ESTER
INDUSTRIES LTD.

CIN: L24111UR1985PLC015063

37th | ANNUAL REPORT

2022-23

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

CONTENTS

MESSAGE FROM CHAIRMAN & CEO

Dear shareholders,

It is with great pleasure that I present to you the annual report for the fiscal year 2022-23. Over the past three years, as the world recuperated from the unprecedented trials posed by the Covid-19 pandemic, it also faced geopolitical conflicts in the previous year. These conflicts introduced a new set of challenges, including global tensions, disruptions in supply chains, escalating energy costs, surging inflation, and assertive monetary and fiscal policies.

Despite the various measures taken to address these challenges, our company's performance was affected. The combined revenue from ongoing and discontinued operations amounted to ₹1,213 crores with ₹197.5 crores from the Specialty Polymers business and 916.6 crores from the Polyester chips and Film business. EBITDA stood at ₹136 crores, down from ₹ 252 crores in the preceding year.

Our Specialty Polymer division exhibited growth, achieving a 14% increase in revenue with profitability in absolute terms almost in line with FY22. While H1FY23 turned out to be very good, H2FY23 was impacted by headwinds caused by recessionary trends in the US. It is expected that the performance of this division will continue to be affected for the next 2-3 quarters, pending an economic recovery in the USA. Nonetheless, the business holds promising prospects due to the introduction of innovative products that have already been launched, as well as those expected to enter the market soon. Our dedicated R&D team's continuous efforts to enhance our innovation pipeline and processes have enabled the development of a robust product portfolio.

The Film business faced challenges during FY 22-23 due to demand-supply imbalance, higher input prices, and the temporary shutdown of Film Plant#3 caused by a breakdown in the continuous polymerization process for a month. While margins may experience pressure in the short to medium term due to capacity expansion, the long-term outlook for the business remains favorable. Ester's goal is to elevate the proportion of value-added and specialty products in the overall product mix to 30%, driven by the implementation of an additional offline coater, as well as ongoing innovation and R&D initiatives.

A major achievement during this period was the commencement of commercial production by Ester Filmtech Limited, a wholly-owned subsidiary of Ester Industries Limited, on 20th January, 2023. This new manufacturing plant, located in Telangana, produces Polyester Film with a capacity of 48 KTPA and Metallized Polyester Film with a capacity of 10 KTPA. In FY23, the plant generated a revenue of ₹49 crores and it is anticipated to contribute approximately ₹500 crores in revenue upon reaching optimal utilization.

As part of our strategic direction, Ester has divested its Engineering Plastic business to Radici Plastics India Private Limited through an all-cash transaction amounting to ₹263 crores. This move significantly enhances our cash reserves and debt servicing capabilities, enabling us to focus on the expansion of our specialty polymers and film businesses.

As the forefront runner in the market, it is incumbent upon us to prioritize sustainability endeavors. We are committed to persistently developing films that leave a reduced environmental impact. Our objective is to nurture the concept of the 'Circular Economy,' actively reintegrating waste materials into the economic cycle

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

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

With regards
Arvind Kumar Singhania
Chairman & CEO

NOTICE OF AGM

NOTICE is hereby given that the **37th ANNUAL GENERAL MEETING ("AGM")** of ESTER INDUSTRIES LIMITED will be held on Wednesday, **27th September, 2023 at 12:00 Noon (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2023 together with the Reports of Board of Directors and Auditors thereon.
2. To declare the final dividend of ₹ 0.50/- per equity share of ₹ 5/- each for the financial year ended 31st March, 2023.
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

4. Ratification of Remuneration of Cost Auditor

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. R. J. Goel & Co., Cost Accountants (Firm Registration. No. 00026), appointed by Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2023-24 amounting to ₹3,50,000/- (Rupees Three Lacs Fifty Thousand Only) plus applicable taxes and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified."

By Order of the Board of Directors
For Ester Industries Limited

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

Place: Gurugram
Date: 11th August, 2023

NOTES

1. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), relating to the Special Business to be transacted at this AGM, and details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] and Secretarial Standard 2 on General Meetings issued by The Institute of Company Secretaries of India in respect of Item No. 3 i.e. Director seeking re-appointment at the AGM, is annexed hereto and forms part of the Notice.
2. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021 and 10/2022 dated 28th December, 2022 ('MCA Circulars'), has allowed the Companies to conduct the AGM through Video Conferencing or Other Audio-Visual Means ('VC/OAVM') till 30th September, 2023. In accordance with the said MCA Circulars and applicable provisions of the Act, the 37th AGM of the Company shall be conducted through VC/OAVM. The venue of the meeting shall be deemed to be the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima- 262308, Distt. Udham Singh Nagar, Uttarakhand.
3. **IN TERMS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF. SINCE AGM IS BEING HELD THROUGH VC/OAVM AS PER MCA CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE MADE AVAILABLE FOR THE AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP INCLUDING ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE.**
4. Pursuant to the provisions of Section 113 of the Act, Institutional/Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. In this regard, Institutional/Corporate Members are required to send the latest certified copy of the board resolution/authorization letter/power of attorney authorising their representative(s) to attend the meeting and vote on their behalf through e-voting, together with attested specimen signature(s) of the duly authorized representative(s). The said resolution/authorization letter/ power of attorney shall be sent by the body corporate through its registered e-mail address to the Scrutinizer at **cs.akashjain@yahoo.com** with a copy marked to **investor@ester.in**.

5. The Notice of the 37th AGM along with the Annual Report for the financial year 2022-23 has been uploaded on the website of the Company at **www.esterindustries.com** and can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively, and on the website of NSDL i.e. **www.evoting.nsdl.com**.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 21st September, 2023 to Wednesday, 27th September, 2023 (both days inclusive).

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

7. In accordance with the circulars issued by MCA and SEBI, the Notice of the AGM along with the Annual Report will be sent to Members/beneficial owners whose names appear in the Register of Members/list of beneficiaries received from the depositories as on Friday, 25th August, 2023, and whose e-mail id is registered with the Company, their Depository Participants (DPs) or the Company's RTA. Physical copy of the Notice of the AGM along with Annual Report for the financial year 2022-23 shall be sent to those Members who request for the same.

8. Members who have not registered their e-mail addresses and wish to receive the AGM Notice and Annual Report, or participate in the AGM, or cast their votes through remote e-voting or e-voting during the meeting, are requested to get their e-mail addresses and mobile numbers registered with the Company by following the guidelines as stated below:

   - **In case of Physical Holding:** Members holding physical shares and who have not registered/updated their email addresses and mobile number with the Company, are requested to register/update their e-mail addresses and mobile number at the earliest by submitting Form ISR-1 (available on the Company's website at **https://www.esterindustries.com/sites/default/files/isr-1.pdf)** duly completed and signed along with the requisite supporting documents to the Company at **investor@ester.in** or to the Company's RTA viz. M/s Mas Services Limited at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110 020 at **investor@masserv.com**.
   - **In case of Demat Holding:** Members holding shares in dematerialized form are requested to register/update their e-mail addresses and mobile number with the relevant DPs.

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

9. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI (LODR) Regulations, 2015 (as amended) and applicable circulars, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorised agency for facilitating voting through electronic means. The facility of casting votes by a Member using remote e-voting system (i.e. the facility of casting votes by a Member by using an electronic voting system from a place other than the venue of the general meeting) as well as e-voting on the date of the AGM will be provided by NSDL.

10. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, 20th September, 2023 i.e. a day prior to commencement of book closure date, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

11. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9:00 A.M. (IST) on Sunday, 24th September, 2023 and will end at 5:00 P.M. (IST) on Tuesday, 26th September, 2023. In addition, the facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at **https://www.evoting.nsdl.com/**.

12. The detailed instructions and the process for accessing and participating in the 37th AGM through VC/OAVM facility and voting through electronic means including remote e-voting are explained herein below:

Step 1: Access to NSDL e-voting system

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

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

Type of Individual Members	Login Method
Securities held in demat mode with NSDL.	**A. Users registered for NSDL IDeAS facility:** 1. Open web browser by typing: **https://eservices.nsdl.com/** either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the '**Beneficial Owner**' icon under 'Login' which is available under '**IDeAS'** section. 2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services under value-added services. Click on '**Access to e-voting'** under e-voting services and you will be able to see e-voting page. 3. Click on Company name or **e-voting service provider** (**ESP) i.e. NSDL** and you will be re-directed to the NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. **B. Users not registered for IDeAS e-Services:** The option to register is available at **https://eservices.nsdl.com**. Select 'Register Online for IDeAS' Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** **C. Visit the e-voting website of NSDL:** 1. After successfully registering on IDeAS, visit the e-voting website of NSDL. Open the web browser by typing**: https://www.evoting.nsdl.com/** either on a personal computer or on a mobile. Once the home page of the e-voting system is launched, click on the icon 'Login' under 'Shareholder/Member' section. 2. A new screen will open. Enter your User ID (i. e. your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see e-voting page. 3. Click on Company name or **e-voting service provider (ESP)** i.e. NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 4. Members can also download the NSDL Mobile App **'NSDL Speede'** facility by scanning the QR code mentioned below for seamless voting experience: 
Securities held in demat mode with Central Depository Services (India) Limited	**A. Users who have opted for Easi/Easiest:** 1. Members can login through their existing User ID and Password. Option will be made available to reach the e-voting website without any further authentication. The URL for users to login to Easi / Easiest is **www.cdslindia.com** and click on New System Myeasi. 2. After successful login of Easi/Easiest, the user will be able to see the e-voting menu. The menu will have links of ESP i.e. NSDL. Click on NSDL to cast your vote. **B. Users who have not opted for Easi/Easiest:** Option to register for Easi/Easiest is available at **www.cdslindia.com** **C. Visit the e-voting website of NSDL :** 1. Alternatively, the user can directly access the e-voting page by providing demat account number and PAN from an e-voting link available on **www.cdslindia.com** home page or click on **https://evoting.cdslindia.com/EVoting/EVotingLogin**.The system will authenticate the user by sending OTP on the registered mobile number and e-mail id as recorded in the demat account. 2. After successful authentication, the user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.

Securities held in demat mode - login through their Depository Participants	1. Members can also login using the login credentials of their demat account through their Depository Participants registered with NSDL/CDSL for e-voting facility. After logging, you will be able to see the e-voting option. 2. Once you click on the e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-voting feature. 3. Click on the Company name or e-voting service provider i.e. NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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

For Technical Assistance:

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

NSDL	CDSL
E-mail: **evoting@nsdl.co.in**	E-mail: **helpdesk.evoting@cdslindia.com**
Phone No.: 022 - 4886 7000 / 022 - 2499 7000	Toll Free No.: 1800 22 55 33

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

a. Visit the e-voting website of NSDL. Open web browser by typing the URL: **www.evoting.nsdl.com** either on a personal computer or on a mobile.

b. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders/Members' section.

c. A new screen will open. You will have to enter your User ID, Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at **https://eservices.nsdl.com/** *with your existing IDEAS login. Once you log-in to NSDL e-services using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

d. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

e. Password details for shareholders other than Individual shareholders are given below:

i. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

ii. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

iii. How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

f. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

i. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option for reset password is available on **www.evoting.nsdl.com.**

ii. Click on Physical User Reset Password?" (If you are holding shares in physical mode) option for reset password is available on **www.evoting.nsdl.com**.

iii. If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

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

g. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

h. Now, you will have to click on “Login” button.

i. After you click on the “Login” button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-voting system:

a. After successful login at Step 1, you will be able to see all the companies ‘EVEN’ in which you are holding shares and whose voting cycle and General Meeting is in active status.

b. Select ‘EVEN’ of the Company for which you wish to cast your vote during the remote e-voting period and during the General Meeting. For joining virtual meeting, you need to click on ‘VC/OAVM’ link placed under ‘Join General Meeting’.

c. Now you are ready for e-voting as the voting page opens.

d. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on ‘Submit’ and also ‘Confirm’ when prompted.

e. Upon confirmation, the message ‘Vote cast successfully’ will be displayed.

f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those Members whose e-mail addresses are not registered with the DPs for procuring User Id and Password and registration of e-mail addresses for e-voting for the resolutions set out in this Notice:

a. Members whose shares are held in physical mode are requested to provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by e-mail to **investor@ester.in**

b. Members whose shares are held in demat mode are requested to provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **investor@ester.in**. If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual Members holding securities in demat mode.

c. Alternatively, Members may send a request to **evoting@nsdl.co.in** for procuring their user id and password for e-voting by providing above mentioned documents.

d. In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with DPs. Members are required to update their mobile number and e-mail addresses correctly in their demat account in order to access e-voting facility.

Instructions for Members for e-voting on the day of the AGM are as under:

a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

b. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible for the e-voting system in the AGM.

c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

d. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on Phone No.: 022 - 4886 7000 / 022 - 24997000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at **pallavid@nsdl.co.in**.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM

13. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access this by following the steps mentioned above for access to the NSDL e-voting system. After successful login, Members should click on ‘VC/OAVM link’ placed under ‘Join General Meeting’ menu against the Company name. The link for VC/OAVM will be available in the Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have a User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.

14. Members are encouraged to join the Meeting through laptops/desktops for better experience.

15. Please note that participants connecting from mobile devices or tablets or through laptop/desktop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

16. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The

facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first-come-first-served basis. However, the large members i.e. members holding 2% or more shareholding, promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 37th AGM without any restriction on account of first-come-first-served basis.

17. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM. Institutional Members can write to **investor@ester.in** in case of any issues faced by them for participating in the AGM.

18. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

19. Members, who need assistance before or during the AGM, may:

    - Send a request at **evoting@nsdl.co.in** or use Phone No.: 022 - 4886 7000 / 022 - 2499 7000; or
    - Contact Ms. Pallavi Mhatre, Senior Manager, NSDL at the designated email id: **pallavid@nsdl.co.in.**

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

20. Members who would like to express their views or ask questions during the AGM, may register themselves as a speaker by sending the request along with their queries in advance mentioning their name, demat account number/folio number, e-mail ID, mobile number at **investor@ester.in** Please note that the Member's questions will be answered only if the shareholder continues to hold the shares as of the cut-off date i.e. Wednesday, September 20, 2023.

21. Only those speaker registration requests received till 5.00 p.m. (IST) on Tuesday, 19th September, 2023 will be considered and responded to during the AGM.

22. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

GENERAL INFORMATION:

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

24. The Company has appointed Mr. Akash Jain, Practicing Company Secretary (FCS: F9617 and COP No. 9432), as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

25. The Scrutinizer shall after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairperson of the Company or a person authorized by him, in writing who shall then countersign and declare the result of the voting forthwith.

26. The results of the e-voting along with Scrutinizer's Report shall be declared to the Stock Exchanges within the timeframe prescribed under the Act and SEBI (LODR) Regulations, 2015 and shall also be placed on the website of the Company at **www.esterindustries.com** and on the website of NSDL at **www.evoting.nsdl.com**.

27. A recorded transcript of the AGM shall be maintained by the Company and be made available on the website of the Company at **www.esterindustries.com** in the 'Investors Section', as soon as possible, after the conclusion of the meeting.

28. Resolutions will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favour of the resolutions.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

29. Documents referred to in the accompanying Notice of the 37th AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee during normal business hours (9:00 A.M. to 5:00 P.M. IST) on all working days except Saturday, Sunday and National Holiday from the date of circulation of this notice up to the date of this AGM.

30. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and the certificate from the Secretarial Auditors in respect of the Company's Employee Stock Option Scheme will remain available for inspection through electronic mode during the AGM and all other documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection during the Meeting.

DIVIDEND RELATED INFORMATION

31. Final Dividend as recommended by the Board of Directors for the financial year ended 31st March, 2023, if approved at the AGM, will be paid to those Members of the Company who hold shares:

    (i) In demat mode, based on the list of beneficial owners to be received from NSDL and CDSL as at the close of business hours on Wednesday, 20th September, 2023, being the cut-off date;

    (ii) In physical mode, if the names appear in the

Company's Register of Members as on Wednesday, 20th September, 2023, being the cut-off date.

The Final Dividend will be paid on or before Wednesday, 25th October, 2023.

32. In terms of SEBI (LODR) 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.

33. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

- **For shares held in electronic form:** to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the Members.
- **For shares held in physical form:** to the Company's RTA in prescribed Form ISR -1 and other forms pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, as per instructions mentioned in the form. The said form can be downloaded from the company's website at **https://www.esterindustries.com/downloads**
- Members holding shares in physical mode and who have not opted for NECS facility earlier for payment of dividend are requested to fill up and sign the NECS Mandate form enclosed with Annual Report or by submitting a request letter containing the details like Folio No., Name and Address of the Shareholder, particulars of the bank account (Bank name, Branch address, Bank account No, IFSC Code, MICR No) and send it to the RTA of the Company viz Mas Services Limited, T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 along with the self- attested copy of PAN and cancelled cheque leaf, so as to avail the NECS facility. Members holding shares held in dematerialized form, are required to update the bank account particulars with their respective Depository Participant.

34. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, (the Income Tax Act), dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ('TDS') at the time of making payment of dividend at rates prescribed in the Income Tax Act. For the prescribed rates for various categories, the Members are requested to refer to the Income Tax Act, 1961. The Members are requested to update their Permanent Account Number (PAN) with the Company/Registrar and Transfer Agent (RTA) (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

a) **For Resident Members**: Tax at source shall be deducted under Section 194 of the Income Tax Act @ 10% on the amount of dividend declare and paid by the Company during FY 2023-24, subject to PAN details registered/updated by the Member.

If PAN is not registered/updated in the demat account/folio as on the cut-off date, tax at source would be deducted @ 20% as per Section 206AA of the Income Tax Act. No tax at source is required to be deducted, if aggregate dividend paid or likely to be paid during the Financial Year to an individual Member does not exceed ₹5,000/- (Rupees Five Thousand Only). Further, a Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), to avail the benefit of non-deduction of tax at source by email to Company at **investor@ester.in** or to Registrar and Transfer Agent at **investor@masserv.com** latest by 17th September, 2023.

Notwithstanding the above, in case PAN of any Member falls under the category of 'Specified Person', the Company shall deduct tax at source @ 20% as per Section 206AB of the Income Tax Act.

In case of Resident Member having Order under Section 197 of the Income Tax Act, TDS will be deducted at the rate mentioned in the Order provided the Member submits a copy of the Order obtained from the Income-Tax authorities.

b) **For Non-Resident Members:** Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act at the rates in force. As per the relevant provisions of the Income Tax Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to Non-Resident Members.

However, as per Section 206AB, if the Member is specified person, the tax shall be deducted at higher of the following rates:

- twice the rate specified in the relevant Provision of the Act, or
- twice the rate or rates in force

As per Section 90 of the Income Tax Act, Non-Resident Members can avail the beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an email to Company at **investor@ester.in** Registrar and Transfer Agent at **investor@masserv.com**. The aforesaid declarations and documents need to be submitted by the Members latest by 17th September, 2023. Incomplete and/or unsigned forms and declarations will not be considered by the Company.

Application of TDS rate is subject to necessary verification by the Company of the Members details as available in Register of Members as on the Record Date, and other documents available with the Company/ Registrar and Transfer Agent.

Members may note that in case the tax on said dividend is deducted at a higher rate, there would still be an option available with the Members to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax compliances and consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

Any communication/document as stated aforesaid received after **17th September, 2023** shall not be considered for the purpose of tax deduction. In case of any query regarding this, you may contact to Registrar and Transfer Agent viz Mas Services Limited at T-34, Okhla Industrial Area, Phase- II, New Delhi-110020; Email id – **investor@masserv.com**.

OTHER INFORMATION

35. As per the provisions of Section 72 of the Act and circulars issued by SEBI, the facility for making nomination is available for the Members in respect of the shares held by them in physical form. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13.

    Further, if a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she should submit the request in Form ISR-3 or SH-14 as the case may be. The Forms can be downloaded from Company`s website at **www.esterindustries.com**. Members are requested to submit the said details to their Depository Participant(s) in case the shares are held by them in dematerialized form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting their folio number.

36. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

37. The MCA had notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). As per IEPF Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF).

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

    The details of the unpaid/unclaimed amounts lying with the Company as on 31st March, 2022 are available on the website of the Company at **www.esterindustries.com** and also on the website of the Ministry of Corporate Affairs viz. **www.iepf.gov.in.** The Members may kindly check the said information and if any dividend amount is appearing as unpaid against their name, they may lodge their claim, duly supported by relevant documents to the Company. The details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2023 shall be updated in due course.

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

    In view of above, Members are requested to claim their dividends from the Company, within the stipulated timeline to avoid transfer of the underlying shares to the IEPF Account.

    The Member(s) whose dividend/shares are transferred to the IEPF Authority may claim the same by making an application to the IEPF Authority in Form IEPF-5 available on **www.iepf.gov.in** or on the following link: **https://iepf.gov.in/IEPF/corporates.html** or contact Company's RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority.

38. Regulation 40 of the SEBI (LODR) Regulations, 2015 as amended, mandates that transfer, transmission and

transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25th January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, the Members holding shares in physical form are requested to consider converting their holdings to demat mode. Members can contact the Company or RTA, for assistance in this regard.

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

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s. R.J. Goel & Co., Cost Accountants (Firm Registration No. 00026) as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 at a remuneration of ₹ 3,50,000/- (Rupees Three Lacs Fifty Thousands only) plus payment of applicable taxes and reimbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the above-mentioned remuneration payable to the Cost Auditors of the Company for the financial year ending 31st March, 2024.

None of the Directors or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in this Resolution.

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

By Order of the Board of Directors
For Ester Industries Limited

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

Place: Gurugram
Date: 11th August, 2023

ANNEXURE TO ITEM NO.3

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

Name of the Director	Mrs. Archana Singhania
Director`s Identification Number (DIN)	01096776
Date of Birth	23rd September 1967
Age (in years)	56
Qualification	B. Com (Hons)
Expertise and experience in specific functional areas	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 appointment/ re-appointment and proposed remuneration	As per existing terms approved by the Members of the Company
Remuneration last drawn (including sitting fee, if any)	As mentioned in the Corporate Governance Report forming part of the Annual Report for FY 2022-23
Date of first appointment on the Board of Company	4th August, 2014
Date of appointment under current term on the Board of Company	4th August, 2014
Shareholding in the Company as on 31.03.2023	NIL
Relationship with other Directors and KMPs of the Company	Mrs. Archana Singhania is spouse of Mr. Arvind Singhania, Chairman & CEO and Mother of Mr. Ayush Vardhan Singhania, Whole-Time director of the Company. Other than this Mrs. Archana Singhania is not related to any other Director or Key Managerial Personnel of the Company
Number of Board meetings attended during the year	6 Six)
Directorship in other Companies	1. Vigyan Yoga Private Limited 2. Rekha Finance and Investment Private Limited 3. Fenton Investments Private Limited
Name of Listed Companies from which the Director has resigned in the past three years	NIL
Chairmanship/Membership of Board Committees in other Companies	NIL

By Order of the Board of Directors
For Ester Industries Limited

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

Date: 11th August, 2023
Place: Gurugram

BOARD'S REPORT

To The Members,

Your Directors are pleased to present the 37th Annual Report of Ester Industries Limited ("the Company") along with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2023.

FINANCIAL HIGHLIGHTS

The salient features of the Company's financial statement for the year under review are as follows:

(₹ in Crores)

Particulars	Year Ended	
	31st March, 2023	31st March, 2022
Net Sales Revenue	1060.01	1097.07
Other Operating Revenue	17.47	13.17
Other Income	17.22	8.80
Profit before Financial Expenses, Depreciation and Tax	117.24	181.71
Less: Interest & Other Financial Expenses	30.16	24.86
Profit/(Loss) before Depreciation and Tax	87.08	156.85
Depreciation and amortization expenses	39.01	36.71
Profit/(Loss) before Tax from continuing operations	48.07	120.14
Current & Deferred Tax expense / (credit)	12.24	32.32
Profit/(Loss) after Tax from continued operations	35.83	87.82
Profit/(Loss) before Tax from discontinued operations	163.24	68.21
Current & Deferred Tax expense / (credit)	38.03	17.17
Profit/(Loss) after Tax from discontinued operations	125.21	51.04
Total Profit After Tax (PAT) from continuing and discontinued operations	161.04	138.86
Other Comprehensive Income (net of income tax effect)	0.27	(0.11)
Total Comprehensive Income	161.31	138.75
Basic & diluted EPS (Rupees) from continued operations	4.30	10.53
Basic & diluted EPS (Rupees) from discontinued operations	15.01	6.12
Basic & diluted EPS (Rupees) from continued & discontinued operations	19.31	16.65

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

OPERATIONS REVIEW

During the year under review, Total Revenue from Operations of the Company on standalone basis from continuing operations decreased by 2.95% from ₹1,110.24 crores to ₹1,077.48 crores, mainly on account of lower sales of Polyester Chips that decreased from 11648 MT to 2925 MT (in value terms from ₹95.35 crores to ₹27.11 crores).

