387.09)
Asset (gain)	-	-
Settlements/transfer in	12.17	19.37
Fair value of plan asset at the end of the year	1,495.14	1,324.83

The principal assumptions used in determining liability towards shortfall in provident liability are shown below:

(iii) Economic assumptions	March 31, 2019	March 31, 2018
i) Interest rate	8.65%	8.55%
ii) Discount rate	7.66%	7.35%
iii) Expected shortfall in Interest earning on the fund	0.05%	0.05%

(iv) Demographic assumptions	March 31, 2019	March 31, 2018
i) Mortality	IALM (2006-08)	IALM (2006-08)
ii) Disability	None	None
iii) Normal Retirement Age	58	58

(v) Actuarial (Gain)/Loss on Obligation	March 31, 2019	March 31, 2018
i) Actuarial (Gain)/Loss on arising from Change in Demographic assumption	-	-
ii) Actuarial (Gain)/Loss on arising from Change in Financial assumption	(0.02)	(0.10)
iii) Actuarial (Gain)/Loss on arising from Experience adjustment	(3.03)	7.49

(Rs. in lacs)

	March 31, 2019	March 31, 2018	March 31, 2017
- Changes in experience adjustment (gain)/ loss	(3.03)	7.49	4.28

(vi) Major categories of plan assets (as percentage of total plan assets)	March 31, 2019	March 31, 2018
i) Funds managed by insurer	100%	100%

40. New standards adopted - 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 contract(s) 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.

The Company has adopted the standard on 1 April 2018 on a modified retrospective basis with a cumulative catch-up adjustment booked to retained earnings as at 1 April 2018 as if the standard had always been in effect. The standard is applied only to contracts that are not completed as at 1 April 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any material adjustments to the Company's net income. In case of certain contracts with customers, the Company arranges the logistics of the goods to customers' premises and charges the freight on actual basis (actuals as levied by the transporter). In such cases, the Company acts as an agent in arranging such logistics services. Hence, revenue from such services are netted off with the expenses as levied by the transporter. Such expenses were earlier grouped under 'other expenses' upto 31 March 2018. There is no impact on the retained earnings as at 1 April 2017 and on the profit for the year ended 31 March 2018.

For the year ended 31 March 2019, the revenue from operations is lower by Rs 708.31 lacs and total expense lower by Rs 708.31 lacs, on account of the change in accounting practice outlined above.

(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.

(Rs. in lacs)			
Revenue from operations	Goods	Other operating revenue*	
Revenue by geography			
Domestic	77,982.89	781.32	78,764.21
Export	24,042.02	-	24,042.02
Total	1,02,024.91	781.32	1,02,806.23

* Export benefit has been included in domestic revenue

(b) Assets and liabilities related to contracts with customers

(Rs. in lacs)

Description	March 31, 2019		March 31, 2018	
	Non-current	Current	Non-current	Current
Contract liabilities				
Advance from customers	-	280.99	-	249.87

(c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

(Rs. in lacs)

Description	March 31, 2019
Contract price	1,02,971.45
Less: Discount, rebates, credits etc.	165.22
Revenue from operations as per Statement of Profit and Loss	1,02,806.23

(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:

Description	March 31, 2019
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	249.87
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-

41. Previous period figures have been re-grouped/reclassified wherever necessary, to conform to current periods classification.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Sd/-
Ashish Gupta
Partner
Membership no.504662

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director and CFO
DIN: 00879345

Sd/-
Diwaker Dinesh
Head-Legal & Company Secretary
M No: A22282

Place : New Delhi
Date : May 13, 2019



CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

Phone : (05943) 250153-57, Fax No.: (05943) 250158

Website : www.esterindustries.com, Email : investor@ester.in

Dear Shareholder

Securities Exchange Board of India (SEBI) has made it mandatory that the dividend of the shareholders will be credited into their account through NECS in case completed Bank details as required for electronic payment is available with the Company/Depository. In case such details are not available, the company is required to print Bank details on dividend warrants.