While the profit before interest, depreciation and tax (PBIDT) from continuing operations including 'other income' on a standalone basis decreased from ₹181.71 crores in FY 2021-22 to ₹117.24 crores in FY 2022-23, the PAT earned during the year under review from both continuing and discontinued operations including capital gain after tax accruing from divestment of Engineering Plastics business stood at ₹161.04 crores as compared to ₹138.86 crores earned during FY 2021-22, higher than last year by 16%.

Film SBU continued to drive the bulk of revenue for the Company though EBIT of the business was lower due to commissioning of new capacities & recessionary pressure globally which caused margin compression. EBIT for the business reduced from ₹152.59 crores to ₹71.68 crores. Volume of sales was marginally lower mainly due to breakdown of CP Plant and consequent stoppage of Film Plant #3 for a period of 28 days.

Capacity utilization in Polyester Films was about 100%. Revenue from operations decreased by 6.1% from ₹937.59 crores to ₹879.97 crores on account of reduction in quantities of sales of Polyester Chips.

Specialty Polymer business witnessed second consecutive year of improvement. Revenue from operations increased by 14.4% from ₹172.66 crores to ₹197.51 crores while sales in volumetric terms was almost the same. EBIT for the business improved from ₹55.67 crores to ₹57.15 crores.

Performance of Engineering Plastics business was available only from 1st April, 2022 to 14th September, 2022 before its divestment on15th September, 2022. During about 6 months, it achieved revenue from operations of ₹136.01 crores with EBIT of ₹17.69 crores (reported as discontinued operations).

The Company earned Capital Gain after Tax of ₹111.98 crores from the divestment of Engineering Plastics business. This enabled Company to post PAT of ₹161.04 crores during the year under review as compared to PAT of ₹138.86 crores during FY 2021-22.

Sustained performance of the Specialty Polymer coupled with capital gain from divestment of Engineering Plastics business enabled company to post higher PAT during the year under review.

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

As regards expansion of BOPET Film capacity through Wholly Owned Subsidiary (WOS) namely Ester Filmtech Limited in the state of Telangana, commencement of commercial operations was achieved on 20th January 2023.

DIVIDEND

Your Directors have recommended payment of final dividend at the rate of ₹ 0.50 per equity share having face value of ₹ 5/- each (i.e. 10%) for the year ended 31st March, 2023. Dividend pay-out is in accordance with the Company's dividend distribution policy and will be payable, subject to approval of Members at the ensuing Annual General Meeting and deduction of tax at source, to those Members whose names appear in the Register of Members as on the Record Date.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"], the Dividend Distribution Policy is available on the Company's website at **https://www.esterindustries.com/sites/default/files/Dividend%20Distribution%20Policy%20-%20Ver%202.pdf**

TRANSFER TO RESERVES

Your Company has not transferred any amount to the Reserves for the financial year ended 31st March, 2023.

SHARE CAPITAL

There is no change in the paid up equity share capital of the Company during the year under review.

As on 31st March, 2023, paid-up Equity Share Capital of the Company is ₹41,69,68,795/- (Rupees Forty One Crores Sixty-Nine Lacs Sixty Eight Thousand Seven Hundred and Ninety-Five only). Of the total paid-up share capital of the Company, 64.04% is held by Promoters and Promoter Group and balance of 35.96% is held by persons other than Promoters and Promoter Group, out of which majority is in dematerialized form.

PUBLIC DEPOSIT

During the year under review, your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. There are no outstanding deposits at the end of the financial year 2022-23. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, investments, guarantees and securities provided the Company are listed in the notes forming part of the Standalone Financial Statements of the Company as per section 186 of the Act.

ANNUAL RETURN

In accordance with the provisions of the Act, the Annual Return of the Company as on 31st March, 2023 in the prescribed form is available on the Company's website at **https://www.esterindustries.com/policies**.

SUBSIDIARY

As on 31st March, 2023, your Company has one subsidiary viz. Ester Filmtech Limited, which is a wholly owned material subsidiary of the Company.

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements of the Company as on March 31, 2023, are prepared in accordance with the relevant applicable Indian Accounting Standards (IND AS), and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and the Act, which forms part of this Annual Report.

EMPLOYEES STOCK OPTION

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

The Board granted 248179 stock Options to eligible employees under **ESOP-2021** in its meeting held on 1st April, 2021.

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

During the year 2022-23, no allotment of Equity Share was made by Company under the ESOP-2021.

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on 31st March, 2023, your Company's Board of Directors ("the Board"), consists of ten Directors comprising of three Executive Directors, one Non-Executive Non-Independent Director and six Independent Directors including one Women Independent Director. The details of the Board and Committee composition, tenure of Directors, areas of expertise and other details are available in the Corporate Governance Report, which forms part of this Annual Report.

Further, as the tenure of Mr. Arvind Singhania, as Managing Director designated Chairman & CEO and Mr. Pradeep Kumar Rustagi, as Whole-Time Director designated Executive Director-Corporate Affairs was expired on 31st March 2023, they have been re-appointed for a further period of 3 (three) years till 31st March, 2026 by the Members of the Company through postal ballot on 25th June, 2023.

Retirement by Rotation

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mrs. Archana Singhania (DIN 01096776), Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, seeks re-appointment. An appropriate resolution for her re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM. The brief resume of the Director and other related information as stipulated under Secretarial Standard-2 and Regulation 36 of the SEBI (LODR) Regulations, 2015, is appended as an Annexure to the Notice of the ensuing AGM.

Key Managerial Personnel (KMP)

During the year under review following changes were made in the Key Managerial Personnel of the Company:

1. Mr. Manish Gupta stepped down from the position of Chief Financial Officer of the Company w.e.f. closure of the business hours of 29th August, 2022.
2. Mr. Diwaker Dinesh stepped down from the position of Head legal & Company Secretary of the Company w.e.f. closure of the business hours of 31st January, 2023 after serving company for more than 13 years.
3. Mr. Sourabh Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. 16th March, 2023.

As on 31st March, 2023, Mr. Arvind Singhania, Managing Director (designated Chairman & CEO), Mr. Pradeep Kumar Rustagi, Whole-Time Director (designated Executive Director-Corporate Affairs), Mr. Ayush Vardhan Singhania, Whole-time Director and Mr. Sourabh Agarwal, Chief Financial Officer are the Key Managerial Personnel of your Company.

Further, after the closure of financial year, upon the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on 12th July, 2023, appointed Ms. Poornima Gupta as Company Secretary and Compliance Officer of the Company with effect from the said date and in keeping with the provisions of Section 203 of the Act.

Declaration by Independent Directors

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

- they meet the criteria of independence as prescribed under the provisions of the Act, read with the rules made thereunder and SEBI (LODR) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

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

During the year under review, a separate meeting of the Independent Directors was held on 14th February, 2023.

MEETINGS OF THE BOARD

The Board of Directors met 8 (eight) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

COMMITTEES OF THE BOARD

The details of various Committees constituted by the Board, are given in the Corporate Governance Report, which forms part of this Annual Report.

PERFORMANCE EVALUATION

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

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

The following evaluation process has been adopted by the Company–

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

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

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

The Auditor's Report for the year under review does not contain any qualification, reservation or adverse remark and do not call for any explanation/clarification. The notes on financial statements referred to in the Report are self-explanatory.

Cost Auditors

During the year under review, the Board of Directors, based on the recommendation of the Audit Committee, re-appointed M/s. R. J. Goel & Co., Cost Accountants as the Cost Auditors to audit the cost records of the Company for the financial year 2023-24.

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the approval of the members is being sought at the forthcoming AGM of the Company for the ratification of remuneration amounting to ₹ 3,50,000/- (Three Lakh Fifty Thousand only) excluding applicable taxes and reimbursement of out-of-pocket expenses, payable to the Cost Auditors for the financial year 2023-24.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has re-appointed M/s. Dhananjay Shukla & Associates, Company Secretaries in Practice as Secretarial Auditors of the Company for the financial year 2022-23.

Further as per the provisions of Regulation 24A of the SEBI (LODR) Regulations, 2015, Ester Filmtech Limited ("EFTL"), which is a material subsidiary of the Company, has appointed Mr. Akash Jain, Practising Company Secretary, as its Secretarial Auditor for the financial year 2022-23.

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

Reporting of frauds by Auditors

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Annual Report on CSR activities is appended as **Annexure-III** to the Board's Report. Further, the Chief Financial Officer of the Company has certified that the amount spent on CSR for the financial year 2022-23 have been utilized for the purposes and in the manner approved by the Board.

CORPORATE GOVERNANCE

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

Code of Conduct

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report (BRSR) for the financial year ended 31st March, 2023, as stipulated by the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

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

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

- Effectiveness, efficiency and transparency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds, errors, misappropriations and mis-statements
- Accuracy and completeness of the accounting data, records and reporting
- IT security controls
- System, policies, practices & procedures adopted for adequate, effective and fair financial reporting
- Timely and accurate preparation of reliable financial information & reports. During the year under review, few internal controls have been modified to align with change in scenario.

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

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

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

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

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

RELATED PARTY TRANSACTIONS

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

Your Company has not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2, is not applicable.

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

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

POLICIES ADOPTED BY THE COMPANY

a) Vigil Mechanism/Whistle Blower Policy

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

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

b) Nomination and Remuneration Policy

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

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

c) Policy on Material Subsidiaries

The Company's Policy on Material Subsidiaries is available on Company's website at **https://www.esterindustries.com/sites/default/files/Policy%20on%20Material%20Subsidiary%20Version%20-2%2017th%20June%202020.pdf**

d) Risk Management Policy

Pursuant to requirements of SEBI (LODR) Regulations, 2015 the Company has constituted the Risk Management Committee of the Company to frame, implement and monitor the risk management plan for the Company. The constitution and the terms and reference of the Committee are given in Report on Corporate Governance which forms part of this Annual report.

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

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

e) Prevention of Sexual Harassment at workplace

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee have been set up to redress the complaints received regarding sexual harassment. There was no incident of sexual harassment reported and pending for investigation during the financial year 2022-23.

OTHER DISCLOSURES

i) Secretarial Standards

The Company complies with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

ii) Change in Registered Office and Nature of Business

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

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

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

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

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

Other information on compensation of employees as required under section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

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 during business hours on working days upto the date of ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at **investor@ester.in**.

v) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

vi) The Company has not issued any equity shares or shares with differential voting rights as to dividend, voting or otherwise. The Company has also not issued any shares (including sweat equity shares) to employees of the Company under any scheme.

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

viii) Neither the Chairman & Managing Director nor the Whole-Time Director has received any remuneration or commission from the Company's subsidiary.

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

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

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134 of the Act read with the Companies (Accounts) Rules, 2014 is set out in **Annexure–V** to the Board's Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the financial Year ended 31st March 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
2. they have selected appropriate accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent, so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
3. 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 2023 on a going concern basis;

5. they have laid down internal financial controls for the Company and such internal financial controls were adequate and operating effectively; and

6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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

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

Place: Gurugram
Date: 11th August, 2023

ANNEXURE – I

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

S.No.	Particulars	Details
1	**Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.**	Refer Note 43 of standalone financial statements for the year ended 31st March, 2023 for details.
2	**Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with' Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.**	Diluted EPS as per Indian Accounting Standards-33 is ₹19.31 (Refer Note 32 of Standalone financial statements for details)
3	**Details related to ESOS**	
(i)	***A description of each ESOS that existed at any time during they ear, including the general terms and conditions of each ESOS, including***	Presently the Company has only one Employee Stock Option Scheme, namely ***ESTER EMPLOYEES STOCK OPTION PLAN-2021***
(a)	Date of shareholders' approval	26th March, 2021
(b)	Total number of options approved under ESOS	8,00,000 (Eight Lacs), which will be available for grant to eligible Employees/Directors of the Company/ Subsidiary(ies)
(c)	Vesting requirements	Vesting of the options shall take place over a maximum period of 6 (Six) years from the date of grant. The Nomination & Remuneration Committee at the time of grant may specify certain criteria linked to the individual and/or organisational performance or any other criteria as it may deem fit for all or a part of the Options, the fulfilment of which might be a requisite for the options to vest. The minimum vesting period will be 1(One) year from the date of grant.
(d)	Exercise price or pricing formula	10% less than Fair Share Price i.e. Rs.105/- per option
(e)	Maximum term of options granted	Vesting of the options shall take place over a maximum period of 6 (Six) years from the date of grant. The Exercise period shall be decided by the Nomination & Remuneration Committee subject to maximum period of 10 (Ten) years.
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	None
(ii)	***Method used to account for ESOS-Intrinsic or fair value.***	Fair Value method using option pricing model viz. Black Scholes Method
(iii)	***Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.***	Not Applicable as Company has used Fair Value method
(iv)	***Option movement during they ear (For each ESOS):***	
(a)	Number of options outstanding at the beginning of the period	248179
(b)	Number of options granted during the year	Nil
(c)	Number of options forfeited/lapsed during the year	Nil
(d)	Number of options vested during the year[1]	24818
(e)	Number of options exercised during they ear	Nil

<table>
<tr><th>S.No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>(f)</td><td>Number of shares arising as a result of exercise of options</td><td>Nil</td></tr>
<tr><td>(g)</td><td>Money realized by exercise of options (INR), if scheme is implemented directly by the company</td><td>Nil</td></tr>
<tr><td>(h)</td><td>Loan repaid by the Trust during the year from exercise price received</td><td>NA</td></tr>
<tr><td>(i)</td><td>Number of options outstanding at the end of the year</td><td>248179</td></tr>
<tr><td>(j)</td><td>Number of options exercisable at the end of the year</td><td>Nil</td></tr>
<tr><td>(v)</td><td>Weighted-average exercise prices and weighted- average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.</td><td>Weighted Average Exercise price- ₹105/- per option.
Weighted average fair values-
<table>
<tr><th>Date of Grant</th><th>Date of Vesting</th><th>Weighted Average fair value of option</th></tr>
<tr><td>1st April, 2021</td><td>1st April, 2022</td><td>57.97</td></tr>
<tr><td>1st April, 2021</td><td>1st April, 2023</td><td>60.08</td></tr>
<tr><td>1st April, 2021</td><td>1st April, 2024</td><td>64.91</td></tr>
<tr><td>1st April, 2021</td><td>1st April, 2025</td><td>67.29</td></tr>
</table></td></tr>
<tr><td>(vi)</td><td colspan="2">Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -</td></tr>
<tr><td>(a)</td><td>senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</td><td>Mr. Pradeep Kumar Rustagi-101713
(Executive Director–Corporate Affairs)
Mr. Girish Behal-146466
(Business Head-Polyester Films & SBU)
Exercise Price per option is Rs.105/-</td></tr>
<tr><td>(b)</td><td>any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and</td><td>None</td></tr>
<tr><td>(c)</td><td>identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.</td><td>None</td></tr>
<tr><td>(vii)</td><td colspan="2">A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:
Description of the method and assumption considered for valuation: Please refer “Annexure-A”</td></tr>
<tr><td>(a)</td><td>the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</td><td>Please refer “Annexure-B”</td></tr>
<tr><td>(b)</td><td>the method used and the assumptions made to incorporate the effects of expected early exercise;</td><td>Not Applicable</td></tr>
<tr><td>(c)</td><td>how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</td><td>The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options</td></tr>
<tr><td>(d)</td><td>whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.</td><td>There are no market conditions attached to the grant and vest</td></tr>
</table>

Note: 1:

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

Annexure-A

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

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

Current Stock Price (Underlying Price)

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

Annual Volatility of Stock Price (Standard Deviation)

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

Risk Free Rate

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

Time remaining till expiration

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

Strike Price

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

'Annexure-B'

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

ANNEXURE –II

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

for the financial year ended on 31st March, 2023

[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, 2023 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, 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(No event took place under this Regulation during Audit period);**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(No event took place under this Regulation during Audit period)**;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(No event took place under this Regulation during Audit period)**; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(No event took place under this Regulation during Audit period).**

   i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi. The company has been carrying on the business of manufacturing of Polyester films and Engineering Plastics and its Manufacturing Plant is located at Sohan Nagar, P.O-Charubeta, Khatima-262308, Distt.: Udham Singh Nagar, Uttarakhand and also at Sitarganj, Distt.: Udham Singh Nagar Uttarakhand. As informed and confirmed by the management of the company, following are the laws specifically applicable to the company:-

a. The Indian Boiler Act, 1923 and regulations made thereunder;

b. The Legal Metrology Act, 2009 and rules made thereunder;

c. The Petroleum Act, 1934 and rules & regulations made thereunder.

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

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

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

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.

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

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

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

Furthermore, pursuant to Section 203(4) of the Companies Act 2013, the new Chief Financial Officer ("CFO") has been appointed by the Company on 16th March 2023 in place of erstwhile CFO, who resigned on 29th August 2022.

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. Further Mr. Arvind Singhania was re-appointed as Managing Director (designated Chairman & CEO) and Mr. Pradeep Kumar Rustagi was re-appointed as Whole-Time Director designated Executive Director-Corporate Affairs for a further term of 3 (Three) years w.e.f 1st April, 2023 till 31st March, 2026 by the Members of the Company through postal ballot on 25th June, 2023.

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

During the review period, Mr. Diwaker Dinesh, Company Secretary and Compliance Officer resigned from his position with effect from 31st January, 2023. Further, Ms. Poornima Gupta has been appointed as Company Secretary and Compliance Officer of the Company with effect from 12th July, 2023 pursuant to Regulation 6 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 203(4) of the Companies Act, 2013.

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

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

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

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

1. Pursuant to Section 180(1)(a) of the Companies Act ,2013, the company has sold its Engineering Plastic Business division and industrial plant located at Halol, Gujarat, by the way of slump sale on-going concern basis to Radici Plastics India Private Limited for an aggregate lumpsum consideration of ₹ 289.33 crores with the approval of Members of the Company in its Extra Ordinary General Meeting (EGM) held on 10th June, 2022.
2. Pursuant to Section 179 and Section 186 of the Companies Act, 2013, the Board had passed resolution to invest in shares, bonds, debentures (Convertible /Non-Convertible) of other bodies Corporate and Banks and units of mutual funds and other securities upto maximum of ₹300 Crores in its meeting held on 10th August, 2022.
3. The Company has declared final dividend of ₹1.90 per share on 8,33,93,759 equity shares for the financial year 2021-22 in its Annual General Meeting held on 28th September, 2022.
4. The Company extended a loan to its wholly owned subsidiary viz. Ester Filmtech Limited amounting to ₹ 16.50 crores, where, as per agreement, it had an undisputed right to convert the loan into equity shares at face value and the Company has exercised that right during the year.
5. Pursuant to Section 179(3) of the Companies Act, 2013, the Company has executed corporate guarantee of ₹141.80

crores in favour of Bank of India, Bank of Baroda and HDFC Bank Ltd. for extending Working Capital facilities in favour of Ester Filmtech Limited, wholly owned Subsidiary of the Company.

For Dhananjay Shukla & Associates
Company Secretaries

Dhananjay Shukla
Proprietor
FCS-5886, CP No. 8271
Peer Review No.2057/2022
UDIN: F005886E000766635

Date: 11th August, 2023
Place: Gurugram

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

Enclosure: Annexure-A

'Annexure-A'

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

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

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

For Dhananjay Shukla & Associates
Company Secretaries

Dhananjay Shukla
Proprietor
FCS-5886, CP No. 8271
Peer Review No.2057/2022
UDIN:F005886E000766635

Date: 11th August, 2023
Place: Gurugram

Form No. MR-3
SECRETARIAL AUDIT REPORT

(for the financial year ended on 31st March, 2023)

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

To,

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Ester Filmtech Limited ("The Company")** for the audit period covering the financial year ended on **31st March 2023**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on Financial year ended **31st March, 2023**,complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023** according to the provisions of:

i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; *(Not applicable to the Company during the audit period)*

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; *(Not applicable to the Company during the audit period)*

iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowing;

v. The following Acts, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;*(Not applicable to the Company during the audit period)*

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *(Not applicable to the Company during the audit period)*

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not applicable to the Company during the audit period)*

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; *(Not applicable to the Company during the audit period)*

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not applicable to the Company during the audit period)*

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; *(Not applicable to the Company during the audit period)*

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable to the Company during the audit period)*

h) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; *(Not applicable to the Company during the audit period)*

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; *(to the extent of material subsidiary)*

vi. and other laws as are specifically applicable to company.

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

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

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

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

We further report that:

a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No Changes took place in the composition of the Board of Directors during the period under review.

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

c. Majority decisions are carried through while the dissenting views, if any, are captured and recorded as part of the minutes.

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

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

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

Date of EGM	**Existing Capital** (in Rs)	**Revised Capital** (in Rs)	**Additional (Difference)** (in Rs)	**Face Value of Equity Share** (in Rs)
20.07.2022	70,00,00,000	2,50,00,00,000	1,80,00,00,000	10
24.03.2023	2,50,00,00,000	2,70,00,00,000	20,00,00,000	10

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

Date of Allotment	**No. of Equity Shares**	**Face Value per share**	**Paid-up Share Capital** (in Rs)
19.07.2022	1,52,00,000	10	1,52,00,000
11.08.2022	1,07,50,000	10	1,07,50,000
16.09.2022	3,40,00,000	10	3,40,00,000
01.12.2022	68,80,000	10	68,80,000
04.01.2023	24,35,610	10	24,35,610
28.03.2023	1,65,00,000	10	1,65,00,000
31.03.2023	35,50,000	10	35,50,000

For Akash Jain
Practicing Company Secretary

Date: 27/07/2023
Place: Agra

Akash Jain
Proprietor
FCS: 9617 C.P.: 9432
ICSI UDIN:F009617E000689241

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

Enclosure: Annexure-A

'Annexure-A'

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

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

a) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records and other relevant records as maintained by the company. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records and other relevant records. We believe that the processes and practices we followed and the audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not examined the compliance by the company with applicable financial laws like Direct tax and Indirect Tax Laws, since the same has been subject to review by the Statutory Financial Auditor or by other designated professionals.

d) Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

e) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Akash Jain
Practicing Company Secretary

Date: 27/07/2023
Place: Agra

Akash Jain
Proprietor
FCS: 9617 C.P.: 9432
ICSI UDIN:F009617E000689241

ANNEXURE – III

ANNUAL REPORT ON CSR

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

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

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

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

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

2. **Composition of the CSR Committee:**

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

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

   https://www.esterindustries.com/committees-board
   https://www.esterindustries.com/csr

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)**. – Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-**

S. No.	Financial year	Amount available for set-off from preceding financial years (In ₹)	Amount required to be set-off for the financial year, if any (In ₹)
1.	2021-22	5,80,718	-
2.	2022-23	-	-

6. **Average net profit of the Company as per section 135(5):** ₹ 1,72,60,81,239/-

7. a) **Two percent of average net profit of the Company as per section 135(5)**- ₹ 3,45,21,625/-
   b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years. –** Nil
   c) **Amount required to be set off for the financial year, if any –** ₹ 5,80,718/-
   d) **Total CSR obligation for the financial year (7a+7b-7c) –** ₹ 3,39,40,907/-

8. a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹1,40,02,176	₹1,93,28,213	28th April, 2023	₹ 6,10,518 will be transferred to Prime Minister National Relief Fund by end of September, 2023		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Navsrijan Program	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttarakhand	Udham Singh Nagar	3 years	2,00,00,000	6,71,787	1,93,28,213	No	Saraf Education Society	CSR000 26527

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount Spent for the Project (₹)	Mode of Implementation – Direct (Yes/ No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration No.
1	RO System and Water cooler at Khatima & nearby villages	(i) Promoting Healthcare including preventive health care and sanitation and making available safe drinking water.	Yes	Uttarakhand	Udham Singh Nagar	3,57,146	Yes	NA	NA
2	Labour Supply in Ladies toilets in 5 Govt. schools, Pond cleaning in Khatima	(i) Promoting Healthcare including preventive health care and sanitation	Yes	Uttarakhand	Udham Singh Nagar	3,26,864	Yes	NA	NA
3	Providing Salary of Ambulance Driver at Govt Hospital, Khatima	(i) Promoting Healthcare including preventive health care and sanitation	Yes	Uttarakhand	Udham Singh Nagar	1,45,779	Yes	NA	NA
4	Anemia Mukt Haryana	(i) Promoting Healthcare including preventive health care and sanitation	Yes	Delhi	Delhi	50,00,000	No	Medanta Institute of Education and Research	CSR00020811
5	Ester-Tirumala Tirupati Devasthanams (TTD) Programme- providing Health, education and foods to underprivileged children	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation	Yes	Uttarakhand	Udham Singh Nagar	70,00,000	No	Sri Venkateswara Sarva Sreyas Trust	CSR00016552
9	Installation of security camera in the village nearby Chandanvalley area, Hyderabad (nearby factory of Ester Filmtech Ltd, WOS of the Company)	(x) Rural development projects	Yes	Telangana	Rangareddy	5,00,600	Yes	NA	NA
	TOTAL					**1,33,30,389**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 1,40,02,176/-

(g) Excess amount for set off, if any:

S. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	3,45,21,625
(ii)	Total amount spent for the Financial Year	3,33,30,389*
(iii)	Amount utilized from previous year excess spent	5,80,718
(iv)	Excess amount spent for the financial year [(ii)-(i)]	-
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(vi)	Amount available for set off in succeeding financial years [(iii)+(iv)]	-

**** It includes ₹ 1,93,28,213 which has been transferred to Unspent CSR account as per section 135(6)***

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

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2021-22	59,00,000	59,00,000	NIL			NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project- Completed / Ongoing
1.	-	Navsrijan Program	2021-22	1st April, 2022 to 31st March, 2025	60,00,000	59,00,000	60,00,000	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

a) **Date of creation or acquisition of the capital asset(s).** None

b) **Amount of CSR spent for creation or acquisition of capital asset.** Nil

c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.** Not Applicable

d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).** Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).- CSR Committee had budgeted to spend ₹15 Lacs for maintenance of CSR projects implemented in earlier year(s). Actual amount spent was less than budgeted by ₹6,10,518/-. Committee & Board have already approved to pay ₹ 6,10,518/- to Prime Minister National Relief Fund by the latest date of 30th September, 2023.

For and on behalf of the Board

	Sd/- **Arvind Singhania** **Chairman & CEO**	**Sd/-** **M. S. Ramachandran** **Chairman-CSR Committee**
Date: 11th August, 2023	**Place: Gurugram**	**Place: Chennai**

ANNEXURE – IV

Details of Remuneration under section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 31, 2023:

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

S. No.	Name of Director/KMP	Ratio of remuneration of each Director to median remuneration of employees	% increase in Remuneration in the Financial Year 2022-23
Executive Directors			
1	Mr. Arvind Singhania	70:1	No Change
2	Mr. Pradeep Kumar Rustagi	27:1	15%
3	Mr. Ayush Vardhan Singhania	28:1	No Change
Non-Executive Independent Directors			
4	Mr. M S Ramachandran	NA	NA
5	Mr. Sandeep Dinodia	NA	NA
6	Mr. P S Dasgupta	NA	NA
7	Mr. Ashok Kumar Newatia	NA	NA
8	Dr. Anand Chand Burman	NA	NA
9	Mrs. Padmaja Shailen Ruparel	NA	NA
Non-Executive Non-Independent Directors			
10	Mrs. Archana Singhania	NA	NA
Key Managerial Personnel			
11	Mr. Manish Gupta[1]	6.7:1	No Change
12	Mr. Sourabh Agarwal[2]	0.7:1	NA
13	Mr. Diwaker Dinesh[3]	8:1	No Change

Notes:

1. *Appointed w.e.f. 4th February, 2022 and ceased w.e.f. 29th August, 2022*
2. *Appointed w.e.f. 16th March, 2023*
3. *Ceased w.e.f. 31st January, 2023*

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

ii) The percentage Increase in the median remuneration of employees in the financial year **–** 4.5%

iii) The number of permanent employees on the rolls of company – 548 employees

iv) Average percentage increase already made in the remuneration of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Category	Average Increase
Employees' remuneration (other than Directors)	10.7%
Managerial remuneration (Directors)	2.82%

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

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

For and on behalf of the Board

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

Place: Gurugram
Date: 11th August, 2023

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

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy - Energy Conservation Initiatives taken:

- Installed high-efficiency IE5 motor and impeller in AHU-6 of Film Plant - 1 and saved 8760 units per annum. **(₹ 0.71 Lacs).**
- Installed high-efficiency IE5 motor and impeller in TUT panel room AHU of Film Plant - 3 and saved 38544 per annum units. **(₹ 3.13 Lacs).**
- Stopped Air Washers & Exhaust Blower of Film Plant - 3 during winter season resulting into saving of about 391620 units per annum **(₹ 31.87 Lacs).**
- The online and offline grinder were shut down within 10 minutes of idle running of Film Plant - 3 resulting into saving of about 6097 units per annum **(₹ 0.50 Lacs).**
- Provided Limit switch interlock in 2 number air curtains resulting into saving of about 20862 units per annum **(₹ 1.7 Lacs).**

ii) Steps taken for utilizing alternate sources of energy:

As detailed below, since Company is already meeting significant portion of its requirement of energy through alternate sources, it has not taken any additional step during the FY 2022-23 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 ₹ 11,612.97 Lacs on Power & Fuel during the FY 2022-23, only ₹1,510.23 Lacs is on fossil fuels, HSD & Furnace Oil.

iii) The capital investment on energy conservation during 2022-23:

During the year under review, Company has incurred capital investment of about ₹13.9 Lacs on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

- Upgraded TUT corona system of Film Plant - 2 to improve quality and reliability.
- Installed and commissioned two 1500KVA, 415V DG sets to feed Specialty Polymers expansion
- Installed 1 of New DG Set of 1500KVA in place of 1250KVA to improve reliability & efficiency.
- Installed two transformers for the Specialty Polymers.
- Replaced 33kV MOCB-type HT panel with a VCB-type HT panel to improve reliability.
- Installed 33kV HT panel was near the UPCL meter room to improve reliability.
- Replaced Chilled water MCC panels to improve reliability.
- Replaced Condux MCC panel to improve reliability.
- Replaced convey or control panel to improve reliability.
- Replaced DPH auxiliary MCC panel to improve reliability.

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

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

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

Not Applicable

iv) Research and Development –

Particulars	Amount ₹ in Lacs
Sales revenue from products manufactured during R & D	4,041.13
Expenditure incurred on R & D for production of aforesaid products	1,289.15
Net Revenue earned from R & D activities	2,751.98

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(Amount ₹ in Lacs)

S. No.	Particulars	Amount	
		2022-23	2021-22
1.	Earnings – FOB Value of Exports	43,332.99	38,546.05
2.	Outgo – CIF Value of Imports	25,493.02	30,748.17

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

Place: Gurugram
Date: 11th August, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Financial Year 2022-23 was another year of significant challenges with escalating geopolitical tensions, rising energy prices, aggressive monetary & fiscal policies to control the mounting inflation rates and of course, the lingering COVID-19's impacts; the economic uncertainty was faced across the globe.

As per IMF estimates, global growth has slowed from +6.1% in 2021 to +3.2% in 2022. Emerging markets & developing economies continued to record a faster pace of growth at +4% versus Global +3.2%.

Major forces that shaped the economy in 2022 seems to continue at changed intensities in 2023. Commodity prices that rose sharply due to invasion of a country by another may get moderated, supply chain disruptions caused by COVID-19 appear to be recovering and the continued intervention by policy makers may help the economy to recover but at a slower pace. According to the latest IMF estimates, aggregate global economic growth is estimated to fall further to +2.8% in 2023 wherein advance economies are projected to grow at +1.3% and emerging economies are estimated to grow by +3.9% impacted by sharp decline in growth of Russia & India. As per IMF, global inflation is expected to decrease slower than expected i.e. from 8.7% in 2022 to 7% in 2023 further reducing to 4.9% in 2024.

In such a challenging backdrop, the Indian economy also suffered during the year, growing by +6.8% but showed growing economic activities in terms of an all-time highest GST collection of ₹ 18 Lac crores in FY22-23 (+22% YoY) and highest ever merchandise exports of USD 447 Billion in FY22-23 (+6% YoY). The World Bank has projected a drop in India's growth at 6.3% in FY24, the growth is expected to be constrained by slower consumption growth due to rising interest rate, slower income growth and withdrawal of pandemic-related fiscal support measures.

Due to external challenges in FY 2022-23, Company's revenue including revenue from discontinued operations stood at ₹1,213 crores as against ₹1,406 crores last year recording a decline of 14%. EBIDTA for the year stood at ₹136 crores as against ₹252 crores last year however due to Capital Gain before Tax of ₹145.56 crores arising from divestment of Engineering Plastics business to Radici India Plastics Private Limited ensured that PBT and PAT were both higher than last year. The commercial production at new BOPET film plant in Telangana started on 20th January, 2023.

Operational Performance

Business Segment: Polyester Films Business

Flexible packaging is the most economical and environment friendly method to package, preserve and distribute food, beverages, 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 food products, personal and home care, pharmaceuticals as well as other consumables 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 F&B products and pharmaceuticals. Its ability to enhance shelf life of food products enables PET to contribute towards keeping food price inflation in check. Health and safety boards 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

Over the last five years, regional demand growth rates have been varied greatly. Asian countries account for 77% of global demand for BOPET film and this dominant position is expected to remain broadly consistent over the next five years. China and India continue to be the driving forces of global BOPET film market. Global BOPET film market demand has grown by 5% p.a. during 2016-22.

Global BOPET film demand by film type

Film Type	2016 (KT)	2022 (KT)	CAGR (2016-22)
Thick 50 micron+	993	1,128	2.1%
Thin < 50 micron	3,435	4,793	5.7%
Global Demand	**4,428**	**5,921**	**5.0%**

Global BOPET film demand by end use

End use application	2016 (KT)	2022 (KT)	CAGR (2016-22)
Electrical/Electronic	668	796	3.0%
Imaging & graphics	208	188	-1.6%
Other Industrials	964	1218	4.0%
Packaging	2588	3719	6.2%
Global Demand	**4428**	**5921**	**5.0%**

In 2022, the global market consumed 4.8 Mn Tons of thin films. By far the largest end use was flexible packaging, which accounted for more than ~70% of the total volume of thin films used. Over the last six years, the global thin film market has grown with a CAGR of 5.7% despite weakened demand in mature markets suffering from sluggish economic growth. Asia continues to dominate as a key BOPET film exporter to the world. Tension filled geopolitical situation and lingering Pandemic impact brought new challenges to global supply chains and severely disrupted trade flows across the globe. On the contrary, despite trade disruptions, India remained in a stronger position to fulfil global BOPET supplies. This trend is expected to gain further momentum as high energy prices in the West will put strain on producers in the west to remain competitive.

Global BOPET thin film market by region – 2022 (KTs)

Region	Capacity	Production	Demand
China	3491	2355	2165
Asia (excluding China)	2232	1521	1543
North America	330	264	487
Latin America and the Caribbean	177	116	70
Middle East	175	103	40
Africa	79	63	59
Europe	426	316	373
Russia and the Caspian	80	55	56
Global BOPET thin film market	**6990**	**4793**	**4793**

Global BOPET thin film Market: Capacity

The global thin film capacity is about 7 Mn Tons. Capacity expansions have been announced that will come on stream during next 2 - 4 years and this is required to meet the expected demand growth. Bulk of the new capacity is coming up in India and China which is in line with global capacity share. However, exports from China are insignificant due to high tariff barriers & limited product range. Given high energy prices in western world, older/inefficient lines in this region will not be able to compete with the new wider and high productivity lines.

Global BOPET film capacity based on thickness

BOPET Film	2016 (KT)	2022 (KT)	2026 (KT)
Capacity			
: Thick	1517	2112	2607
: Thin	4947	6990	9310
Production			
: Thick	993	1128	1368
: Thin	3435	4793	5858

Indian Market

Domestic demand continued its growth momentum with the help of strong demographic factors such as (1) increasing disposable income levels; (2) rising consumer awareness and demand for processed food; (3) the multinational giants taking rapid strides in the food, beverages, cosmetics & toiletries; (4) pharmaceuticals space; and (5) Increasing exports of flexible packaging laminates from India. Like all business, flexible packaging business also faces some headwinds in terms of rising commodity prices leading to higher working capital requirement throughout the value chain. Many FMCG companies amended their packaging sizes to weather the impact of cost increases.

Despite all the challenges domestic demand continued its growth trajectory by recording a growth of ~10% CAGR over the last six years as against global growth of ~6% CAGR during the same period.

The total production capacity of thin BOPET film in India reached to 1095 KT per annum in 2022. There are few lines which will come on stream during the course of FY24 which are likely to amend demand supply dynamics in the short to medium term.

Performance Overview (FY 2022-23)

FY 2022-23 has been a challenging year for the BOPET film business. The sales volume of the BOPET film business achieved by the Company in FY22-23 was 57,172 MT as compared to 58,151 MT over last year due to loss of production on account of shutdown of Film Plant #3 consequent to breakdown in CP Plant for a period of 28 days. Total sales volume decreased by 1.6% and the sales turnover went down by 6.2% due to lower price realization and compression in margins.

The margin came under pressure (1) due to loss of production / sales from Film Plant #3 due to a breakdown; (2) due to enhanced competition post new plant commissioning; and (3) higher conversion costs. In order to expand proportion of value added and specialty products, we launched several new products and grew proportion of value added and specialty products.

During last financial year, the company added new BOPET Film capacity in Telangana through its Wholly Owned Subsidiary, Ester Filmtech Limited to cater to new demands & customers and also divested its Engineering Plastic business to better focus on its core business.

Our new Film Plant in Hyderabad started its commercial operations during the quarter ended March 23. To quantify, the unit has achieved sales of 4,757 MT translating into revenues of ₹ 49 crores. The plant is expected to generate revenues worth approximately ₹ 500 to 550 crores upon achieving optimal utilization. We have plans in place to export part of the output from this plant

Ester is committed to increase the proportion of value added & specialty products in overall product mix driven by innovation and R&D efforts. There has been a significant improvement in product mix with higher share of value-added products.

Ester continues to focus on its sustainability efforts and is proud to announce that we now offer full range of BOPET Films made from Post-consumer recycled material with recycled content going up to 100%. Ester also added all Mono PET based solutions and PCR PET film solutions to add towards the sustainability goals of the company.

Our Company is also focusing on streamlining its growing business through digital innovation initiatives like Business Process Re-engineering, Digital Transformation and Data Analytics. The aim of the company is to make it future ready for new challenges and opportunities.

Outlook

As mentioned, the demand for BOPET film in India continues to grow at approximately 11-12 percent per annum while global demand for Thin PET films is expected to grow at a CAGR of about 5-6 percent per annum over the next few years. In recent times, several new film line expansions have been announced in India and globally. These new capacity expansions will exert some pressure on the utilization levels for the industry keeping pressure on margins. This coupled with the high energy cost in the western world is likely to prompt closure of older / inefficient lines in this region.

While near to medium term outlook is expected to be challenging due to excess supply and benign realizations & margins, we are working towards improving our product mix by increasing proportion of Value Added & Specialty portfolio, ramping up the utilization levels of the new plant and cost rationalization to help us offset the headwinds and improve margins & profitability.

To achieve higher proportion of VAS portfolio, we have invested in an off-line coater that is expected to be commissioned soon. Build-up of volume from new coater will be achieved gradually and continuously. We are also working on new products that will enable us to improve profitability despite adverse market scenario. The company is targeting about 28% to 30% value-added film in Ester Industries, and the margin profile should be in that range.

Ester focuses on sustainability and green initiatives by using bio-waste or rice husk as fuel, bio-based raw materials, reducing usage of packing material, and offering products made out of polyester to replace PVC films. Ester also remains committed to its sustainability agenda by promoting the use of recycled content in flexible packaging. Ester is continuing to add new products to its portfolio offering the widest range of BOPET films with recycled content going up to 100%.

Business Segment: Specialty Polymer Business

Overview

Specialty Business is a unique business model catering to the needs of high-performance material used in wide spectrum of applications such as carpets, textiles, food & beverages, consumer electronics, automobiles, industrial etc. which cannot be met by commodity grades.

Ester has created a unique position for itself by developing the technology of all the products in-house, most of which are protected by global patents. The journey for Specialty Polymer business began almost a decade ago and we learnt the hard way that the gestation period of technology business is much longer than expected. The upside however is that, once the product and technology is accepted by the customers/ end users, the results are extremely profitable and long lasting. Over a period of time, Ester have filed more than 35 patent applications out of which 16 patents have been granted and many others are under examination.

Though the business performance in FY 2022-23 was better than in FY 2021-22 due to significantly better performance during first half of FY 2022-23, second half of the FY 2022-23 got impacted by the economic uncertainty. Though our turnover went up by ~14% and profitability in absolute terms remained almost in line with FY22, the EBIT margin got down due to higher raw material and conversion cost. However, the prospects of the business remain robust basis innovative products already commercialized and expected to be introduced in near future. The persistent efforts of R&D team to improve innovation pipeline and process enables us to build a healthy product pipeline.

Performance Overview (FY 2022-23)

The business performed well in terms of sales turnover seeing an increase by ~14% and the sales volume went up marginally. On an annual basis, the profitability in absolute terms was largely steady despite external challenges.

The performance of our key products MB-03, which find application in commercial carpets segment, and Innovative PBT, which finds application in consumer electronics, textile, fiber & automotive, largely remained steady despite external challenges. We commissioned our rPET extruder last year and have started market development process which got good response from the industry.

The business will continue broadening its customer base, enhancing sales velocity and developing new innovating offerings to maintain a healthy product pipeline.

Outlook

Specialty Polymer as you may be aware is largely export oriented business and any uncertainties & headwinds in the global economy are likely to have an impact on its financial performance and growth momentum. The performance of the Specialty Polymers SBU is likely to remain impacted during next 2 – 3 quarters until economic revival in US. We expect rapid expansion in both volume and value of sales post economic revival in US. We expect business to deliver steady growth over long term given its innate nature i.e. limited competition/ IP protected business.

Our R&D team as well continues to work towards building an exciting and innovative product pipeline which further reassures us of the robustness and long-term growth prospects of the business. We don't foresee any major risk to the business barring global uncertainties which may impact its growth momentum in short term. We are also seeing global freight rates moderate which should help us serve our customers better.

Despite varying economic recovery across the globe, higher inflation, higher crude linked commodity prices & supply chain bottlenecks, Specialty Polymer business as such faces no threat of competition and therefore should continue its growth momentum over the coming years. Furthermore, given that this business is IP protected, margins as well will sustain going forward.

With sustainability as a core development theme, the business will continue in its endeavor to deliver enhanced value to its growing customer base and application segments. Margin profile should remain in the range that is seen now.

Overall with our continued focus on product development and innovation, the business is well placed to create value for our shareholders.

BUSINESS & FINANCIAL PERFORMANCE

(₹ in Lacs)

	(FY 2022-23)	(FY 2021-22)	Growth
EBITDA (including discontinuing operations)	13,568.91	25,177.44	(46.11%)
PBT (including discontinued operations)	6,575.69	18,835.08	(65.09%)
Capital Gain before Tax from divestment of Engineering Plastics business	14,555.95	---	--
PAT (including discontinuing operations)	16,104.42	13,886.13	15.97%

(₹ in Lacs)

	(FY 2022-23)	(FY 2021-22)	Growth
Other Comprehensive Income	27.07	(10.97)	--
Total Comprehensive Income	16,131.49	13,875.16	16.26%

* During the year under review, the Engineering Plastics Business of the Company was divested with effect from 15th September, 2022. Performance of Engineering Plastics business was therefore available only from 1st April, 2022 to 14th September, 2022 before its divestment.

Net sales revenue during the year under review on standalone basis decreased by 14.10% from ₹1,392.25 crores to ₹1,195.95 crores, mainly on account of lower sales of Polyester Chips that decreased from 11648 MT to 2925 MT (in value terms from ₹95.35 crores to ₹27.11 crores).

Reduction in production of Polyester Chips mainly due to breakdown of Continuous Polymerization plant for 28 days & reduction in TPD due to certain technical issue.

Reduction in production of Engineering Plastics on account of divestment of business on 15th September, 2022.

Sustained performance of the Specialty Polymer coupled with capital gain from divestment of Engineering Plastics business enabled company to post higher PAT during the year under review.

Due to repayment of term borrowings strictly as per repayment schedule, the financial leveraging indicated by Total Outside Liabilities: Total Equity ratio stand at 0.61 as at 31st March, 2023. The book value per equity share stood at ₹ 92.78.

Key Financial Ratios

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

Particulars	2022-23	2021-22	Change %	Remarks
Current Ratio	1.90	1.89	0.53%	Marginal variation
Debt Equity Ratio	0.50	0.51	(1.96%)	Marginal variation
Debt Service Coverage Ratio	1.50	2.49	(39.76%)	Due to smaller numerator on account of lower profit from continuing operations
Return on Equity	7%	24.25%	(71.13%)	Net Profit after Tax (NPAT) from continuing operations is lower but average equity is higher on account of profit after tax arising from discontinued operations of Engineering Plastics business including capital gain after tax arising from divestment of Engineering Plastics business.
Inventory Turnover	4.65	5.19	(11.61%)	Consumption of material consumed has reduced due to divestment of Engineering Plastics business but average inventory is almost the same.
Trade Receivables Turnover Ratio	7.24	8.08	(11.60%)	Turnover has reduced due to divestment of Engineering Plastics business and low margins but average debtors are almost the same.
Trade Payables Turnover Ratio	19.99	22.04	10.26%	Trade payables did not reduce proportionate to reduction in consumption of material.
Net Capital Turnover Ratio	4.92	6.18	(20.39%)	Due to divestment proceeds invested in liquid investment and kept in Escrow account, the net current assets increased while sale of products reduced on account of divestment of Engineering Plastics business.
Net Profit Ratio	4.10%	9.97%	(58.88%)	NPAT in absolute terms reduced due to compression of margins in Polyester Film business and operating performance of Engineering Plastics business being available only for about 6 months, Net Profit ratio reduced by 58.88%
Return on Capital Employed	8.06%	21.79%	(63.01%)	NPAT in absolute terms reduced due to compression of margins in Polyester Film business and operating performance of Engineering Plastics business being available only for about 6 months but due to higher TNW, new term loans availed for capital expenditure & other applications, higher utilization of WC limits consequent to significant increase in gross current assets, ROCE reduced by 63.01%.

Detailed explanation of ratios

(i) Current Ratio

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

(ii) Debt Equity Ratio

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

(iii) Debt Service Coverage Ratio

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

(iv) Return on Equity (%)

Return on Equity (ROE) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing NPAT for the year by average shareholders' equity. Average shareholders' equity is calculated by dividing sum total of shareholders' equity at the beginning and at the end of the year by two.

(v) Inventory Turnover

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

(vi) Trade Receivables Turnover Ratio

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

(vii) Trade Payables Turnover Ratio

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

(viii) Net Capital Turnover Ratio

It is calculated by dividing Net Sales by Working Capital.

(ix) Net Profit Ratio (%)

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

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

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

Risk Management

In Ester, it is understood that risk is an integral part of any business. The aim of the Risk Management Committee is to detail the objectives and principles of Risk Management along with an overview of the risk management process and related roles and responsibilities. The framework covers inter alia process, governance and execution of the risk management plans. Considering the current volatile and dynamic environment, the risks and the mitigation plans are modified to align with the changed scenario / environment.

Upon detailed review of the identified risks & mitigation plan thereof, the Board is of the opinion that 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 and more particularly in last 3-4 years. 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 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 focus to enhance adherence to operating & business processes. Operating processes for entire business operations are constantly relooked at/reviewed for improvement keeping the customer delivery in mind. These processes are being kept at the center for training the workforce. Having multi-skilled workforce is the first and most critical element to the success.

Roles and performance parameters are being re-defined for teams and individuals from time to time keeping in view the very dynamic external environment. The roles are re-defined for improving Company's performance as well as for career growth of individuals. Technology is being 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 to keep the workforce aligned and engaged, the senior management has continuous communication & engagement with the employees at all levels including 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

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

This corporate governance report sets out the governance framework adopted by the Board of 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. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company.