By availing National Electronic Clearing Service (NECS), you can receive your dividend electronically by way of direct credit to your bank account. This avoids a lot of hassles like loss/fraudulent use of dividend warrants during postal transit. There are no charges to avail this facility. This also expedites payment through credit to your account compared to dividend warrants in physical form.

We therefore request you to please complete the below form and send it to Registrar/Concerned Depository Participant –

Regards

For Ester Industries Limited

Sd/-

Diwaker Dinesh

Head-Legal & Company Secretary

NECS MANDATE FORM FOR DIVIDEND PAYMENT

<p>IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE Please send the form to the Registrar at following address- MAS Services Limited Unit – Ester Industries Limited T - 34, Okhla Industrial Area, Phase - II, New Delhi –110 020</p>	<p>IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) MODE Please send the form to your concerned Depository Participant where you maintain your Demat Account.</p>
--	---

Dear Sir

I hereby give my mandate to credit my Dividend on the shares held by me directly to my account through National Electronic Clearing Service (NECS). The details are given below

- Folio No./DP ID & Client ID _____
- Shareholder's Name : Mr. / Mrs. / Ms. / M/s. _____
- Shareholder's Address : _____
Pin Code : _____

4 Particulars of bank :

Bank Name													
Branch Name & Address													
Branch Code													
(9 digits code number appearing on the MICR band of the cheque supplied by the Bank . Please attach a photocopy of a cheque) .													
Account Type (Tick the appropriate Box)	Saving			Current			Cash Credit						
Account no. (as appearing in the cheque book)													
IFSC Code													

5. Date from which the mandate should be effective: _____

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I shall not hold Ester Industries Limited or MAS Services Limited responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS.

Signature of Shareholder

Date :

Place :

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



ATTENDANCE SLIP

CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

Phone : (05943) 250153-57, Fax No. (05943) 250158

Website – www.esterindustries.com, Email – investor@ester.in

33RD ANNUAL GENERAL MEETING

[DULY FILLED IN ATTENDENCE SLIP SHALL BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL]

S. No.

Folio No./ DP Id. & Client Id. :
Name of the Shareholder :
Jt1 :
Jt2 :
Address of the Shareholder :

No. of Shares :

I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company to be held on Monday, the 16th Day of September 2019 at 10.30 AM at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand.

Name of Proxy :
(IN CAPITAL LETTER)

SIGNATURE/S OF THE SHAREHOLDER/S OR PROXY
(To be signed at the time of handing over the slip)

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	PAN / Sequence No.
190812018	



PROXY FORM

CIN: L24111UR1985PLC015063

Registered Office: Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

Phone : (05943) 250153-57, Fax No. : (05943) 250158

Website : www.esterindustries.com, Email : investor@ester.in

33RD ANNUAL GENERAL MEETING

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24111UR1985PLC015063
Name of the Company : Ester Industries Limited
Registered Office : Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Name of the member(s) :
Registered Address :
Email ID :
Folio No./ DP ID & Client ID :

I/We, being the Member(s) holding.....shares of the above named company, hereby appoint

- Name..... Address.....
Email ID Signature:..... or failing him/ her
- Name..... Address.....
Email ID Signature:..... or failing him/ her
- Name..... Address.....
Email ID Signature:..... or failing him/ her



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on Monday, 16th September, 2019 at 10.30 AM at Registered Office at Sohan Nagar, P. O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand and any adjournment thereof in respect of such resolutions as are indicated below :

ITEM NO	RESOLUTIONS	Optional ²	
		FOR	AGAINST
1	Consideration and adoption of Annual Accounts, Auditors and Directors Report		
2	Declaration of the Dividend for the financial year ended on 31 st March, 2019		
3	Re-appointment of Mrs. Archana Singhania who retires by rotation		
4	Ratification of Remuneration fixed for Cost Auditor of the Company		
5	Re-appointment of Mr. Sandeep Dinodia as an Independent Director of the Company		
6	Alteration in Articles of Association of the Company		

Signed this.....day of..... 2019

Signature of Shareholder.....

Signature of Proxy holder(s)



- Note :**
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
 2. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.