2. BOARD OF DIRECTORS

a) Composition & Category of the Board

The Board of the Company is constituted in compliance with the provisions of Companies Act, 2013 ("Act"), 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. As on 31st March, 2023, the Board comprised of ten Directors, three of which are Executive Directors, one Non-Executive Non-Independent Director and six Independent Directors (including one Independent Woman Director).

A brief profile of all the Directors forms part of the Annual Report and can also be accessed on the Company's website at **www.esterindustries.com.**

The Board of Directors consists of:

S. No.	Name and Category/ Designation of Director	Relationship with other Directors	No of Shares held as on 31st March, 2023
Promoter Directors			
1.	Mr. Arvind Singhania *Chairman & CEO*	Husband of Mrs. Archana Singhania and Father of Mr. Ayush Vardhan Singhania	150
2.	Mr. Ayush Vardhan Singhania *Whole-Time Director*	Son of Mr. Arvind Singhania and Mrs. Archana Singhania	178033
3.	Mrs. Archana Singhania *Non-Executive Director*	Wife of Mr. Arvind Singhania and Mother of Mr. Ayush Vardhan Singhania	-
Executive Directors			
4.	Mr. Pradeep Kumar Rustagi *Executive Director-Corporate Affairs*	-	400
Independent Directors			
5.	Mr. M. S. Ramachandran	-	-
6.	Mr. Ashok Kumar Newatia	-	-
7	Dr. Anand Chand Burman	-	-
8.	Mr. P. S. Dasgupta	-	-
9.	Mr. Sandeep Dinodia	-	-
10.	Mrs. Padmaja Shailen Ruparel	-	-

b) Board Meetings and Directors' Attendance Record

The Board should meet at least four times in a year and more frequently, if deemed necessary, with a maximum gap of 120 days between two consecutive Board Meetings as per the provisions of Section 173 of the Act. In case of any business exigencies or urgency, resolutions are passed by circulation, but only when absolutely necessary.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by Ministry of Corporate Affairs ("MCA") and SEBI, all Board/ Committee meetings in the financial year 2022-23 were held through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

During the financial year 2022-23, 8 (Eight) Board Meetings were held on 6th May 2022, 20th May, 2022, 31st May, 2022, 10th August, 2022, 22nd September, 2022, 14th November, 2022, 14th February 2023 and 28th March 2023. None of these meetings exceeded the maximum gap allowed by the law.

Attendance of each Director at the above-mentioned Board Meetings and at the last Annual General Meeting ("AGM") held on 28th September, 2022, along with the number of other Directorship(s) and Chairmanship(s)/ Membership(s) of the Committee held by them as on 31st March, 2023 are as follows:

Name of the Director	Attendance Particulars		Directorships in other Companies			Membership(s)/Chairmanship(s) of Committees in other Companies[2]	
	No. of Board Meetings	Last AGM	No. of other Directorship[1]	Chairperson of the Board	Name of listed Entity along with Category of Directorship	No. of Committee Memberships	No. of Committee Chairmanships
Mr. Arvind Singhania	7	Yes	2	1	None	None	None
Mr. Ashok Kumar Newatia[3]	8	Yes	None	None	None	None	None
Mr. M S Ramachandran[3]	8	Yes	2	1	Supreme Petrochem Limited (Independent Director)	None	None
					ICICI Prudential Life Insurance Co. Limited (Independent Director)		
Dr. Anand Chand Burman	5	No	4	None	Eveready Industries Limited (Independent Director)	None	None
					Dabur India Limited (Alternate Director)[4]		
Mr. P S Dasgupta	5	No	7	None	Cummins India Limited (Independent Director)	5	3
					Maral Overseas Limited (Independent Director)		
					RSWM Limited (Independent Director)		
					Timken India Limited (Independent Director)		
					Vindhya Telelinks Limited (Independent Director)		

Name of the Director	Attendance Particulars		Directorships in other Companies			Membership(s)/Chairmanship(s) of Committees in other Companies[2]	
	No. of Board Meetings	Last AGM	No. of other Directorship[1]	Chairperson of the Board	Name of listed Entity along with Category of Directorship	No. of Committee Memberships	No. of Committee Chairmanships
Mr. Sandeep Dinodia	8	Yes	2	None	The Hi-Tech Gears Limited (Independent Director) Sandhar Technologies Limited (Non-Executive, Non-Independent Director)	3	1
Mrs. Padmaja Shailen Ruparel	6	Yes	2	None	None	1	None
Mrs. Archana Singhania	6	Yes	None	None	None	None	None
Mr. Pradeep Kumar Rustagi	8	Yes	1	None	None	1	None
Mr. Ayush Vardhan Singhania	6	Yes	2	None	None	None	None

Notes:

1. *Excludes Directorships in Private Limited Company, Foreign Companies and Section 8 Companies*
2. *Includes only Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted) only*
3. *Mr. Ashok Kumar Newatia and Mr. M S Ramachandran have attained the age of seventy-five years and a special resolution pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015 was passed by the shareholders in their meeting held on 24th September, 2018.*
4. *Dr. Anand Chand Burman ceased to be Alternate director in Dabur Industries Limited w.e.f. 8th April, 2023.*

As stipulated by Regulation 26 of SEBI (LODR) Regulations, 2015, none of the Directors of the Company is a member of more than 10 committees or Chairperson of more than 5 committees across all Companies in which the person is a Director.

Further, number of Directorships of all the Directors is within the limit as prescribed under Act and SEBI (LODR) Regulations, 2015.

c) 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 Act. 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; and
- Risk assessment, mitigation plan and minimization procedure.

d) Familiarization Programme for Independent Directors

As per the requirement of Regulation 25 of the SEBI (LODR) Regulations, 2015, the Company undertakes various initiative to familiarize the Independent Directors with the Company, and senior management giving an overview of the Company's operations, products, group structure, market conditions, Board constitution, guidelines, matters reserved for the Board, and the major risks and risk management strategy etc. Independent Directors are regularly updated on performance of each product segment of the Company, business strategy and new initiatives being taken/proposed to be taken by the Company. The management presents, time to time, before the Board a presentation for each business detailing about the product development, performance of the business, new opportunities and challenges in business, competition and industry updates etc.

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

https://www.esterindustries.com/sites/default/files/Final%20Familiarisation%20Programme.pdf

e) Skills/Expertise/Competencies Matrix of the Board

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

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

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

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

f) Independent Directors

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Act and from Regulation 16 of SEBI (LODR) Regulations, 2015. Based on the confirmation/ disclosures received from the Directors and on evaluation of the relationships disclosed, all Independent Directors are Non-Executive Directors and are Independent in terms of Regulation 16 of SEBI (LODR) Regulations, 2015 and section 14(6) of the Act.

Confirmation of Independence

All the Independent Directors of the Company have confirmed that:

(a) they meet the criteria of Independence as prescribed under Section 149 read with relevant rules of the Act and Regulation 16 of the SEBI (LODR) Regulations, 2015; and

(b) they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions prescribed under the Act, SEBI (LODR) Regulations, 2015 and are independent of the Management of the Company.

Separate Meeting of Independent Directors

In accordance with the applicable provisions of the Act and SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February, 2023 without the presence of Non-Independent Directors and the Management personnel, to inter-alia

- Review the performance of Non-Independent Directors and the Board as whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

3. COMMITTEES OF THE BOARD

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

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

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Minutes of the meetings of all Committees are presented before the Board for review on a quarterly basis. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles.

The role and composition of the Committees, including the number of meetings held during the financial year 2022-23, and the attendance of Directors, are listed below.

a) Audit Committee

The primary responsibility of the Audit Committee is to effectively supervise the Management's financial reporting process, and to review the quality and reliability of the information used by the Board. The Audit Committee also focuses on the adequacy and appropriateness of the internal controls of the Company.

The terms and composition of the Audit Committee is in accordance with Section 177 of the Act, and Regulation 18 of SEBI (LODR) Regulations, 2015.

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

1. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend for appointment, remuneration and terms of appointment of auditors of the company.
3. To approve availing of the permitted non-audit services rendered by the Statutory Auditors and payment of fees thereof.
4. To review and examine with the Management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub section (5) of section 134 of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgement by the Management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions.
   g) Modified opinion(s) in the draft audit report.
5. To review/examine, with the Management, the quarterly/ financial statements before submission to the Board for approval.
6. To review with the Management, the financial statements of subsidiaries and in particular the investments made by each of them.
7. To review, with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
8. To review and monitor the auditor's independence and performance and effectiveness of audit process.
9. To approve or any subsequent modification of transactions of the company with related parties.
10. To scrutinise of inter-corporate loans and investments.
11. To undertake valuation of undertakings or assets of the company, wherever it is necessary.
12. To evaluate of internal financial controls and risk management systems.
13. To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
14. To review the adequacy of internal audit function, if any, including the structure of the internal audit department,

staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

15. To discuss with internal auditors of any significant findings and follow up there on.
16. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
17. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. To review the functioning of the Whistle Blower mechanism.
20. To approve the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
21. To review the utilization of loan and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.
22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. To carry out any other function mandated by the Board from time to time and/or enforced by any statutory notification, amendment, or modification, as may be applicable.

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

<u>Meetings of the Audit Committee held during Financial Year 2022-23</u>

During the financial year 2022-23, 8 (Eight) meetings of Audit Committee were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2022-23 are given below:

Sr. No.	Date of Audit Committee Meeting	Attendance of Members		
		Mr. Sandeep Dinodia (Chairman)	Mr. M S Ramachandran (Member)	Mr. Ashok Kumar Newatia (Member)
1	6th May, 2022	✓	✓	✓
2	20th May, 2022	✓	✓	✓
3	31st May, 2022	✓	✓	✓
4	10th August, 2022	✓	✓	✓
5	22nd September, 2022	✓	✓	✓
6	14th November, 2022	✓	✓	✓
7	14th February, 2023	✓	✓	✓
8	28th March, 2023	✓	✓	✓

The required quorum was present at all meetings.

Mr. Sandeep Dinodia, Chairman of the Committee is a qualified Chartered Accountant, having rich experience in Accounting and Finance. Other members of the Committee also have 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 Chief Financial Officer are the permanent invitees 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 attended the meeting when the Cost Audit Report for the financial year 2022-23 was discussed.

Mr. Sandeep Dinodia, Chairman of the Audit Committee has attended the last AGM held on 28th September, 2022.

b) Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee (“NRC”) that reviews, recommends and approves the appointments, compensation and related matters for Directors, Key Managerial Personnel and Senior Management.

The terms and composition of the NRC is in accordance with Section 178 of the Act, and Regulation 19 of SEBI (LODR) Regulations, 2015.

The terms of reference of the NRC inter-alia includes the following:

1. To formulate the criteria for determining qualifications, experience and independence of a Director.
2. To formulate the criteria for evaluation of Independent Directors and the Board of Directors.
3. To devise a policy on diversity of Board of Directors.
4. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To evaluate the performance of Directors (other than independent directors).
6. To evaluate the performance of independent directors and make recommendations to Board.
7. To extend or continue the term of appointment of Independent Directors, based on their evaluation.
8. To review and recommend remuneration of the Managing

Director(s)/Whole-time Director(s) based on their performance.

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

Meetings of the Nomination and Remuneration Committee held during Financial Year 2022-23

During the financial year 2022-23, 5 (Five) meetings of NRC were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2022-2023 are given below:

Sr. No.	Date of NRC Meeting	Attendance of Members			
		Mr. M S Ramachandran (Chairman)	Mr. P S Dasgupta (Member)	Mr. Arvind Singhania (Member)	Mr. Sandeep Dinodia (Member)
1	20th May, 2022	✓	✓	✓	✓
2	10th August, 2022	✓	✓	✓	✓
3	14th November, 2022	✓	Leave of absence	✓	✓
4	14th February, 2023	✓	✓	✓	✓
5	28th March, 2023	✓	Leave of absence	✓	✓

The required quorum was present at all meetings.

The Company Secretary acts as the Secretary of the Committee.

Mr. M S Ramachandran, Chairman of the NRC has attended the last AGM held on 28th September, 2022.

Performance Evaluation criteria for Independent Directors:

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

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

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

The Performance Evaluation Policy can be accessed on the Company's website at the following link: **http://www.esterindustries.com/sites/default/files/Performance_Evaluation_Policy.pdf**

c) Stakeholders' Relationship Committee

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

The terms and composition of the SRC is in accordance with Section 178 of the Act, and Regulation 20 of SEBI (LODR) Regulations, 2015.

The terms of reference of the SRC inter-alia includes the following:

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

Meetings of the Stakeholders' Relationship Committee held during Financial Year 2022-23

During the financial year 2022-23, 19 (Nineteen) meetings of SRC were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2022-2023 are given below:

Sr. No.	Date of SRC Meeting	Attendance of Members		
		Mr. Ashok Kumar Newatia (Chairman)	Mr. Arvind Singhania (Member)	Mr. Pradeep Kumar Rustagi (Member)
1	18th April, 2022	✓	✓	✓
2	6th June, 2022	✓	Leave of absence	✓
3	4th July, 2022	✓	Leave of absence	✓
4	18th July, 2022	✓	✓	✓
5	25th July, 2022	✓	✓	
6	12th September, 2022	✓	✓	✓
7	19th September, 2022	✓	✓	✓
8	3rd October, 2022	✓	✓	✓
9	20th October, 2022	✓	✓	✓
10	31st October, 2022	✓	✓	✓
11	21st November, 2022	✓	✓	✓
12	28th November, 2022	✓	✓	✓
13	16th December, 2022	✓	Leave of absence	✓
14	26th December, 2022	✓	Leave of absence	✓
15	2nd January, 2023	✓	Leave of absence	✓
16	16th January, 2023	✓	✓	✓
17	13th February, 2023	Leave of absence	✓	✓
18	27th February, 2023	✓	✓	✓
19	20th March, 2023	✓	✓	✓

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

Mr. Diwaker Dinesh, Head-legal & Company Secretary and Compliance Officer of the Company acted as the Secretary of the Committee. It may be noted that he ceased to be associated with the Company w.e.f. the closure of business hours of 31st January, 2023.

Mr. Ashok Kumar Newatia, Chairman of the Stakeholders' Relationship Committee has attended the last AGM held on 28th September, 2022.

The Company has received 21 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, 2023.

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

d) Corporate Social Responsibility (CSR) Committee

The CSR Committee of the Board of Directors has been constituted in accordance with Section 135 of the Act. The terms of reference of the CSR Committee inter-alia includes the following:

1. To formulate and recommendation to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder and review thereof.
2. To formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy.
3. To recommend to the Board the amount of expenditure to be incurred on CSR activities.
4. To monitor the implementation of framework of CSR Policy.
5. To review the performance of the Company in the areas of CSR.
6. To institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
7. To recommend extension of duration of existing project and classify it as on-going project or other than on-going project.
8. To submit annual report of CSR activities to the Board.
9. To consider and recommend appointment of agency/ consultant for carrying out impact assessment for CSR projects, as applicable, to the Board.
10. To review and monitor all CSR projects and impact assessment report.
11. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Meetings of the CSR Committee held during Financial Year 2022-23

During the financial year 2022-23, 3 (Three) meetings of CSR Committee were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2022-2023 are given below:

Sr. No.	Date of CSR Meeting	Attendance of Members			
		Mr. M S Ramachandran (Chairman)	Mr. Ashok Kumar Newatia (Member)	Mr. Arvind Singhania (Member)	Mrs. Archana Singhania (Member)
1	20th May, 2022	✓	✓	✓	✓
2	10th August, 2022	✓	✓	✓	Leave of absence
3	14th February, 2023	✓	✓	✓	Leave of absence

The required quorum was present at all meetings.

The Company Secretary acts as the Secretary of the Committee.

e) Risk Management Committee

The Risk Management Committee ("RMC") of the Board of Directors has been constituted in accordance with Regulation 21 of SEBI (LODR) Regulations, 2015. The terms of RMC inter-alia includes the following:

1. To formulate a detailed Risk Management Policy which shall inter-alia include:
    - framework for identifying internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
    - Measures for risk mitigation including systems and processes for internal control of identified risks; and
    - Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to identify, monitor, evaluate and mitigate risks associated with the business of the Company including cyber security.
3. To monitor and oversee the implementation of the risk management policy including evaluating adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the Board of Director informed about the nature and content of the discussions, recommendations and actions to be taken.
6. To consider appointment and removal of the Chief Risk Officer, if any and review his terms of remuneration.
7. To review and approve Company's risk appetite and tolerance with respect to line of business.
8. To obtain reasonable assurance from management that all known and emerging risks has been identified, mitigated and managed.
9. To carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

<u>Meetings of the Risk Management Committee held during Financial Year 2022-23</u>

During the financial year 2022-23, 2 (Two) meetings of Risk Management Committee were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2022-23 are given below:

S. No.	Date of RMC Meeting	Attendance of Members						
		Mr. Arvind Singhania (Chairman)	Mr. M S Ramachandran (Member)	Mr. P S Dasgupta (Member)	Mr. Sandeep Dinodia (Member)	Mr. Pradeep Kumar Rustagi (Member)	Mr. Girish Behal (Member)	Mr. Manish Gupta* (Member)
1	20th May, 2022	✓	✓	✓	✓	✓	✓	✓
2	14th November, 2022	✓	✓	Leave of absence	✓	✓	✓	Not Applicable

**Ceased as Member w.e.f. 29th August 2022.*

The required quorum was present at all meetings.

The Company Secretary acts as the Secretary of the Committee.

The Risk Management Policy can be accessed on the Company's website at the following link: **<u>https://www.esterindustries.com/policies</u>**

f) Other Committee

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

<u>Finance Committee (erstwhile Borrowing Committee)</u>

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

<u>Meetings of the Finance Committee held during Financial Year 2022-23</u>

During the financial year 2022-23, 17 (seventeen) meetings of Finance Committee were held.

The composition of the Committee and the attendance at meetings held during the Financial Year 2022-2023 are given below:

Sr. No.	Date of Finance Committee Meeting	Attendance of Members		
		Mr. Ashok Kumar Newatia (Chairman)	Mr. Arvind Singhania (Member)	Mr. Pradeep Kumar Rustagi (Member)
1	11th April, 2022	✓	✓	✓
2	6th May, 2022	✓	✓	✓
3	19th May, 2022	✓	✓	✓
4	23rd May, 2022	✓	✓	✓
5	15th June, 2022	✓	✓	✓
6	10th August, 2022	✓	✓	✓
7	12th September, 2022	✓	✓	✓
8	26th September, 2022	✓	Leave of absence	✓
9	14th October, 2022	✓	✓	✓
10	22nd November, 2022	✓	✓	✓
11	20th December, 2022	✓	✓	✓
12	4th January, 2023	✓	✓	✓
13	11th January, 2023	✓	✓	✓
14	17th February, 2023	Leave of absence	✓	✓
15	23rd February, 2023	Leave of absence	✓	✓
16	10th March, 2023	✓	✓	✓
17	17th March, 2023	✓	✓	✓

The required quorum was present at all meetings.

4. GENERAL BODY MEETINGS

a) Annual General Meeting

The details of last three Annual General Meetings and the summary of Special resolutions passed therein are as follows:

Financial Year	Date & Time	Venue	Special Resolution Passed
2021-22	28th September, 2022 11:00 A.M. (IST)	Held Through Video Conferencing /Other Audio Visual Means	NIL
2020-21	27th September, 2021 11:00 A.M. (IST)		Appointment of Mr. Ayush Vardhan Singhania as Whole Time Director of the Company.
2019-20	28th August, 2020 11:00 A.M. (IST)		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 3. Re-appointment of Mr. Ayush Vardhan Singhania as Head – Marketing & Business Development

b) Extra- Ordinary General Meeting

Financial Year	Date & Time	Venue	Special Resolution Passed
2022-23	10th June, 2022 5:00 P.M. (IST)	Held Through Video Conferencing /Other Audio Visual Means	Approval for Sale of Engineering Plastics Business Undertaking.

c) Postal Ballot

No Special Resolution was passed by way of Postal Ballot, during the year under review.

Further, the following special resolutions were passed through postal ballot (e-voting) after the closure of financial year:

Sr. No.	Special Resolutions
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

Notes:

1. *The Board of Directors of the Company appointed Mr. Akash Jain, Practicing Company Secretary, as the Scrutinizer for scrutinizing the postal ballot through e-voting;*
2. *Dispatch of the Postal Ballot Notice dated 12th May, 2023, along with the Explanatory Statement, to the Shareholders of the Company was completed on 25th May, 2023;*
3. *E-voting commenced on Saturday, 27th May, 2023 and ended on Sunday, 25th June, 2023;*
4. *Newspaper advertisement regarding dispatch of Postal Ballot Notice was published on 26th May, 2023 in Financial Express and Nazariya Khabar;*
5. *Based on the Scrutinizer's Report, the results of the postal ballot through e-voting were declared on 26th June, 2023.*

5. CERTIFICATIONS/DECLARATIONS

a) Certificate required under Regulation 17(8)

The Company maintains detailed internal controls to protect its assets and interests, and to ensure the integrity and fairness of its financial reporting.

The certificate required under Regulation 17(8) of SEBI (LODR) Regulations, 2015, duly signed by the Chairman & CEO and the Chief Financial Officer, was presented before the Board in the Board Meeting held on 26th May, 2023, and is annexed as **Annexure I** to this Report.

b) Code of Conduct

The Company has adopted the Code of Conduct for all Board Members and Senior Management Personnel of the Company in line with the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015 which can be accessed on Company's website at the following link:

http://www.esterindustries.com/code-conduct

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

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

c) Compliance Certificate on Corporate Governance

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, a Certificate on Compliance of Corporate Governance, issued by the Practicing Company Secretary, is annexed as **Annexure III** to this Report.

d) Certificate for non-disqualification of Directors

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

a) Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015. The Company has also complied with the requirements of the Corporate Governance Report as provided in sub-regulation (2) to (10) of Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

6. DISCLOSURES

a) Related Party Transactions

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

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

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

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

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

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

c) Vigil Mechanism / Whistle Blower policy

The Company has adopted the whistle blower mechanism for its directors and employees to report concerns about actual or suspected frauds, instances for leakage or suspected leakage of Unpublished Price Sensitive Information, any violations of legal/regulatory requirements or Code of Conduct/policy of the Company, incorrect or misrepresentation of any financial statements, reports etc. The policy on whistle Blower can be accessed on the Company's website at the following link:

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

During the year under review, no personnel has been denied access to the Audit Committee.

d) Nomination & Remuneration Policy

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

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

e) Remuneration of Directors

Details of Remuneration paid to Executive Directors

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

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

During financial year 2022-2023, following remuneration was paid to the Executive Directors:

(₹ in Lacs)

Name of Directors	Basic Salary	Allowances & Perquisites	Provident Fund & SAF	Commission/ Performance linked incentive	Total
Arvind Singhania	144.00	144.40	17.28	-	305.68
Pradeep Kumar Rustagi	49.68	60.20	6.96	36.29	153.13
Ayush Vardhan Singhania	52.02	69.63	7.24	37.05	165.95

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

Details of Remuneration paid to Non-Executive Directors

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

The details of sitting fees paid to the Non-Executive Directors during financial year 2022-23 are as follows:

Name of the Director	Sitting Fees (₹ in Lacs)
Mr. Ashok Kumar Newatia	1.90
Mr. Sandeep Dinodia	2.30
Mr. M S Ramachandran	2.60
Mr. P S Dasgupta	0.90
Dr. Anand Chand Burman	0.50
Mrs. Archana Singhania	0.80
Mrs. Padmaja Shailen Ruparel	0.60

There has been no pecuniary relationship or transaction between the Company and Non-Executive Directors during the financial year 2022-23 except to the extent of receipt of sitting fees for meetings of the Board/Committee(s) of Directors attended by them.

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

Employee Stock Option Scheme

As on 31st March, 2023, the Company had granted 248179 stock options to Eligible Employee and Executive Director. 101713 stock options were granted to Mr. Pradeep Kumar Rustagi, Executive Director- Corporate Affairs. After vesting of the option, each Option would entitle the Option holder to subscribe to 1 (one) Equity Share on the payment of the Exercise price during Exercise period.

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

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

***Note**: Date of Grant was 1st April, 2021*

f) Compliance with the Discretionary Requirements under Regulation 27 read with Part E of Schedule II

The Board of Directors quarterly reviews the Compliance Report of all the practicable laws applicable to the Company as well as the steps taken by the Company to rectify the instances of non-compliance, if any. In addition, the Company has also fulfilled the following non-mandatory requirements of Regulation 27 read with Part E of Schedule II of SEBI (LODR) Regulations, 2015 –

- **Modified Opinion(s) in Audit Report** - The Auditors have issued an unmodified opinion on the financial statements of the Company for the year ended on 31st March, 2023.
- **Reporting of Internal Auditor -** The Internal Auditor has been reporting directly to the Audit Committee.

g) Material Subsidiaries

During the financial year ended 31st March, 2023, Ester Filmtech Limited comes under the purview of Material Non-Listed Indian Subsidiary as per the criteria given in the SEBI (LODR) Regulations, 2015. Mrs. Padmaja Shailen Ruparel, Independent Director of the Company is also the Independent Director on the Board of material subsidiary.

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

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

- financial statements of unlisted subsidiary company, are reviewed by the Audit Committee and the Board of the Company.
- minutes of unlisted subsidiary company are placed before the Board of the Company regularly.
- a statement, wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiary is presented before the Board of the Company.

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

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

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

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

h) 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.

i) Risk Management System

The Company has in place a Risk Management Policy. The Risk Management System is periodically reviewed and evaluated by the Risk Management Committee and Board of Directors.

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

There has been no fund raising through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) during the financial year 2022-23.

k) Recommendations of Committee

There was no such instance during the financial year 2022-23, where the Board had not accepted any recommendation of any of its Committees.

l) Consolidated Fees paid to Statutory Auditors

The total fees paid by the Company and its Subsidiary on a consolidated basis to its Statutory Auditors for all services for the financial year ended on 31st March, 2023 are as under:

(Amount in lacs)

Fee particulars	Ester	Subsidiary	Consolidated
Audit fee	16.00	3.50	**19.50**
Limited Review fees	27.00	7.50	**34.50**
Out of pocket expenses	3.36	0.31	**3.67**
Total	**46.36**	**11.31**	**57.67**

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

Number of Complaints filed during the year 2022-2023	NIL
Number of Complaints disposed of during the year 2022-2023	NA
Number of Complaints pending as on 31st March, 2023	NIL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Further, below are the details of Loans & Advances made by the Company to firms/companies in which directors are interested–

(₹ in Lacs)

Lender	Borrower	Nature of relationship	Opening Balance as on 1st April, 2022	Loan granted during the year	Loan repaid during the year	Closing Balance as on 31st March, 2023*
Ester Industries Limited	Ester Filmtech Limited	Wholly owned Subsidiary	-	1650	-	-

**The Company has granted loan to subsidiary amounting to ₹ 1,650.00 lacs, where, as per agreement, it had an undisputed right to convert the loan into equity shares at face value and the Company has exercised that right during the year.*

7. MEANS OF COMMUNICATION

The Company regularly interacts with Shareholders through multiple channels of communication such as:

- **Financial Results**

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

- **Press Releases**

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

- **Company's Website**

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

- **Annual Report**

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

- **Designated Email Ids**

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

- **SEBI and Stock Exchanges' Investor Grievance Redressal System**

SCORES platform of SEBI, 'Investor Complaints' sections of BSE and NSE websites facilitate investors to file complaints online and get end-to-end status update of their grievances. The Company endeavors to redress the grievances of the Investors as soon as it receives the same from the respective forums.

- **Stock Exchanges**

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

8. GENERAL SHAREHODLER INFORMATION

a) Annual General Meeting for FY 2023

Date	:	27th September, 2023
Time	:	12:00 Noon (IST)
Venue	:	Meeting is being conducted through Video Conferencing, pursuant to General Circulars issued by MCA and SEBI.

b) Finacial Year

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

c) Tentative Financial Calendar

-	Results for quarter ending 30.06.2023	:	August, 2023
-	Results for quarter ending 30.09.2023	:	November, 2023
-	Results for quarter ending 31.12.2023	:	February, 2024
-	Results for quarter and year ending 31.03.2024	:	May, 2024
-	Annual General Meeting for financial year 2023-24	:	September, 2024

d) Book Closure date

21st September, 2023 to 27th September, 2023 (both days inclusive)

e) Dividend payment date

Our Board has recommended the Final Dividend of ₹ 0.50 per equity share having face value of ₹ 5/- each i.e. 10% for the

Financial Year ended on 31st March 2023. In case dividend is declared by the shareholders in the forthcoming Annual General Meeting, it will be paid on or before 25th October, 2023.

f) Listing on Stock Exchanges and the Stock Code allotted

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

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

Annual Listing fees for the financial year 2023-24 have been duly paid to the above Stock Exchanges within the prescribed time period.

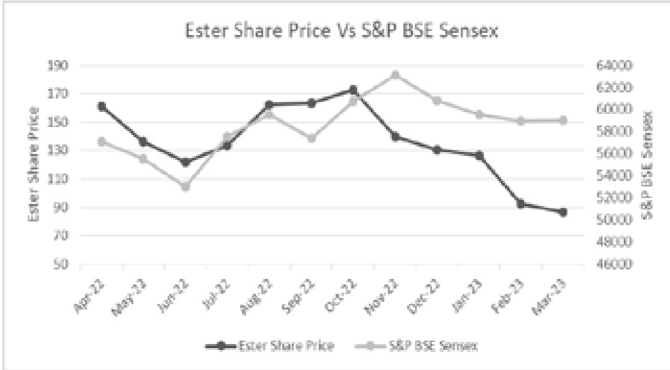
g) Stock Market Data

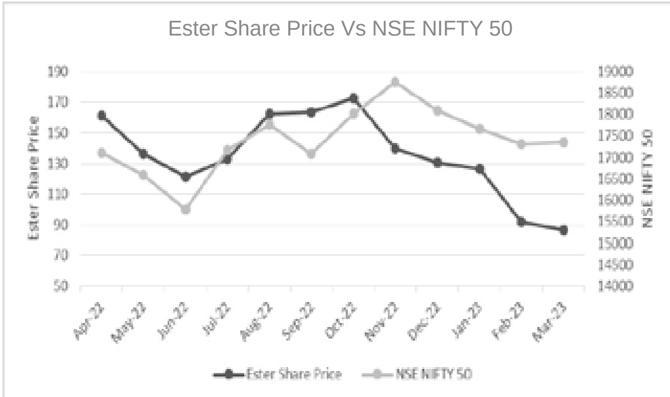
The monthly High and Low prices of shares traded at BSE and NSE during financial year 2022-23 are as under:

Month	(Face value of ₹ 5- per share)			
	BSE Limited (in ₹)		National Stock Exchange of India Limited (in ₹)	
	High	Low	High	Low
Apr-22	187.80	142.90	187.50	143.20
May-22	163.00	123.00	163.00	125.30
Jun-22	143.05	112.50	159.80	113.00
Jul-22	137.15	119.55	137.45	118.85
Aug-22	174.65	126.00	174.50	127.20
Sep-22	180.65	149.90	181.00	149.35
Oct-22	190.00	160.10	190.00	160.00
Nov-22	174.50	133.25	174.80	132.80
Dec-22	144.90	117.20	144.70	118.65
Jan-23	134.95	120.00	135.00	120.00
Feb-23	128.00	88.95	128.25	88.75
Mar-23	101.40	82.30	101.55	82.40

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

The chart below shows the comparison of the Company's share price movement on BSE Limited and National Stock Exchange of India Limited vis-à-vis the movement of the BSE Sensex and NSE Nifty respectively for the financial year ended 31st March, 2023 (based on month end closing):





i) Registrar and Share Transfer Agent

MAS Services Limited,

T - 34, Okhla Industrial Area, Phase - II,
New Delhi - 110 020
Phone No. - 011-26387281/82/83
Fax No. - 011-26387384
E-Mail : investor@masserv.com
Website: www.masserv.com

j) Share Transfer System

In terms of Regulation 40(1) of SEBI (LODR) Regulations, 2015, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Pursuant to SEBI Circular dated 25th January, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

k) **Shareholding as on 31st March, 2023**

Distribution of Shareholding as on 31st March 2023

Shareholding of Nominal Value of ₹ 5 each (Amount in ₹)	No. of Shareholders	% to total holders	No. of shares	% to total shares
1-5000	38003	93.140	5557800	6.664
5001-10000	1288	3.156	1951750	2.340
10001-20000	772	1.892	2239217	2.685
20001-30000	290	0.710	1457130	1.747
30001-40000	111	0.272	779638	0.934
40001-50000	92	0.225	861398	1.032
50001-100000	149	0.365	2127683	2.551
100001 & Above	97	0.237	68419143	82.043
Total	**40802**	**100.00**	**83393759**	**100.00**

Shareholding Pattern as on 31st March 2023:

Category of Shareholder	No. of Shareholders	No. of Shares	% to total shares
A. PROMOTER AND PROMOTER GROUP			
1. Indian			
Individual/HUF	4	303216	0.36
Bodies Corporate	1	490000	0.59
Sub Total (A1)	**5**	**793216**	**0.95**
2. Foreign			
Bodies Corporate	2	52615012	63.09
Sub Total (A2)	**2**	**52615012**	**63.09**
Total Shareholding of Promoter and Promoter Group (A = A1 + A2)	**7**	**53408228**	**64.04**
B. PUBLIC SHAREHOLDING			
1. Institutions			
a. Mutual Funds/UTI	1	10000	0.02
b. Financial Institutions/Banks	5	3800	-
c. Foreign Portfolio Investor	4	267941	0.32
Sub Total (B1)	**10**	**281741**	**0.34**
2. Non Institutions			
a. Bodies Corporate	163	1621263	1.94
b. Resident Individuals	40078	17767991	21.31
c. Non-Resident Individual	510	990569	1.19
d. Foreign Company	1	8086861	9.70
e. IEPF Authority	1	1041158	1.25
f. Any other	32	195948	0.23
Sub Total (B2)	**40785**	**29703790**	**35.62**
Total Public Shareholding (B = B1 + B2)	**40795**	**29985531**	**35.96**
GRAND TOTAL (A) + (B)	**40802**	**83393759**	**100**

l) **Dematerialization of Shares and liquidity**

As on 31st March 2023, 99.14% of the Company's shares were held in dematerialized form.

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on 31st March, 2023, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

n) **Plant locations**

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

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

o) **Address for Correspondence**

i) **For shares held in physical form:**
Registrar and Share Transfer Agent
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: **investor@masserv.com**

ii) **For shares held in demat form:** To the respective depository participant(s).

iii) **For any other query or any complaint:**

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**

p) Credit Rating

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

Tenure	Facility	Rating*
Long term	Fund based	CRISIL A/ Negative (Outlook revised from 'Stable'; Rating Reaffirmed)
Short term	Fund based and Non Fund based	CRISIL A1 (Reaffirmed)

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

q) 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.

ANNEXURE I

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

To

The Board of Directors

Ester Industries Limited

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

a. We have reviewed the Standalone and Consolidated financial statements and the cash flow statement for the financial year ended 31st March, 2023 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee that:

   (1) there have been no significant changes in internal control over financial reporting during the year;

   (2) there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) there have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	**Sd/-**
	Arvind Singhania	**Sourabh Agarwal**
Place: Gurugram	**Chairman & CEO**	**Chief Financial Officer**
Date: 26th May, 2023		

ANNEXURE II

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Arvind Singhania, Chairman & CEO of Ester Industries Limited (“the Company”) hereby confirm that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to the Company, for the financial year 2022-23.

Sd/-
Arvind Singhania
Chairman & CEO

Place: Gurugram
Date: 26th May, 2023

CERTIFICATE ON CORPORATE GOVERNANCE

CIN: L24111UR1985PLC015063

To

The Members of
M/s Ester Industries Limited
Sohan Nagar, P.O. Charubeta, Khatima-262308
Udham Singh Nagar, Uttrakhand

1. We have examined all the relevant records of Ester Industries Limited ("the Company") for the purpose of certifying compliance of conditions of Corporate Governance for the year ended **31st March, 2023** as stipulated in Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange of India Limited and the BSE Limited (collectively referred to as the 'Stock exchanges').

Management Responsibility for compliance with the conditions of Listing Regulations

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India

My Responsibility

4. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2023.

Opinion

6. In our opinion and to the best of my information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2023.

Restriction on Use

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

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this certificate.

For Akash Jain
Practicing Company Secretary

Place: Gurugram
Date: 27th July, 2023

Akash Jain
Membership No.: F9617
CP No.: 9432
PR 838/2020
ICSI UDIN: F009617E000688119

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, Uttrakhand

We have examined the following documents:

i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');

ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of Ester Industries Limited ('the Company') bearing CIN: L24111UR1985PLC015063 and having its registered office at Sohan Nagar, P.O. Charubeta, Khatima-262308 District : Udham Singh Nagar Uttarakhand to the Board of Directors of the Company ('the Board') for the Financial Year 2022-23 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with, Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

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

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

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal *www.mca.gov.in*), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended **31st March, 2023**, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

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

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the financial year ended 31st March, 2023.

For Akash Jain
Practicing Company Secretary

Place: Gurugram
Date: 27th July, 2023

Akash Jain
Membership No.: F9617
CP No.: 9432
PR 838/2020
ICSI UDIN: F009617E000688064

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A – GENERAL DISCLOSURES

I. Details of the Entity

1.	Corporate Identity Number (CIN) of the Company	L24111UR1985PLC015063
2.	Name of the company	ESTER INDUSTRIES LIMITED
3.	Year of incorporation	1985
4.	Registered office address	Sohan Nagar, PO Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
5.	Corporate address	Plot No. 11, Block-A, Infocity-I, Sector -34, Gurugram-122001, Haryana
6.	E-mail	investor@ester.in
7.	Telephone	+91 (0124) 4572100
8.	Website	www.esterindustries.com
9.	Financial year for which reporting is being done	1st April, 2022 to 31st March, 2023
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited; and 2. The National Stock Exchange of India Limited
11.	Paid-up Capital	₹41.70 crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Pradeep Kumar Rustagi Executive Director-Corporate Affairs Email - pradeep.rustagi@ester.in Contact - 0124 - 4572110
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures under this report are made on standalone basis and pertain only to Ester Industries Limited

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

Description of main activity	Description of business activity	% of turnover#
Packaging Film Business	Packaging Film Business consist of Polyester Chips, BOPET Films, Metallized BOPET Films and Coated Films. Varieties of Films that are produced are Shrink PET Film, Holographic Film, Window Film, Metalized Paper etc. It serves customers both in National and International Markets.	72.51
Specialty Polymer Business	Specialty Polymers serve end user applications like carpets, textiles, technical textiles packaging and electronics. It primarily serves customers in International Markets.	16.28
Engineering Plastics Business*	Engineering Plastics Business consists of manufacturing of compounds of PBT, PET, PA6, PA66, PC, ABS, PON and their respective blends. It serves end user applications like automotive, electricals and electronics, telecommunication etc. It serves customers both in National and International Markets.	11.21

**** Engineering Plastics SBU was divested on 15th September, 2022***
 # Based on segment revenue

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

S. No.	Product/Services	NIC Code	% of total turnover contributed
1.	Polyester Chips	22201	2.23
2.	BOPET Film	22201	70.28
3.	Specialty Polymers	22201	16.28
4.	Engineering plastics	22207	11.21

III. Operations

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

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

17. Markets served:

a) Number of locations

Locations	Value (in numbers)
National (No. of states)	Pan-India
International (No. of countries)	55

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

The contribution of exports as a percentage of total turnover of Company on standalone basis is 36.4%.

c) A brief on types of customers:

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

IV. Employees

18. Details as at the end of Financial Year 2022-23

a) Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	419	416	99.3	3	0.7
2.	Other than permanent (E)	45	45	100	0	0
3.	**Total Employees (D + E)**	**464**	**461**	**99.4**	**3**	**0.6**
Workers						
4.	Permanent (F)	129	129	100	0	0
5.	Other than permanent (G)	516	516	100	0	0
6.	**Total Employees (F + G)**	**645**	**645**	**100**	**0**	**0**

b) Differently abled Employees and Workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	1	1	100	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	**Total Employees (D + E)**	**1**	**1**	**100**	**0**	**0**
Workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total Employees (F + G)**	**0**	**0**	**0**	**0**	**0**

19. Participation/inclusion/representation of women

Particulars	Total (A)	No. and % of females	
		No. (B)	% (B / A)
Board of Directors*	10	2	20
Key Management Personnel	4	0	0

*** Board of Directors include 3 KMPs**

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in %)			FY 2021-22 (Turnover rate in %)			FY 2020-21 (Turnover rate in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24.57	25	31.74	20.74	-	20.61	11.92	-	11.86
Workers	8.78	-	8.78	6.31	-	6.31	4.2	-	4.2

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

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

S. No.	Name	Holdings/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Wilemina Finance Corp.	Holding Company	58.82	No
2.	Ester Filmtech Limited	Wholly Owned Subsidiary	100	No

VI. CSR Details

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

(ii) Turnover (in ₹) (FY 2022-23) : ₹ 1,21,348.54 lacs (including ₹ 13,600.66 lacs from discontinued operations)

(iii) Net worth (in ₹) (FY 2022-23) : ₹ 77,441.07 lacs

VII. Transparency and Disclosure Compliances

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

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
	If Yes, then provide web-linkfor grievance redress policy	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	2	0	None	0	0	None
Investors (other than shareholders)	Yes	0	0		0	0	
Shareholders	Yes	21	0		39	0	
Employees and workers	Yes	0	0		0	0	
Customers	Yes	38	3		39	0	
Value chain partners	Yes	0	0		0	0	

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

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

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Positive / negative Financial implications
1.	Air emissions	Risk	Penalties and fines may be imposed for breaching prescribed limits of emissions imposed by State Pollution Control Board (SPCB)	Monitoring all emissions in both the manufacturing locations of the Company.	Negative
2.	Waste Management	Risk	Waste Management practices that are not efficient, adequate and effective may be a risk to environment	We have adopted waste management practices that are efficient and effective to the environment	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Positive / negative Financial implications
3.	Energy Management	Opportunity	Company continues to incur expenditure for optimizing energy consumption that leads to reducing GHG emissions	-	Positive
4.	Occupational Health and Safety	Risk	Occupational health & safety risks due to the nature of operations of the Company	We have Environment Health and Safety (EHS) system in place to ensure minimal industrial accidents	Negative
5.	Water conservation	Opportunity	Recycling and reuse of water using Effluent Treatment Plant (ETP) facilities that ensures minimal wastage of water resource.	-	Positive
6.	GHG emission reduction	Opportunity	Implement energy efficient measures, use of fuels and electricity from renewable resources to implement initiatives undertaken towards GHG emission reduction.	-	Positive
7.	Corporate Governance Practices	Opportunity	Code of Conduct of the Company incorporates the principles by which the Company and its employees are guided.	-	Positive
8.	Community relations and engagement	Opportunity	CSR activities undertaken by the Company focus on healthcare, sanitation, education, eradication of hunger, poverty and malnutrition leads to development of people in the region	-	Positive
9.	Innovation, Research and Development	Opportunity	Continuous R&D efforts ensure development of new products for the market.	-	Positive

SECTION B – MANAGEMENT AND PROCESS DISCLOSURESS

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

Disclosure questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes											
1.	a.	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No)	Yes	No	Yes	Yes	Yes	No	No	Yes	No
	c.	Web-link of the policies, if available	The policies pertaining to P1, P3, and P4 are available on the website of the Company. Rest all are available on the intranet of the Company.								
2.	Whether the entity has translated the policy into procedures. (Yes / No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)		No	No	No	No	No	No	No	No	No
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest stewardship council, Fairtrade, Rainforest alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.		ISO 50001:2018 Food Safety System certification 22000 IATF 16949:2016 ISO 45001:2018 ISO 14001: 2015 ISO 9001:2015 Certificate OEKO-TEX STANDARD 100 Global Recycled Standard								

5.	Specific commitments, goals, and targets set by the entity with defined timelines, if any.	In line with our identified material topics, we have taken the following targets and commitments: 1. Continue to have Injury Free Workplace 2. Enhanced women participation across organization 3. Minimize the impact of its activities on the environment by reducing carbon emissions
6.	Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	There is a mechanism in place to monitor actual performance vis-à-vis targets and commitments. Actual performance will be updated as part of our ESG disclosures.
Governance, leadership and oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) –	It has been our belief that sustainability and growth co-exist and an organization's long-term success to a large extent is determined by its response to environment, society and governance. To achieve sustainability, inclusivity and prosperity, we are making concerted efforts to bring about equalities within and beyond the organization, earn and retain the trust of our stakeholders, and build a greener tomorrow. We make/sell the products which meet the statutory requirement as prescribed by relevant authorities and deliver solutions in the form of leading, sustainable, and trustworthy products in our area of operation. All the production and distribution activities follow the prescribed Waste Management requirements.
8.	Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies	Chairman and Chief Executive Officer who are guided by the Board of Directors comprising of industry experts having diverse and rich experiences.
9.	Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	No
10.	Details of review of NGRBCs by the company	

Subject for review	**Indicate whether the review was undertaken by Director/committee of the board/ any other committee**									**Frequency (Annually/ half-yearly/ quarterly/ any other – please specify)**								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	The policies are reviewed as needed								
Compliance with statutory requirements of relevance to the principles, and, the rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	The compliances are checked quarterly and policies are updated as and when required								

		P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency	Though Independent assessment/evaluation has not been carried out, the Company conducts review of the policies as and when required.								

12.	If answer to question (1) above is "No" i.e., not all principles are covered by a policy, reasons to be stated	Not Applicable

SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of personsin respective category covered by the awarenessprogrammes
Board of Directors	8	The Board of Directors are familiarized inter alia on the following: 1. Business Performance updates 2. Business and Sustainability strategy 3. Governance, Compliance and Regulatory updates	100
Key Managerial Personnel	8	The KMPs are familiarized inter-alia on the following: 1. Company’s Code of Conduct/Prevention of Insider Trading/UPSI 2. POSH 3. Business Performance updates 4. Governance, Compliance and Regulatory updates 5. Vigil Mechanism/Business Ethics Proposal	100
Employeesother than BOD and KMPs	2	1. POSH 2. Health Awareness sessions with external expert	100
Workers	4	Health and safety and skill upgradation, on the job trainings etc.	100

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

Types	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred (yes/no)
No monetary or non-monetary fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings by Ester Industries Limited or by its directors/KMPs with Regulators/law enforcement agencies/judicial institutions in FY23.					

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

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

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

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

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

Particulars	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Not Applicable	0	Not Applicable

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

   No fines/penalties were imposed by regulators/law enforcement agencies/judicial institutions, on account of bribery/corruption and conflict of interest.

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

Essential Indicators

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

Particulars	FY 2022-23	FY 2021-22	Details of improvements in Environmental and social impacts
R&D	Company makes investments in projects targeting reduction in emissions, improved health and safety of the employees and minimizing adverse impact on environment. However, we have not measured the impact specifically.		
Capex			

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

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

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

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

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

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

   Plastics- Capabilities have been developed by Ester to recycle non-usable metallized BOPET film using the de-metallization process. This process has enabled Ester to reduce consumption of virgin raw material.

   Also, hazardous waste gets disposed of through certified vendors.

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

   No. However we are registered as an Authorized Re-cycler of Polyester waste.

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	416	230	55.29	416	100	0	0	416	100	0	0
Female	3	3	100	3	100	2	67	0	0	0	0
Total	**419**	**233**	**55.61**	**419**	**100**	**2**	**0.47**	**416**	**99.28**	**0**	**0**
Other than Permanent Employees											
Male	45	45	100	0	0	0	0	45	100	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**45**	**45**	**100**	**0**	**0**	**0**	**0**	**45**	**100**	**0**	**0**

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

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E /A)	Number (F)	% (F /A)
Permanent Workers											
Male	129	129	100	129	100	0	0	129	100	0	0
Female	0	0	100	0	100	0	0	0	0	0	0
Total	**129**	**129**	**100**	**129**	**100**	**0**	**0**	**129**	**100**	**0**	**0**
Other than Permanent Workers											
Male	516	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**516**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

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

	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	N.A.	100	100	N.A.
ESI	38	10	Yes	40	16	Yes
Superannuation	15	0	Yes	14	0	Yes

3. **Accessibility of workplaces**

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

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

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

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

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

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

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

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

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

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

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

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**419**	**0**	**0**	**523**	**0**	**0**
Male	416	0	0	520	0	0
Female	3	0	0	3	0	0
Total Permanent Workers	**129**	**129**	**100**	**140**	**140**	**100**
Male	129	129	100	140	140	100
Female	0	0	0	0	0	0

8. **Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No.(F)	% (F /D)
Employees										
Male	416	20	4.8	24	5.77	520	30	5.77	32	6.15
Female	3	0	0	0	0	3	0	0	0	0
Total	**419**	**20**	**4.77**	**24**	**5.73**	**523**	**30**	**5.74**	**32**	**6.11**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No.(F)	% (F /D)
Workers										
Male	129	8	6.2	12	9.3	140	15	10.71	12	8.57
Female	0	0	0	0	0	0	0	0	0	0
Total	**129**	**8**	**6.2**	**12**	**9.3**	**140**	**15**	**10.71**	**12**	**8.57**

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	416	416	100	520	520	100
Female	3	3	100	3	3	100
Total	**419**	**419**	**100**	**523**	**523**	**100**
Workers						
Male	129	0	0	140	0	0
Female	0	0	0	0	0	0
Total	**129**	**0**	**0**	**140**	**0**	**0**

10. Health and safety management system:

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

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

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

- Why-why analysis
- Work permit system
- Near miss reporting system
- Gemba walk
- Hazard identification & Risk assessment with Shop floor people
- Internal & External audit
- Work zone monitoring, analysis of Noise assessment

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

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

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

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

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hoursworked)	Employees	0	1.01
	Workers	2.79	2.55
Total recordable work-related injuries	Employees	0	1
	Workers	1	1
Number of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

- All reportable incidents (major or minor), including near misses are recorded and appropriate actions are taken to address the safety concerns.
- An EHS Apex committee has been instituted which meets on a quarterly basis to discuss and find solutions to the safety and health related issues that have been recorded. A closure of such issues is critical, which is monitored at the Plant Head level.
- Further, EHS committees have also been formed at a Department level, which monitor the Health & Safety incidents/issues on a monthly basis.
- Awareness and reinforcement through Safety & Health trainings. We conduct trainings basis our EHS training calendar. 'Tool Box talk' is conducted on regular basis before deployment of employee on a job. We ensure 100% of new employees to go through EHS induction program.
- For any health related matters or emergencies we have a dispensary on the premises, alongwith a fully equipped ambulance at plant.
- There are periodic Safety Audits to identify any unsafe condition or unsafe acts.

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

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety (Observations)	151	2	-	221	0	-

14. **Assessments for the year:**

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

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

Corrective actions defined and executed through the EHS Committees (YTD 2022-23) are as follows:

- Created provision for fire separation for OLC shop.
- Upgradation of Firefighting pump & underground water line change to overhead water line.
- Using the retractable-type knife.
- Guarding all rotatory part.
- Established the emergency escape route and charted out a new emergency exit.
- Installed water sprinkler system to mitigate any ammonia gas leakage

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

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. Ester Industries Limited has recognized both, internal stakeholder which includes employees and leadership and external stakeholder which includes external channels such as regulators, investors and community.

Ester has conducted a full-fledged materiality assessment which involves a process of stakeholder engagement. The company reached out to various groups of identified stakeholders through one on one calls with investors, supply partners and employees to gauge their view.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as vulnerable & marginalized group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulatory bodies	No	• Regulatory fillings • Meetings • Emails • Through Industry Associations	As per requirement	• Compliance requirement • Upcoming rules and regulations • Industry representation on key matters
Shareholders	No	• Regulatory fillings • Company website • Quarterly publication of results in newspapers followed by earning call • Periodic Analysts' briefing	As per requirement	• Financial and non-financial Performance • Response to queries
Suppliers	No	• Emails • Periodic meetings • Visits to supplier's facilities • Website	As per requirement	• Business opportunities, quality and safety of inputs • Supplier evaluation programme • Materials management • Issues faced by Company/ suppliers • Query and grievance redressal
Customers	No	• Emails • Meetings • Conferences • Joint efforts on product development	Regularly	• Product innovation and life-cycle efficiency • Resolution of Customer Complaints • Quality and Safety • New products offerings
Employees	No	• Emails • Notice board • Meetings • Open house sessions with Senior management • Grievance mechanism • Performance feedback • Focused trainings and awareness sessions • Intranet	Regularly	• Career growth prospects • Learning and development programs • Trainings Rewards and Recognition • Occupational Health and Safety • Work environment and policies • Grievance redressal mechanism • Ethics and transparency • IT enablement & digitisation • Employee-oriented work policies
Local Communities	No	CSR projects	Regularly	• Social concerns in the region • Minimising negative environmental impact • Local employment • Local infrastructure development and providing education facilities

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	419	242	57.76	523	295	56.4
Other than permanent	45	0	0	38	0	0
Total Employees	**464**	**242**	**52.15**	**561**	**295**	**52.58**
Workers						
Permanent	129	98	75.97	140	127	90.71
Other than permanent	516	0	0	348	0	0
Total Workers	**645**	**98**	**15.19**	**488**	**127**	**26.02**

Note: Currently, we have a Code of Conduct and Policy on Sexual Harassment in place which covers the aspects of human right. The employees are mandated to abide by these policies before joining the company. Additionally, extracts of the Factory Act prohibiting child/ bonded labour and minimum wages are displayed in factory and office premises for perusal of all employees.

2. **Details of minimum wages paid to employees and workers, in the following format:**

Particulars	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F/ D)
Employees										
Permanent	419	0	0	419	100	523	0	0	523	100
Male	416	0	0	416	100	520	0	0	520	100
Female	3	0	0	3	100	3	0	0	3	100
Other than Permanent	45	0	0	45	100	38	0	0	38	100
Male	45	0	0	45	100	38	0	0	38	100
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	129	0	-	129	100	140	0	0	140	100
Male	129	0	-	129	100	140	0	0	140	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	516	354	68.60	162	31.4	348	226	65.0	122	35.05
Male	516	354	68.60	162	31.4	348	226	65.0	122	35.05
Female	0	0	0	0	0	0	0	0	0	0

3. **Details of remuneration/salary/wages :**

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	8	2,45,000	2	70,000
Key Managerial Personnel*	4	1,59,53,898	0	0
Employees other than BoD and KMP	412	4,52,382	4	10,96,500
Workers	129	3,72,648	0	0

**CFO Mr. Sourabh Agarwal (KMP) has joined services on 16th March, 2023*

4. **Do you have a focal point (individual/committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

We attach lot of value to 'Human Rights' and are committed to create healthy working environment for all our employees to ensure protection of such rights.

Yes, the Company has a Whistle Blower policy, Code of Conduct and various other policies in place to address human rights impacts or issues caused or contributed to by the business. The Chairman of the Audit Committee is responsible for addressing any human rights issues brought to his attention caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

At Ester, guidance on human rights issues is covered as a part of its Code of Conduct. The Company has a Whistle Blower Policy that allows and encourages its stakeholders to raise concerns about the violations against the Code of Conduct. Necessary actions are taken to address the concerns/issues in the best interest of the aggrieved person and the Company by the Chairman of the Audit Committee.

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

Category	FY 2022-23			FY 2021-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Whistle Blower policy mentions a clause on maintaining confidentiality of complainant/ensuring protection against victimization. It states that the disclosures of wrongful conduct are submitted on a confidential basis or submitted anonymously. Such disclosures are confidential to the extent possible, convenient with the need to conduct an adequate investigation. The Company is obligated to take stringent actions against any director, supervisor or employee found to have so violated this clause.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

No. However, necessary steps have been taken to ensure that human rights form part of our business agreements and contacts henceforth.

9. **Assessments of the year**

Particulars	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	100

10. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

Not applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	GJ	2,85,793	3,00,852
Total fuel consumption (B)	GJ	7,87,552	8,25,216
Energy consumption through other sources (C)	GJ	0	0
Total energy consumption (A+B+C)	GJ	10,73,345	11,26,068
Energy intensity per rupee of turnover (Total energy consumption/ turnover in ₹ lacs)	GJ/ Lacs	8.85	8.09

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.**

   Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY2022-23	FY2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	4,06,677	4,94,104
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,06,677	4,94,104
Total volume of water consumption (in kilolitres)	4,06,677	4,94,104
Water intensity per rupee of turnover (Water consumed in KL/ turnover ₹ in Lacs)	3.35	3.55

4. **Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation**

   We have implemented a mechanism for zero liquid discharge ("ZLD") at its factory in Khatima. We have also planned to transform Sitarganj manufacturing location in ZLD within next 1-2 years

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	MT	37.09	59.97
SOx	MT	13.42	14.71
Particulate matter (PM)	MT	110.43	126.30
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others-Please specify	-	-	-

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	10,238	7910
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	54,050	56454
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent/ Turnover ₹ in lacs	0.53	0.46

7. **Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.**

   The Company has taken several initiatives to increase energy efficiency and reduce emissions. Some of the initiatives taken in FY 2022-23 are as follows

   - Installed high-efficiency IE5 motor and impeller in AHU-6 of Film Plant - 1 and saved 8760 units per annum.
   - Installed high-efficiency IE5 motor and impeller in TUT panel room AHU of Film Plant - 3 and saved 38544 per annum units.
   - Stopped Air Washers & Exhaust Blower of Film Plant - 3 during winter season resulting into saving of about 391620 units per annum.
   - The online and offline grinder were shut down within 10 minutes of idle running of Film Plant - 3 resulting into saving of about 6097 units per annum.
   - Provided Limit switch interlock in 2 number air curtains resulting into saving of about 20862 units per annum.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0

Parameter	FY 2022-23	FY 2021-22
E-waste (B)	2.1	0
Bio-medical waste (C)	0.009	0.006
Construction and demolition waste (D)	0	0
Battery waste (E)	36.62	43.950
Radioactive waste (F)	0	0
Other Hazardous waste. (G) (it consists of Process Residue, Waste Chemical, Used /Waste Oil, ETP Sludge and Empty Drums /Container)	250.454	251.769
Other Non-hazardous waste generated (H). (It consists of Boiler Ash)	8,001.6	8,793.15
Total (A+B + C + D + E + F + G + H)	8,290.783	9,088.875
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Re-cycled	245.274	233.979
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**245.274**	**233.979**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	8006.78	8810.94
(iii) Other disposal operations	0	0
Total	8,006.78	8,810.94

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The waste management system are well defined to manage operational waste. Company generates low volume of hazardous waste. It has system in place for safe collection, transportation and disposal of the same through authorized vendors. We are also registered as an Authorized Re-cycler of Polyester waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format :

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearanceare being complied with? (Y/N) If no, the reasons thereof andcorrective action taken, if any.
None			

11. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year :

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The Company has not done any environmental impact assessment in FY 2022-23					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The company is in compliance with all the environmental regulations of the country. There have been no incidents of non-compliance from Company's end related to the environment in FY 2022-23.				

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   As member of several Industry Associations, we regularly have interactions with them for resolution of Industry specific issues. We are affiliated with 6 trade and industry chambers/associations at the national and state level.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CII-Confederation of Indian Industry	National
2	FICCI	National
3	PHDCCI - PHD Chamber of Commerce and Industry	National
4	Plexconcil – The Plastics Export Promotion Council	National
5	Polyester Film Industry Association	National
6	PTA Users Association	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
The Company has not received any adverse order for anti-competitive conduct from any regulatory authorities during the financial year 2022-23		

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year -**

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant web link
Not Applicable					

2. **Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity -**

   No population or their livelihoods have been displaced because of the operations undertaken by the Company. Hence no Rehabilitation and Resettlement (R&R) activities is applicable to us.

S No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered byR&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

   We engage with local communities on a regular basis. Company has a mechanism in place to receive complaints (if any) raised by the communities that it operates in. We take necessary and adequate actions to address such complaints.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	8.63%	7.85%
Sourced directly from within the district and neighboring districts	8.45%	6.07%

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

There is a system in place for gathering and resolving customer complaints. Our Customers Relationship Management team, marketing and sales personnel regularly interacts with the customers through visits/calls/meetings to asses & evaluate their feedback and incorporate the solutions in future dealings. Our endeavor is to resolve the complaints received/ issues raised in the shortest possible time.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about :

	As a % to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

Particulars	FY 2022-23		Remarks	FY 2021-22		Remarks
	Receive during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	None	0	0	None
Advertising	0	0		0	0	
Cyber-security	3	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive trade practices	0	0		0	0	
Unfair trade practices	0	0		0	0	
Other	38	3		39	0	

4. Details of instances of product recalls on account of safety issues :

Particulars	Number	Reason for Call
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy

In today's date and time, continuity of operations is dependent on security and confidentiality of its information systems and associated data. There is a cyber risk management and security policy that is available internally.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services

Not Applicable

Independent Auditor's Report

To

The Members of Ester Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Ester Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year ended, and notes to the standalone financial statements, including 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 standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matter are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Sale of products Revenue of the Company majorly comprises of revenue from sale of polyester films and specialty polymers. The Company sells its products through various distribution channels involving a high volume of sale transactions. The Company recognised an amount of ₹107,747.88 lacs as revenue for the year ended 31 March 2023, as disclosed in Note 25 to the standalone financial statements. Refer Note 4.5.1 for the related accounting policy adopted by the management for recognition of revenue in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'). Revenue recognition is a significant audit risk primarily as there is a risk that revenue is recognised on sale of goods before the control in the goods is transferred. Revenue is also a key performance indicator of the Company and accordingly, testing occurrence of revenue transactions is a key focus area for our audit. We determined this to be a key audit matter due to significant time and effort involved in testing revenue recorded during the year.	Our audit procedures included, but were not limited, to the following: • Obtained an understanding of the process of identification and recording of revenue transaction from sale of polyester films and specialty polymers; • Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions; • Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc.; • On a sample basis, evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition accounting policy adopted by the management is in accordance with Ind AS 115; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; • Evaluated disclosures made in the standalone financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.

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

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend 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 Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The standalone financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2023and the operating effectiveness of such controls, refer to our separate Report in Annexure B where in we have expressed an unmodified opinion; and

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 38 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.;

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

    iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 46 (g) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

    b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 46 (h) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 01 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 23507568BGYWBX5349

Place: Delhi
Date: 26 May 2023

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Ester Industries Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 6A to the standalone financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Sohan Nagar, P.O. Charubeta, Khatima, Distt. Udham Singh Nagar, Uttarakhand and at Plot No.11, Block A, Sector 33 & 34, Gurgaon -122001 with gross carrying values of ₹260.40 lacs and ₹1,426.51 lacs respectively as at 31 March 2023, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) As disclosed in Note 18 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crore by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to review.

(iii) (a) The Company has made investments in and provided loans and guarantee to Subsidiaries during the year as per details given below:

Particulars	Guarantees (₹ in lacs)	Loans (₹ in lacs)
Aggregate amount provided/ granted during the year: - Subsidiaries	11,088.24	1,650.00*
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	44,166.69	-

* Converted into equity during the year (refer Note 37).

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. During the year, this loan was converted into equity and hence the principal amount is not due for repayment, however, the receipt of the interest was regular.

(d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such subsidiary company.

(e) The Company has granted loan or advance in the nature of loan which had fallen due during the year but such loan or advance has not been renewed or extended nor has the Company granted fresh loans to settle the overdue amounts of existing loan or advance given to the same parties. However, such loan has been converted into equity during the year.

(f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	8.06	Nil	March 1990 to May 1991	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	164.20	Nil	April 1990 to February 1992	Commissioner (Appeals), Central Excise, Ghaziabad, UP

Name of the statute	Nature of dues	Gross Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	11.72	Nil	June 1987 to October 1988	Assistant Commissioner, Central Excise, Rampur
Central Excise Act, 1944	Excise Duty	20.61	Nil	March 1991 to May 1991	Commissioner (Appeals), Central Excise, Ghaziabad, UP
Central Excise Act, 1944	Excise Duty	17.23	Nil	April 1992 to November 1993	Commissioner, Central Excise, Meerut, UP
Central Excise Act, 1944	Excise Duty	4.79	Nil	Financial year 1998-99	Commissioner (Appeals), Central Excise, Ghaziabad
Central Excise Act, 1944	Excise Duty	12.95	5.23	April 1991 to November 1992	Joint Commissioner, Meerut II, UP
Central Excise Act, 1944	Excise Duty	1.58	Nil	July 1987 to December 1988	Commissioner, Central Excise, Meerut, UP
Central Excise Act, 1944	Excise Duty	3.09	Nil	Financial year 2009-10	Commissioner (Appeals), Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	2.50	Nil	April 2009 to December 2009	Commissioner (Appeals), Central Excise, Rampur, UP
Central Excise Act, 1944	Excise Duty	6.95	3.95	Financial year 1994-95	Commissioner (Appeals), Noida, UP
Central Excise Act, 1944	Excise Duty	4.32	Nil	Financial year 1994-95	Assistant Commissioner Central Excise, Rampur
Central Excise Act, 1944	Excise Duty	476.73	Nil	March 1997 to March 1998	Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	16.23	8.00	March 2017 to February 2019	Superintendent CGST, Khatima, Uttrakhand
Finance Act, 1994	Service Tax	13.53	Nil	Financial year 2011-12	Assistant Commissioner, Central Excise, Rampur, UP
Finance Act, 1994	Service Tax	123.30	Nil	April 2010 to March 2015	Superintendent Adjudication, Meerut – II
Finance Act, 1994	Service Tax	14.55	Nil	March 2017 to February 2019	Superintendent CGST, Khatima
The Customs Act, 1962	Custom Duty	2.58	Nil	Financial year 1997-98	Additional Commissioner Customs (DEEC), Mumbai
The Customs Act, 1962	Custom Duty	12.07	Nil	January 1997 to March 1998	Additional Commissioner Customs (DEEC), Mumbai
The Customs Act, 1962	Custom Duty	43.05	Nil	April 1998 to March 1999	Commissioner of Customs, Mumbai
Goods & Services Tax, 2017	GST	2.41	2.41	Financial Year 2018-19	Addl. Comm. Grade-2 (Appeals), Trade Tax, Moradabad, U.P.
Goods & Services Tax, 2017	GST	2.33	2.33	Financial Year 2018-19	Joint Commissioner (Appeals), Haldwani, Uttarakhand
Goods & Services Tax, 2017	GST	2.68	2.68	Financial Year 2019-20	Joint Commissioner (Appeals), Haldwani, Uttarakhand
Goods & Services Tax, 2017	GST	1.98	1.98	Financial Year 2019-20	Joint Commissioner (Appeals), Haldwani, Uttarakhand
Income Tax Act, 1961	Income Tax	18.00	Nil	Assessment year 1993-94 to Assessment year 1995-96	Income Tax - Assessing officer
Income Tax Act, 1961	Income Tax	9.19	Nil	Assessment year 1997-98 and Assessment year 2004-05	The Hon'ble Supreme Court of India

Name of the statute	Nature of dues	Gross Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6.63	Nil	Assessment year 2006-07, Assessment year 2007-08 and Assessment year 2011-12	Income Tax - Assessing officer
Income Tax Act, 1961	Income Tax	0.06	Nil	Assessment year 2012-13 and Assessment year 2013-14	Income Tax - Assessing officer
Income Tax Act, 1961	Income Tax	33.68	Nil	Assessment year 2004-05	The Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	45.74	Nil	Assessment year 2014-15	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Income Tax	2.50	Nil	Assessment year 2018-19	Commissioner of Income Tax (Appeals), New Delhi
Income Tax Act, 1961	Income Tax	4.85	Nil	Assessment year 2019-20	Income Tax, Assessing Officer
Income Tax Act, 1961	Income Tax	10.39	Nil	Reassessment for assessment year 2018-19	Income Tax, Assessing Officer

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and financial institutions, representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit, except for one instance aggregating to ₹ 65.00 lacs, identified by the management during the year, as stated under Note 47 to the accompanying standalone financial statements. As informed to us, the Company has taken necessary actions and the aforesaid amount has been charged to the Statement of Profit and Loss.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)of the Order are not applicable to the Company.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) According to the information and explanations given to us and as explained in Note 30(i) of the standalone financial statement, the Company has not transferred unspent amounts towards Corporate Social Responsibility in respect of other than ongoing projects to a Fund specified in Schedule VII to the Act as required under second proviso to sub-section (5) of section 135 of the said Act. However, the time period of six months from the end of financial year as permitted under second proviso to sub-section (5) of section 135 of the Act, has not lapsed till the date of our report.

(b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 23507568BGYWBX5349

Place: Delhi
Date: 26 May 2023

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements of Ester Industries Limited under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Ester Industries Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the I CAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Nitin Toshniwal
Partner
Membership No.:507568
UDIN: 23507568BGYWBX5349

Place: Delhi
Date: 26 May 2023

STANDALONE BALANCE SHEET as at 31 March 2023

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6A	37,008.33	37,966.38
Right of use asset	6B	57.61	835.36
Capital work-in-progress	6C	7,758.95	1,890.53
Intangible assets	6A	64.80	46.16
Financial assets			
Investments	7A	27,000.00	18,068.44
Loans	8A	32.33	14.12
Other financial assets	9A	1,149.87	950.58
Income tax assets (net)	24A	497.95	748.10
Other non-current assets	10	2,802.75	1,759.85
Total non-current assets		**76,372.59**	**62,279.52**
Current assets			
Inventories	11	13,769.53	20,298.64
Financial assets			
Investments	7B	15,393.36	-
Trade receivables	12	13,671.68	19,346.04
Cash and cash equivalents	13	2,834.97	2,288.96
Other bank balances	14	2,200.89	474.23
Loans	8B	56.49	76.17
Other financial assets	9B	81.44	146.35
Other current assets	15	3,242.07	5,228.25
Total current assets		**51,250.43**	**47,858.64**
Total assets		**1,27,623.02**	**1,10,138.16**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16A	4,169.69	4,169.69
Other equity	17	73,271.38	58,676.66
Total equity		**77,441.07**	**62,846.35**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18A	17,451.69	15,826.66
Lease liability	38	1.25	1.25
Provisions	19A	914.23	1,013.71
Deferred tax liabilities (net)	20	3,038.19	3,078.56
Other non-current liabilities	21A	1,818.10	2,029.13
Total non-current liabilities		**23,223.46**	**21,949.31**
Current liabilities			
Financial liabilities			
Borrowings	18B	21,134.17	16,114.99
Lease liability	39	-	46.88
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	22	387.35	829.56
b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	2,210.39	5,412.97
Other financial liabilities	23	1,442.53	1,331.43
Other current liabilities	21B	930.84	1,225.24
Provisions	19B	308.04	305.18
Income tax liabilities (net)	24B	545.17	76.25
Total current liabilities		**26,958.49**	**25,342.50**
Total equity and liabilities		**1,27,623.02**	**1,10,138.16**

Summary of significant accounting policies 1-5

The accompanying notes are integral part of the standalone financial statements.
This is the Balance Sheet referred to in our report of even date.

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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Delhi
Date: 26 May 2023

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Gurugram
Date: 26 May 2023

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Place: Gurugram
Date: 26 May 2023

Sd/-
Sourabh Agarwal
CFO

Place: Gurugram
Date: 26 May 2023

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2023

(₹ in lacs)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	25 and 42	107,747.88	111,024.95
Other income	26	1,721.60	880.42
Total income		**109,469.48**	**111,905.37**
Expenses			
Cost of material consumed		66,670.67	70,271.70
Changes in inventories of finished goods and work-in-progress	27	1,811.01	(2,728.86)
Employee benefits expense	28	5,138.82	5,919.88
Finance costs	29	3,015.50	2,486.31
Depreciation and amortisation expenses	6	3,901.58	3,670.83
Other expenses	30	24,124.56	20,271.89
Total expenses		**104,662.14**	**99,891.75**
Profit before tax from continuing operations		**4,807.34**	**12,013.62**
Tax expense related to continuing operations	31		
Current tax		1,125.36	3,167.59
Tax earlier years		147.50	136.75
Deferred tax		(48.52)	(72.35)
Total tax expenses related to continuing operations		**1,224.34**	**3,231.99**
Profit for the year from continuing operations		**3,583.00**	**8,781.63**
Profit before tax from discontinued operations	41	16,324.30	6,821.46
Tax expense related to discontinued operations	41	3,802.87	1,716.96
Profit for the year from discontinued operations		**12,521.43**	**5,104.50**
Profit after tax		**16,104.43**	**13,886.13**
Other comprehensive income **Items that will not be reclassified to profit or loss**			
Re-measurement gain/ (loss) on defined benefit plans		35.22	(14.73)
Income tax effect		(8.15)	3.76
Total other comprehensive income/(loss) for the year, net of tax		**27.07**	**(10.97)**
Total comprehensive income		**16,131.50**	**13,875.16**
Earnings per equity share			
Basic and Diluted EPS from continuing operations (₹)	32	4.30	10.53
Basic and Diluted EPS from discontinued operations (₹)	32	15.01	6.12
Basic and Diluted EPS from continuing and discontinued operations (₹)	32	19.31	16.65

Summary of significant accounting policies 1-5

The accompanying notes are integral part of the standalone financial statements.
This is the statement of profit and loss referred to in our report of even date.

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

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Delhi
Date: 26 May 2023

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Gurugram
Date: 26 May 2023

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Place: Gurugram
Date: 26 May 2023

Sd/-
Sourabh Agarwal
CFO

Place: Gurugram
Date: 26 May 2023

STANDALONE CASH FLOW STATEMENT for the year ended 31 March 2023

(₹ in lacs)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A	**Cash flows from operating activities**		
	Profit before tax		
	Continuing operations	4,807.34	12,013.62
	Discontinued operations	16,324.30	6,821.46
	Profit before tax including discontinued operations	**21,131.64**	**18,835.08**
	Adjustments for:		
	Depreciation and amortisation expense	3,977.72	3,856.05
	Employee stock option scheme expenses	47.72	62.11
	Loss on sale of property, plant and equipments (net)	94.67	45.04
	Finance costs	2,702.49	1,982.24
	Interest income on financials assets measured at amortised cost	(351.30)	(92.77)
	Unrealised foreign exchange (gain)/ loss (net)	(11.32)	16.07
	Bad debts, advances and irrecoverable balances written off	4.68	-
	Profit on sale of investments (net)	(56.76)	(28.91)
	Profit on sale of business	(14,555.95)	-
	Provisions/ liabilities no longer required written back	(11.82)	(16.14)
	Income recognised on account of government assistance	(251.67)	(253.57)
	Provision/ (reversal) for doubtful debts	10.82	(25.91)
	Provision for doubtful advances	15.39	-
	Gain on fair valuation of financial assets	(309.43)	-
	Provision/ (reversal) for obsolete inventories	7.30	(12.42)
	Operating profit before working capital changes and other adjustments:	**12,444.18**	**24,366.87**
	Working capital changes and other adjustments:		
	(Increase)/ decrease in current and non-current loans	1.47	(19.53)
	(Increase)/ decrease in other non-current and current assets	1,473.33	(2,346.41)
	(Increase)/ decrease in inventories	2,695.00	(6,621.96)
	Decrease in other financial and non-financial liabilities	(465.81)	(634.92)
	Increase/ (decrease) in provisions	47.11	(27.11)
	(Increase)/ decrease in other non-current and current financial assets	(188.76)	587.99
	Increase in trade receivables	(225.42)	(4,204.85)
	Increase/ (decrease) in trade payables	(996.58)	2,484.65
	Cash flow from operating activities post working capital changes	**14,784.52**	**13,584.73**
	Income tax paid (net of refunds)	(998.89)	(5,695.66)
	Net cash flow from operating activities (A)	**13,785.63**	**7,889.07**
B	**Cash flows from investing activities**		
	Purchase of property plant and equipments (including capital work-in-progress, capital advances, capital creditors and intangible assets)	(12,694.22)	(6,093.75)
	Sale of property plant and equipments	63.70	3.20
	(Investment)/ proceeds from bank deposits	(1,910.44)	1,559.11
	Proceeds from pledged deposits(net)	256.70	545.45
	Interest received	192.99	92.77
	Proceed from sale of business (net)	26,326.27	-
	Income tax paid on profit on sale of business	(3,357.77)	-
	Cost incurred on sale of business	(583.33)	-
	Investment in subsidiary	(8,931.56)	(8,433.44)
	Sales/ (purchase) of investment (net)	(14,969.70)	162.04
	Net cash used in investing activities (B)	**(15,607.36)**	**(12,164.62)**
C	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	9,287.36	12,888.18
	Repayment of long-term borrowings	(5,292.58)	(6,881.26)
	Payment of lease liability	(48.26)	(120.24)
	Proceeds of short-term borrowings (net)	2,574.48	5,374.35
	Finance cost paid	(2,568.78)	(1,982.24)
	Dividend paid	(1,584.48)	(2,751.99)
	Net cash flow in financing activities (C)	**2,367.74**	**6,526.80**
D	Net increase in cash and cash equivalents (A+B+C)	546.01	2,251.25
E	Cash and cash equivalents at the beginning of the year (refer note no.13)	2,288.96	37.71
F	**Cash and cash equivalents at the end of the year (D+E) (refer note no.13)**	**2,834.97**	**2,288.96**
	Reconciliation of cash and cash equivalents as per cash flow statement		
	Cash in hand	3.01	3.88
	Balances with banks:		
	In current accounts	4.58	4.58
	Bank deposits with original maturity upto 3 months	2,827.38	2,280.50
	Total of cash and cash equivalents	**2,834.97**	**2,288.96**

This is the cash flow statement referred to in our report of even date.

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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Delhi
Date: 26 May 2023

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Gurugram
Date: 26 May 2023

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Place: Gurugram
Date: 26 May 2023

Sd/-
Sourabh Agarwal
CFO

Place: Gurugram
Date: 26 May 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY as at 31 March 2023

(₹ in lacs)

Equity share capital

Particulars	Opening balance as at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	4,169.69	-	4,169.69	-	4,169.69

Other equity (₹ in lacs)

Particulars	Equity component of redeemable financial instrument	Reserves and surplus						Total
		Securities premium	Capital reserve	Capital redemption reserve	General reserve	Share options outstanding account	Retained earnings	
Balance as at 01 April 2021	**76.83**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	-	**35,908.52**	**47,490.63**
Profit for the year	-	-	-	-	-	-	**13,886.13**	**13,886.13**
Other comprehensive income								
Re-measurement losses on defined benefit plans (net of tax)	-	-	-	-	-	-	(10.22)	**(10.22)**
Share based payment expense	-	-	-	-	-	62.11	-	**62.11**
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(2,751.99)	**(2,751.99)**
Adjustment on account of partial repayment of redeemable financial instrument (foreign currency loan)	(63.62)	-	-	-	-	-	63.62	-
Balance as at 31 March 2022	**13.21**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**62.11**	**47,096.06**	**58,676.66**
Profit for the year	-	-	-	-	-	-	**16,104.43**	**16,104.43**
Other comprehensive income								
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	-	-	27.05	**27.05**
Share based payment expense	-	-	-	-	-	47.72	-	**47.72**
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(1,584.48)	**(1,584.48)**
Adjustment on account of partial repayment of redeemable financial instrument (foreign currency loan)	(13.21)	-	-	-	-	-	13.21	-
Balance as at 31 March 2023	-	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**109.83**	**61,656.27**	**73,271.38**

This is the statement of change in equity referred to in our report of even date.

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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Delhi
Date: 26 May 2023

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Gurugram
Date: 26 May 2023

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Place: Gurugram
Date: 26 May 2023

Sd/-
Sourabh Agarwal
CFO

Place: Gurugram
Date: 26 May 2023

1. **Nature of operations**

Ester Industries Limited ('the Company') is a manufacturer of polyester film and engineering plastics. The Company is domiciled in India and its registered office is situated at Pilibhit Road, Sohan Nagar PO – Charubeta, Khatima District – Udham Singh Nagar, Uttarakhand – 262308.

2. **General information and compliance with Ind AS**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The financial statements for the year ended 31 March 2023 along with the comparative financial information were authorized and approved for issue by the Board of Directors on 26 May 2023. The revision to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3. **Basis of preparation**

The financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the financial statements have been prepared on a historical cost basis except for following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value as explained in relevant accounting policies.
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.
Share based payment	Fair value as explained in relevant accounting policies.

4. **Summary of significant accounting policies**

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

4.1 Current versus non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

4.2 Property, plant and equipment (PPE) and capital work in progress

Recognition and initial measurement

Property plant and equipment, capital work in progress are stated at their cost of acquisition. The cost comprises purchase price, 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 and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful life estimated by the management. The identified components are depreciated separately over their respective useful life; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Asset class	Useful life
Factory buildings*	2 to 30 years
Administrative buildings*	12 to 61.35 years
Plant and equipment*	2 to 40 years
Furniture and fixtures*	5 to 15.79 years
A.C. and Refrigeration	10 years
Office equipment*	2 to 10 years
Computers*	3 to 6.16 years
Vehicles	8 years
Batteries under UPS project (Plant and equipment) *	5 years
Leasehold improvements	Over the period of lease

Depreciation on the amount of additions made to fixed assets due to upgradations / improvements is provided over the remaining useful life of the asset to which it relates. Depreciation on fixed assets added/disposed off during the year is provided on a pro-rata basis to the date, the asset is retired from active use.

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

*For these class of assets, based on detailed technical assessment, the management believes that the useful life as given above best represents the period over which management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

4.3 Intangible assets

Recognition and initial measurement

Intangible assets (softwares and patents) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

Software's are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

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.

The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortisation expense.

De-recognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

4.4 Inventories

Inventories are valued as follows:

Raw materials, components and stores and spares

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

4.5 Revenue recognition

4.5.1 Revenue

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

1) Identifying the contract with a customer
2) Identifying the performance obligations
3) Determining the transaction price
4) Allocating the transaction price to the performance obligations
5) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price (net of variable consideration), which is the consideration, net of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method. The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below.

Advance from customers ("contract liability") is recognised when the Company has received consideration from the customer before it delivers the goods.

Sale of goods

Revenue from sale of goods is recognized when control over ownership of the goods have been passed to the buyer. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. The Company collects sales taxes, value added taxes ('VAT') and GST on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Export benefits

Export benefits constituting duty draw back, merchandise export from India scheme and advance license scheme are accounted for on accrual basis when there is reasonable assurance that the Company will comply with the conditions attached to them and the export benefits will be received. Export benefits under duty draw back and merchandise export from India scheme are considered as other operating income.

4.5.2 Other Income

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are recognised as deferred income and are credited to statement of profit and loss based on the conditions for which the grant was obtained and presented within other income.

Interest

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

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 certain of their ultimate collection.

4.6 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.

4.7 Leases

The Company as a lessee

The Company's leased asset classes primarily consist of leases for certain equipments and building, including warehouses and related facilities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

The Company as a lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

4.8 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.

4.9 Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

4.10 Financial instruments

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets (except for trade receivables) and financial liabilities are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are initially measured at the transaction price. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments of subsidiary**– Investments in equity instruments of subsidiary are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

iii. **Investments in other equity instruments –** Investments in equity instruments which are held for trading are classified s at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iv. **Investments in mutual funds -** The Company has measured its investment in mutual fund at FVTPL in its financial statements. Profit or loss on fair value of mutual fund is recognised in statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Forward contracts

The Company has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.11 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.

4.12 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).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

The Company offsets current tax assets and current tax liabilities; deferred tax assets and deferred tax liabilities; where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.13 Cash and cash equivalents

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

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Government grants – Grants receivables are based on estimates for utilisation of grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted prospectively over the balance life of asset.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Allowance for obsolete and slow-moving inventory - The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the financial statements.

Provisions – At each balance sheet date basis management estimate, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

4.20 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification. Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

a) Represents a separate major line of business or geographical area of operations,

b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or

c) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss

4.21 Share based payment

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered (equity settled transactions).

Under the equity settled share-based payment, the fair value on the grant date of the Options given to employees is recognised as ‘employee benefit expense’ with a corresponding increase in equity over the vesting period. The fair value of the options on the grant date is calculated using an appropriate valuation model.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. An additional expense is recognised for any modification that increases the total fair value of the shares-based payments transactions, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. When the options are exercised, the Company issues fresh equity shares.

5. Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The Company does not expect the amendment to have any significant impact in its financial statements.

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6A. Property, plant and equipment and intangible assets

(₹ in lacs)

Particulars	Property, plant and equipment							Intangible assets	
	Land-freehold	Building	Vehicles	Office equipments	Furniture and fixtures	Plant and equipment	Total	Software	Total
Gross carrying amount									
As at 01 April 2021	**1,653.36**	**6,002.28**	**607.41**	**223.16**	**376.28**	**41,412.44**	**50,274.93**	**248.90**	**248.90**
Additions	-	311.83	49.41	39.88	25.74	3,907.46	**4,334.32**	13.15	**13.15**
Disposal/adjustments	-	(5.88)	(12.13)	(23.99)	-	(299.78)	**(341.78)**	-	-
As at 31 March 2022	**1,653.36**	**6,308.23**	**644.69**	**239.05**	**402.02**	**45,020.12**	**54,267.47**	**262.05**	**262.05**
Additions	321.01	2,406.95	315.88	157.16	105.65	2,675.84	**5,982.49**	78.62	**78.62**
Disposal/adjustments	-	(2,364.48)	(226.95)	(36.32)	(85.83)	(2,109.60)	**(4,823.18)**	(1.67)	**(1.67)**
As at 31 March 2023	**1,974.37**	**6,350.70**	**733.62**	**359.89**	**421.84**	**45,586.36**	**55,426.78**	**339.00**	**339.00**
Accumulated Depreciation									
As at 01 April 2021	-	**938.59**	**40.64**	**77.76**	**138.18**	**11,701.24**	**12,896.41**	**169.10**	**169.10**
Depreciation charge for the year									
Continuing operation	-	199.19	106.58	38.85	30.61	3,140.23	**3,515.46**	46.31	**46.31**
Discontinued operation	-	15.58	4.41	1.90	1.13	159.74	**182.76**	0.48	**0.48**
Disposal/adjustments	-	(5.20)	(5.10)	(20.89)	-	(262.35)	**(293.54)**	-	-
As at 31 March 2022	-	**1,148.16**	**146.53**	**97.62**	**169.92**	**14,738.86**	**16,301.09**	**215.89**	**215.89**
Depreciation charge for the year									
Continuing operation	-	209.24	115.93	39.96	38.08	3,402.64	**3,805.85**	59.07	**59.07**
Discontinued operation	-	6.80	1.94	0.99	0.45	64.19	**74.37**	0.26	**0.26**
Disposal/adjustments	-	(2.30)	(171.01)	(12.06)	(52.44)	(1,525.05)	**(1,762.86)**	(1.02)	**(1.02)**
As at 31 March 2023	-	**1,361.90**	**93.39**	**126.51**	**156.01**	**16,680.64**	**18,418.45**	**274.20**	**274.20**
Net block									
As at 31 March 2022	**1,653.36**	**5,160.07**	**498.16**	**141.43**	**232.10**	**30,281.26**	**37,966.38**	**46.16**	**46.16**
Continuing operation	1,653.36	4,832.68	473.81	132.54	225.48	29,441.04	36,758.91	45.11	**45.11**
Discontinued operation	-	327.39	24.35	8.89	6.62	840.22	1,207.47	1.05	**1.05**
As at 31 March 2023	**1,974.37**	**4,988.80**	**640.23**	**233.38**	**265.83**	**28,905.72**	**37,008.33**	**64.80**	**64.80**
Continuing operation	1,974.37	4,988.80	640.23	233.38	265.83	28,905.72	37,008.33	64.80	**64.80**
Discontinued operation	-	-	-	-	-	-	-	-	-

Footnotes:

(i) Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Refer note 18 for information on property, plant and equipment pledged as security by the Company.

(iii) Disposals include property, plant and equipment of discontinued operations. Refer note 41.

6B. Right of use asset (₹ in lacs)

Particulars	Land	Plant and equipment	Total
Gross carrying amount			
As at 01 April 2021	**59.88**	**319.88**	**379.76**
Additions	737.19	-	737.19
As at 31 March 2022	**797.07**	**319.88**	**1,116.95**
Additions	-	-	-
As at 31 March 2023	**797.07**	**319.88**	**1,116.95**
Accumulated depreciation			
As at 01 April 2021	**0.95**	**169.60**	**170.55**
Charge for the year			
Continuing operation	0.75	108.31	**109.06**
Discontinued operation	1.98	-	**1.98**
As at 01 April 2022	**3.68**	**277.91**	**281.59**
Charge for the year			
Continuing operation	0.75	35.91	36.66
Discontinued operation	1.52	-	1.52
Disposal on lease	733.51	6.06	739.57
As at 31 March 2023	**739.46**	**319.88**	**1,059.34**
Net carrying amount			
As at 31 March 2022			
Continuing operation	**58.36**	**41.97**	**100.33**
Discontinued operation	**735.03**	-	**735.03**
As at 31 March 2023			
Continuing operation	**57.61**	-	**57.61**
Discontinued operation	-	-	-

(i) Disposals include right of use asset of discontinued operations. Refer note 41.

6C. Capital work-in-progress

Description	Amount
As at 01 April 2021	**2,194.52**
Additions	2,876.93
Capitalised	(3,180.92)
As at 31 March 2022	**1,890.53**
Continuing operation	1,620.21
Discontinued operation	270.32
Additions	9,133.83
Capitalised	(903.92)
Disposal (engineering plastic business)	(2,361.49)
As at 31 March 2023	**7,758.95**
Continuing operation	7,758.95
Discontinued operation	-

The capital work-in- progress ageing schedule for the years ended 31 March 2023 and 31 March 2022 is as follows:

Amount in capital work-in 31 March 2023 (₹ in lacs)

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work-in-progress	6,565.21	1,065.98	27.28	-	**7,658.47**
Capital work-in-progress temporarily suspended	-	100.48	-	-	**100.48**

Amount in capital work-in 31 March 2022 (₹ in lacs)

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work-in-progress	1,863.73	26.80	-	-	**1,890.53**
Capital work-in-progress temporarily suspended	-	-	-	-	-

7. Investments

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
A) Non-current		
Investment carried at amortized cost - Equity Shares		
Subsidiary company		
Ester Filmtech Limited - equity shares (unquoted)	27,000.00	18,068.44
[270,000,000 (31 March 2022 : 180,684,390) shares of ₹ 10 each]		
	27,000.00	**18,068.44**
B) Current		
Investments carried at fair value through profit and loss - Mutual Funds		
ICICI Prudential Overnight fund Direct Plan Growth Units 1,26,47.57 (31 March 2022 : Nil) of ₹ 1,208.48	152.84	-
ICICI Prudential blue chipfund-Direct Plan Growth Units 2,92,997.18 (31 March 2022 : Nil) of ₹ 73.20	214.47	-
ICICI Prudential Nifty 50 Index Fund -Direct Plan Growth Units 1,51,583.80 (31 March 2022 : Nil) of ₹ 177.607	269.22	-
IIFL Wealth Prime Ltd 364 D cp 03.10.2023 Units 340.00 (31 March 2022 : Nil) of ₹ 4,81,676.829	1,637.70	-
IIFL Wealth Prime Ltd 31 Jul 2024 Units 89.00 (31 March 2022 : Nil) of ₹ 10,56,119	939.95	-
KMIL 27-Aug-24 MLD Units 145.00 (31 March 2022 : Nil) of ₹ 10,35,868	1,502.01	-
IIFLWPL-7%28 FEB 2024 Units 119.00 (31 March 2022 : Nil) of ₹ 10,88,105	1,294.84	-
IIFLWPL-7%-28FEB2024 Units 56.00 (31 March 2022 : Nil) of ₹ 10,86,721	608.56	-
MIRAE ASSET Overnight Fund Direct Plan - Growth Units 5,921.62 (31 March 2022 : Nil) of ₹ 1,149.24	68.05	-
MIRAE ASSET Large Cap Fund -Direct Plan -Growth Units 2,28,926.84 (31 March 2022 : Nil) of ₹ 84.47	193.38	-
SBI Overnight Fund Direct Growth Units 898.98 (31 March 2022 : Nil) of ₹ 3,649.25	32.81	-
SBI Nifty Next 50 Index Fund -Direct Plan -Growth Units 11,51,119.60 (31 March 2022 : Nil) of ₹ 10.33	118.94	-
UTI Overnight Fund - Direct Plan Growth Units 1,382.72 (31 March 2022 : Nil) of ₹ 3,068.63	42.43	-
UTI Flexi Cap Fund -Direct Plan Growth Units 69,476.67 (31 March 2022 : Nil) of ₹ 232.46	161.51	-
Bharat Bond of- Direct Plan Growth Units 126,38,290.91 (31 March 2022 : Nil) of ₹ 12.22	1,544.44	-
IIFL Commercial Yield Fund Units 97,65,708.95 (31 March 2022 : Nil) of ₹ 10.487	1,024.15	-
UTI MMF -Direct Plan Growth Units 7,937.70 (31 March 2022 : Nil) of ₹ 2,634.86	209.15	-
TATA Treasury Advantage Fund - Direct Plan Units 9,071.34 (31 March 2022 : Nil) of ₹ 3,415.95	309.87	-
KOTAK Corporate Bond fund direct growth Units 18,904.17 (31 March 2022 : Nil) of ₹ 3,276.23	619.35	-
ABSL Nifty Sdl Plus PSU Bond Sep 2026 60 Units 118,85,065.698 (31 March 2022 : Nil) of ₹ 10.463	1,243.48	-

7. Investments

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Aditya Birla Sun Life Corporate Bond Fund Units 3,28,851.233 (31 March 2022 : Nil) of ₹ 94.390	310.40	-
Aditya Birla Sun Life Banking & PSU DEBT Units 1,00,067.015 (31 March 2022 : Nil) of ₹ 3,09.33	309.54	-
HDFC Credit Risk Debt Fund Collections Units 14,36,806.111 (31 March 2022 : Nil) of ₹ 21.59	310.23	-
Nifty PSU Bond Plus SDL Sep 2007 Units 119,19,657.521 (31 March 2022 : Nil) of ₹ 10.44	1,244.40	-
UTI Nifty 50 Index Fund - Regular Plan Growth Units 1,49,198.94 (31 March 2022 : Nil) of ₹ 116.672	174.07	-
HDFC Large and Mid Cap Fund - Direct Growth Plan Units 88,439.62 (31 March 2022 : Nil) of ₹ 198.25	175.34	-
UTI Flexi Cap Fund -Direct Plan Growth Units 72,440.58 (31 March 2022 : Nil) of ₹ 232.463	168.40	-

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through profit and loss - Mutual Funds (cont'd)		
ICICI Prudential Value Discovery Fund -Direct Plan Growth Units 60,743.69 (31 March 2022 : Nil) of ₹ 297.14	180.49	-
SBI Contra Fund - Direct Plan -Growth Units 74,911.93 (31 March 2022 : Nil) of ₹ 242.06	181.34	-
BOI balanced advantage fund Units 5,55,534.57 (31 March 2022 : Nil) of ₹ 18.378	102.10	-
BOI multicap fund regular plan-Growth Units 499,975 (31 March 2022 : Nil) of ₹ 9.98	49.90	-
Total current investment	**15,393.36**	**-**
Aggregate amount of quoted investments (this represents market value as well)	**15,393.36**	**-**
Aggregate amount of impairment in the value of investments	**-**	**-**

8. Loans

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
A) Non-current		
Loans considered good- unsecured		
Loans to employees	32.33	14.12
Total non-current loans (A)	**32.33**	**14.12**
B) Current		
Loans considered good- unsecured		
Loans to employees	56.49	76.17
Total current loans (B)	**56.49**	**76.17**
Total loans (A+B)	**88.82**	**90.29**

There are no debt/ loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

9. Other financial assets

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
A) Non-current (carried at amortised cost) (Unsecured considered good)		
Bank deposits with maturity of more than 12 months (refer note 14)	252.63	245.80
Security deposits*	897.24	704.78
Total non-current other financial assets (A)	**1,149.87**	**950.58**
B) Current (Unsecured considered good)		
Derivative asset	2.04	1.22
Security deposits	68.40	134.13
Others	11.00	11.00
Total current other financial assets (B)	**81.44**	**146.35**
Total other financial assets(A+B)	**1,231.31**	**1,096.93**

*Deposits includes deposits with Uttarakhand Power Corporation Limited which carries interest of 4.25% per annum (31 March 2022: 4.50% per annum).

10. Other non-current assets

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Capital advances	2,795.02	1,749.54
Prepaid expenses	5.14	7.72
Balances with government authorities	2.59	2.59
Total other non-current assets	**2,802.75**	**1,759.85**

11. Inventories

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Raw materials {including goods in transit ₹ 316.27 lacs (31 March 2022: ₹ 2,384.70 lacs)}	6,407.21	9,823.28
Work-in-progress	1,376.45	1,918.94
Finished goods {including goods in transit ₹ 1,032.06 lacs (31 March 2022: ₹ 2,598.32 lacs)}	3,152.39	5,882.26
Stores and spares {including goods in transit ₹ 24.82 lacs (31 March 2022: ₹ 25.29 lacs)}	2,833.48	2,674.16
Total inventories	**13,769.53**	**20,298.64**

(i) During the year, the Company has reversed a provision of ₹ 85.33 lacs (in 31 March 2022 provision reversed: ₹ 115.59 lacs) for raw material and store and spares inventories. The reversal is due to change in ageing buckets of inventory.

(ii) The Company has provision outstanding of ₹ 184.68 lacs for raw material and ₹ 62.22 lacs for stores and spares as at 31 March 2023 (31 March 2022 : raw material ₹ 276.49 lacs and stores and spares ₹ 55.75 lacs).

12. Trade receivables

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good - unsecured	13,688.45	19,356.84
Less: allowance for expected credit losses	(16.77)	(10.80)
	13,671.68	19,346.04
Trade receivables credit impaired	4.85	-
Less: allowance for credit impairment	(4.85)	-
	-	-
Total trade receivables	**13,671.68**	**19,346.04**

* For credit risk related disclosures, refer note 34A(b).

(i) Trade receivables ageing schedule is as follows: **(₹ in lacs)**

Particulars	As at 31 March 2023					
	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	13,671.68	-	-	-	-	**13,671.68**
(ii) Undisputed trade receivables – which have significant increase in credit risk	13.89	1.18	1.13	0.33	0.24	**16.77**
(iii) Undisputed trade receivables – credit impaired	-	-	4.85	-	-	**4.85**
Gross trade receivables						**13,693.30**
Less: allowance for trade receivables						(21.62)
Total trade receivables						**13,671.68**

(₹ in lacs)

Particulars	As at 31 March 2022					
	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	19,341.68	4.36	-	-	-	**19,346.04**
(ii) Undisputed trade receivables – which have significant increase in credit risk	2.45	5.05	3.06	0.24	-	**10.80**
Gross trade receivables						**19,356.84**
Less: allowance for trade receivables						(10.80)
Total trade receivables						**19,346.04**

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

	As at 31 March 2023	As at 31 March 2022
Cash on hand	3.01	3.88
Balances with banks		
In current accounts	4.58	4.58
Bank deposits with original maturity upto 3 months**	2,827.38	2,280.50
Total cash and cash equivalents	**2,834.97**	**2,288.96**

14. Other bank balances **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Earmarked bank balances		
Unpaid dividend accounts *	74.37	62.09
Bank deposits		
Deposits with remaining maturity for less than 12 months	2,126.52	412.14
Deposits with remaining maturity for more than 12 months	252.63	245.80
**Total ** **	**2,453.52**	**720.03**
Less:- Amount disclosed under non-current financial assets (refer note 9)	(252.63)	(245.80)
Total other bank balances	**2,200.89**	**474.23**

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

** Margin money deposit (including interest accrued) of ₹ 5,206.53 lacs (31 March 2022: ₹ 738.44 lacs) are subject to lien of lending banks for securing letter of credit, bank guarantee and other facilities sanctioned by them.

15. Other current assets

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Considered good		
Receivables under export benefit scheme	443.26	719.05
Advance to vendors	1,035.66	2,192.46
Prepaid expenses	555.99	505.32
Balances with government authorities	1,195.83	1,810.54
Other advances	11.33	0.88
	3,242.07	**5,228.25**
Considered doubtful		
Receivables under export benefit scheme	44.70	29.31
Other advances	50.27	50.27
Less: Provision of export benefit receivable	(44.70)	(29.31)
Less: Provision of other advances	(50.27)	(50.27)
	-	-
Total other current assets	**3,242.07**	**5,228.25**

16 A. Equity share capital

	As at 31 March 2023		As at 31 March 2022	
i) Authorised	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Equity shares of ₹ 5 each	15,00,00,000	7,500.00	15,00,00,000	7,500.00
Equity shares of ₹ 10 each	4,79,60,000	4,796.00	4,79,60,000	4,796.00
		12,296.00		**12,296.00**
ii) Issued, subscribed and fully paid up				
Equity shares of ₹ 5 each	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

	As at 31 March 2023		As at 31 March 2022	
Equity shares	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ 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 ₹ 5 per share. Each equity shareholder is entitled for one vote per share. The Company declares and pays dividend in Indian rupees (₹). The final dividend proposed by the Board of Director is subject to the approval of the shareholder in the ensuing annual general meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

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

	As at 31 March 2023		As at 31 March 2022	
Name of the equity shareholder	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Wilemina Finance Corporation, Holding Company				
Equity shares of ₹ 5 each fully paid	4,90,55,012	2,452.75	4,84,55,012	2,422.75
	4,90,55,012	**2,452.75**	**4,84,55,012**	**2,422.75**

vi) Shareholding of promoters are as follows:

Promoter Name	As at 31 March 2023		
	No. of Shares	% of total shares	% change during the period
Arvind Singhania	150	-	-
Uma Devi Singhania	175	-	16.67%
Jai Vardhan Singhania	1,24,858	0.15	-
Ayush Vardhan Singhania	1,78,033	0.21	-
Fenton Investments Private Limited	4,90,000	0.59	-
MOVI Limited	35,60,000	4.27	(14.42%)
Wilemina Finance Corporation	4,90,55,012	58.82	1.24%

Promoter Name	As at 31 March 2022		
	No. of Shares	% of total shares	% change during the period
Arvind Singhania	150	-	-
Uma Devi Singhania	150	-	-
Jai Vardhan Singhania	1,24,858	0.15	-
Ayush Vardhan Singhania	1,78,033	0.21	-
Fenton Investments Private Limited	4,90,000	0.59	-
MOVI Limited	41,60,000	4.99	(33.55%)
Wilemina Finance Corporation	4,84,55,012	58.10	4.53%

vii) Details of shareholder holding more than 5% shares in the Company

	As at 31 March 2023		As at 31 March 2022	
	Number	%	Number	%
Wilemina Finance Corporation, Holding Company				
Equity shares of ₹ 5 each fully paid	4,90,55,012	58.82%	4,84,55,012	58.10%
Movi Limited, Promotor Group Company				
Equity shares of ₹ 5 each fully paid	35,60,000	4.27%	41,60,000	4.99%
Vettel International Limited, Public Shareholder				
Equity shares of ₹ 5 each fully paid	80,86,861	9.70%	80,86,861	9.70%

viii) No shares were allotted as fully paid up by way of bonus issue and/or brought back in the current reporting year and in last five years immediately preceding the current reporting year.

16 B. Preference shares **(₹ in lacs)**

	As at 31 March 2023		As at 31 March 2022	
i) Authorised	Number	Amount (₹ in lacs)	Number	Amount (₹ in lacs)
Cumulative convertible preference shares of ₹ 50 each	6,00,000	300.00	6,00,000	300.00
Redeemable cumulative preference shares of ₹ 50 each	80,00,000	4,000.00	80,00,000	4,000.00
		4,300.00		**4,300.00**

No preference shares have been issued as yet.

17. Other equity (refer statement of changes in equity)

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
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	61,656.27	47,096.06
Share options outstanding account	109.83	62.11
Equity component of redeemable financial instrument	-	13.21
Total	**73,271.38**	**58,676.66**

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.

Share options outstanding account

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The share options outstanding account is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 43 for further details of the scheme.

Equity component of redeemable financial instrument

The same has been created in accordance with Indian accounting standard (Ind AS) 109 against the Redeemable financial instrument (foreign currency loan) and it will be transfer to Retained earning when loan fully repaid.

18. (A) Borrowings

(₹ in lacs)

A) Non-current*	As at 31 March 2023	As at March 31, 2022
Secured loans		
Term loans from:		
Banks	7,634.55	7,063.66
Financial institution	9,555.90	8,496.12
Vehicle loans	261.24	170.15
Unsecured loans		
Redeemable financial instrument (foreign currency loan) from related party	-	96.73
Total borrowings - non-current	**17,451.69**	**15,826.66**

* For liquidity risk related disclosures, refer note 34B.

I. Term loans

a) From Canara Bank of ₹ 301.71 lacs (31 March 2022 : ₹ 725.09 lacs) as capex loan for augmentation of capital expenditure (modification, de-bottlenecking, modernization, cost reduction and maintenance capex). The term loan bearing floating interest at the MCLR plus 0.65% per annum. The term loan is repayable in 60 equal monthly instalments starting from September 2019.#

b) From Karnataka Bank Limited of ₹ 1,366.09 lacs (31 March 2022 : ₹ 1,992.37 lacs) as capex loan for capital expenditure (purchase of plant and equipments). The term loan bearing floating interest at the MCLR plus 0.50% per annum. The term loan is repayable in 60 unequal monthly instalments starting from October 2020.##

c) From Tata Capital Financial Services Limited of ₹ 122.86 lacs (31 March 2022 : ₹ 546.66 lacs) as corporate loan for augmentation of working capital bearing floating interest at the LTLR minus 9.50% per annum. The corporate loan is repayable in 16 unequal quarterly instalments starting from Sep 2019.#

d) From Tata Capital Financial Services Limited of ₹ 1,220.01 lacs (31 March 2022 : ₹ 1,773.52 lacs) has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited). The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon andfirst and exclusive charge over the hypothecation of certain plant and equipments installed at factory premises at Uttarakhand and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 9.10% per annum. The loan is repayable in 54 equal monthly instalments starting from Dec 2020.

e) From Tata Capital Financial Services Limited of ₹ 2,614.84 lacs (31 March 2022 : ₹ NIL) has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan bearing floating interest at the LTLR minus 11.25% per annum. The loan is repayable in 54 equal monthly instalments starting fromJune 2022. ##

f) From Tata Capital Financial Services Limited of ₹ 877.24 lacs (31 March 2022 : ₹ NIL) has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon andfirst and exclusive charge over the hypothecation of certain plant and equipments installed at factory premises at Uttarakhand and further securedby irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 11.25% per annum. The loan is repayable in 84 equal monthly instalments starting from June 2022.

g) From Bajaj FinanceLimited of ₹ 2,386.49 lacs (31 March 2022 : ₹ 2,979.01 lacs) as loan for general corporate and capex purpose. The term loan bearing floating interest linked to BFL IRR at the rate of 8.00% per annum. The term loan is repayable in 60 equal monthly instalments starting from April 2022 .##

Term loans (cont'd)

h) From Bajaj Finance Limited of ₹ 2,984.7 lacs (31 March 2022 : ₹ 1,978.19 lacs) as loan for general corporate and capex purpose. The term loan bearing floating interest linked to BFL IRR at the rate of 7.35% per annum. The term loan is repayable in 20 equal quarterly instalments starting from May 2023 .##

i) From IDFC Limited of ₹ 315.96 lacs (31 March 2022 : ₹ 944.99 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the MCLR plus 1,50% per annum. The term loan is repayable in 12 equal quarterly instalments starting from Dec 2020.#

j) From IDFC Limited of ₹ 860.45 lacs (31 March 2022 : ₹ 1,501.51 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the MCLR plus 0.30% per annum. The term loan is repayable in 37 equal monthly instalments starting July 2021.#

k) From Axis Finance Limited of ₹ 2,784.82 lacs (31 March 2022 : ₹ 3,373.75 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the MCLR plus .85% per annum. The term loan is repayable in 18 unequal quarterly instalments starting March 2022.##

l) From QNB Bank of ₹ 3,983.25 lacs (31 March 2022 : ₹ 3,973.91 lacs) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the MCLR plus 1.80% per annum. The term loan is repayable in 42 equal monthly instalments starting April 2023.#

m) From Shinhan Bank of ₹ 3990.16 lacs (31 March 2022 : ₹ NIL) as capex loan for capital expenditure incurred by the Company. The term loan bearing floating interest at the repo rate plus 2.10% per annum. The term loan is repayable in 18 equal quarterly instalments starting Dec 2023.##

Above term loans are secured by first pari passu charge on fixed assets of the Company (both present and future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited & Vehicles and second Pari passu charge on current assets and further secured by irrevocable guarantee of its holding company and personal guarantee of Mr. Arvind Singhania.

Above term loans are secured by first pari passu charge on fixed assets of the Company (both present and future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and second Pari passu charge on current assets and further secured by irrevocablepersonal guarantee of Mr. Arvind Singhania.

II. **Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the loans. Vehicle loans bearing interest rates ranging from 7.25% per annum to 9.40% per annum. These loans are repayable in monthly instalments till May 2027.

18. (B) Current Borrowings*	**As at 31 March 2023**	**As at 31 March 2022**
Secured		
Loans repayable on demand		
Working capital loans from banks	11,038.05	4,675.38
Other loans		
Bills discounting	-	146.43
Acceptances	3,329.35	6,300.30
Buyers' credit for raw material	-	672.19
Current Maturities of long term loan	6,766.77	4,320.69
Total borrowings - current	**21,134.17**	**16,114.99**

* For liquidity risk related disclosures, refer note 34B.

Working capital loans, bills discounting, acceptances and buyer's credit for raw materials : These loans are secured by first charge by way of hypothecation of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of its holding Company and personal guarantee of Mr. Arvind Singhania. Working capital, bill discounting facilities, acceptances and buyer's credit for raw materials are further secured by way of second charge in respect of immovable properties and movable fixed assets except fixed assets that are exclusively charged to Tata Capital Financial Services Limited.

The working capital loans from banks bear floating interest rate at MCLR plus ranging from 0.65% per annum to 1.20% per annum. The bill discounting from banks bear floating interest rate ranging from 7.55% per annum to 8.60% per annum.

The quarterly returns/statements of current assets filed by the Company with banks or financial institutions in relation to secured borrowings / sanctioned loans, wherever applicable, are in agreement with the books of accounts

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

(₹ in lacs)

Particulars	**Borrowings**		
	Non-current borrowings	**Current**	**Lease liabilities**
01 April 2022	**15,826.66**	**16,114.99**	**48.13**
Cash flows:			
- Repayments	(5,292.58)	-	(48.26)
- Proceeds net of amortisation of upfront fees	9,287.36	2,574.48	-
- Net impact of reclassification as per schedule III	(2,444.70)	2,444.70	-
Non cash:			
-Finance cost adjustment for effective interest rate	74.95	-	1.38
31 March 2023	**17,451.69**	**21,134.17**	**1.25**

(₹ in lacs)

Particulars	Borrowings		
	Non-current borrowings	Current	Lease liabilities
01 April 2021	9,890.33	10,733.58	155.70
Cash flows:			
- Repayments	(6,881.26)	-	(120.24)
- Proceeds net of amortisation of upfront fees	12,888.18	5,374.35	-
Non cash:			
-Finance cost adjustment for effective interest rate	(70.59)	-	-
-Interest on lease liabilities	-	-	5.23
-Unrealised foreign exchange loss on buyers credit for raw material	-	7.06	-
-Addition during the year	-	-	7.44
31 March 2022	**15,826.66**	**16,114.99**	**48.13**

19. Provisions

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
A) Provisions - non-current		
Provision for gratuity (refer note 40)	709.73	783.37
Provision for compensated absence	204.50	230.34
Total provisions - non-current	**914.23**	**1,013.71**
B) Provisions - current		
Provision for gratuity (refer note 40)	236.53	235.54
Provision for compensated absence	71.51	69.64
Total provisions - current	**308.04**	**305.18**
Total provisions (A+B)	**1,222.27**	**1,318.89**

20. Deferred tax liabilities (net)

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities	3,382.13	3,540.63
Less: Deferred tax assets	343.94	462.07
Deferred tax liabilities (net)	**3,038.19**	**3,078.56**

(₹ in lacs)

Particulars	As at 01 April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at 31 March 2023
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	3,539.32	(157.19)	-	-	3,382.13
Redeemable financial instrument	1.31	(1.31)	-	-	-
Total	**3,540.63**	**(158.50)**	-	-	**3,382.13**

(₹ in lacs)

Particulars	As at 01 April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at 31 March 2023
Deferred tax assets arising on account of :					
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	462.07	(128.63)	-	-	333.44
Employee benefits	-	8.15	(8.15)	-	-
Others	-	10.50	-	-	10.50
Total	**462.07**	**(109.98)**	**(8.15)**	-	**343.94**
Deferred tax liabilities (net)	**3,078.56**	**(48.52)**	**8.15**	-	**3,038.19**

(₹ in lacs)

Particulars	As at 01 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at 31 March 2022
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	3,635.69	(96.37)	-	-	3,539.32
Redeemable financial instrument	22.21	(20.90)	-	-	1.31
Total Deferred tax assets arising on account of :	**3,657.90**	**(117.27)**	-	-	**3,540.63**
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	490.49	(28.42)	-	-	462.07
Employee benefits	-	(3.76)	3.76	-	-
Others	12.73	(12.73)	-	-	-
Total	**503.22**	**(44.91)**	**3.76**	-	**462.07**
Deferred tax liabilities (net)	**3,154.68**	**(72.36)**	**(3.76)**	-	**3,078.56**

21. Other liabilities (₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
A) Non-current		
Deferred income*	1,818.10	2,029.13
Total non current liabilities (A)	**1,818.10**	**2,029.13**
B) Current		
Deferred income*	234.87	250.81
Revenue received in advance	250.70	431.45
Statutory dues	445.27	542.98
Total current liabilities (B)	**930.84**	**1,225.24**
Total other liabilities (A+B)	**2,748.94**	**3,254.37**

* Represents government assistance in form of duty benefit availed under Export Promotion Capital Goods ('EPCG') scheme on purchase of property, plant and equipment accounted for as government grants and being amortised over useful life of such assets.

22. Trade payable

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Trade payables		
Trade payables		
-total outstanding dues of micro enterprises and small enterprises*	387.35	829.56
-total outstanding dues of creditors other than micro enterprises and small enterprises	2,210.39	5,412.97
Total trade payables	**2,597.74**	**6,242.53**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2023:

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
Principal amount*	479.91	894.45
Interest due thereon	-	-
ii. The amount paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;		
Principal amount	-	-
Interest due thereon	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

*includes capital creditors of ₹ 92.56 lacs. (31 March 2022: 64.89 lacs) (refer note 23).

Trade payables ageing is as follows: (₹ in lacs)

Particulars	As at 31 March 2023				
	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 to 3 years	More than 3 Years	Total
(i) Micro enterprises and small enterprises	383.23	-	4.12	-	387.35
(ii) Others	2,126.92	73.45	7.38	2.64	2,210.39

(₹ in lacs)

Particulars	As at 31 March 2022				
	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 to 3 years	More than 3 Years	Total
(i) Micro enterprises and small enterprises	829.56	-	-	-	829.56
(ii) Others	5,016.14	392.33	4.50	-	5,412.97

23. Other financial liabilities

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Current		
Capital creditors*	583.75	302.95
Unpaid dividend	74.37	62.09
Deposits from dealer/ customer and others	35.12	31.29
Employee related payables	576.23	826.08
Interest accrued	57.38	-
Other payable#	115.68	109.02
Total other financial liabilities	**1,442.53**	**1,331.43**

*includes payable to micro enterprises and small enterprises of ₹ 92.56 lacs (31 March 2022 ₹ 64.89 lacs).
includes sales commission payable of ₹ 82.16 lacs (31 March 2022 ₹ 78.68 lacs).

24 A. Income tax assets (net)

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provisions ₹ 20,916.36 lacs (31 March 2022 ₹ 20,916.36 lacs))	497.95	748.10

24 B. Income tax liabilities (net)

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of advance tax ₹ 5,079.34 lacs (31 March 2022 ₹ 472.52 lacs))	545.17	76.25

25. Revenue from operations#

(₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	106,000.89	109,707.46
Other operating revenue (refer note (i) below)	1,746.99	1,317.49
Total revenue from operations (refer note 42)	**107,747.88**	**111,024.95**

i) Other operating revenue comprises of the following income:

Sales of scrap	237.35	196.35
Other income from tolling	393.85	-
Duty drawback earned	1,115.79	1,121.14
Total other operating revenue (refer note 42)	**1,746.99**	**1,317.49**

Refer note 41

26. Other income

(₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on:		
- Fixed deposits carried at amortised cost{tax deducted at source ₹ 24.26 lacs (31 March 2022 ₹ 7.07 lacs)}	200.15	71.97
- Commercial Papers	78.62	-
- Loan to subsidiary {tax deducted at source ₹ 3.92 lacs (31 March 2022: NIL)}	39.16	-
- Other financial assets carried at amortised cost {tax deducted at source ₹ 3.34 lacs (31 March 2022: ₹ 1.98 lacs)}	33.37	20.80
Insurance claim	83.47	72.06

	For the year ended 31 March 2023	For the year ended 31 March 2022
Provisions/ liabilities no longer required written back	11.82	16.14
Reversal of provision on doubtful advances	-	25.91
Profit/ (loss) on sale of investments	56.76	-
Foreign exchange fluctuation gain (net)	538.87	198.78
Income recognised on account of government assistance*	251.67	253.57
Gain on fair valuation of financial assets	309.43	28.91
Miscellaneous income	118.28	192.28
Total other income	**1,721.60**	**880.42**

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

27. Changes in inventories of finished goods and work-in-progress **(₹ in lacs)**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing stock		
Continuing operations		
- Finished goods	3,152.39	4,455.02
- Work-in-progress	1,376.45	1,884.83
	4,528.84	**6,339.85**
Discontinued operations		
- Finished goods	-	1,427.24
- Work-in-progress	-	34.11
	-	**1,461.35**
Opening Stock		
Continuing operations		
- Finished goods	4,455.02	2,660.18
- Work-in-progress	1,884.83	950.81
	6,339.85	**3,610.99**
Discontinued operations		
- Finished goods	1,427.24	740.66
- Work-in-progress	34.11	58.79
	1,461.35	**799.45**
Total changes in inventories from continuing operation	**1,811.01**	**(2,728.86)**
Total changes in inventories from discontinued operation	**1,461.35**	**(661.90)**

28. Employee benefits expense# **(₹ in lacs)**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	4,373.36	5,169.50
Share based payment expense (refer note 43)	47.72	62.11
Contribution to provident fund and other funds	303.99	279.27
Gratuity (refer note 40)	134.58	125.97
Staff welfare expenses	279.17	283.03
Total employee benefits expense	**5,138.82**	**5,919.88**

Refer note 41

29. Finance cost (₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest :		
-Term loans	1,949.24	1,560.70
-Working capital	751.87	416.31
-Lease liabilities	1.38	5.23
-Statutory dues	38.03	141.05
-Buyers credit for raw material	0.53	1.43
-Others	1.46	-
Other borrowing costs*	272.99	361.59
Total finance cost	**3,015.50**	**2,486.31**

*Bank charges majorly comprises of letter of credit charges, bank guarantee charges and working capital demand loan (WCDL) processing fees.

30. Other expenses# (₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Manufacturing expenses		
Consumption of stores and spare parts	2,136.19	2,053.02
Consumption of packing material	1,912.71	1,795.57
Power and fuel	11,447.24	8,890.98
Material handling charges	609.53	610.22
Total manufacturing expenses (A)	**16,105.67**	**13,349.79**
Selling expenses		
Freight	2,963.95	2,592.51
Commission and brokerage	164.15	193.44
Others	-	-
Total selling expenses (B)	**3,128.10**	**2,785.95**
Administration and other expenses		
Rent	94.19	116.89
Rates and taxes	51.78	49.05
Insurance	687.06	589.35
Repairs and maintenance:		
- Building	235.62	156.42
- Plant and equipment	632.99	428.28
- Others	427.01	461.58
Corporate social responsibility expenditure (refer note (i) below)	345.22	257.44
Travelling and conveyance	610.55	538.57
Communication expenses	64.11	61.55
Legal and professional charges	559.70	545.52
Printing and stationery	20.30	16.61
Donations (other than political parties)	6.82	2.28
Director’s sitting fees	9.60	8.30
Director’s commission	-	70.00
Auditors’ remuneration (refer note (ii) below)	46.25	41.87

(₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss on sale of property, plant and equipment (net)	79.73	34.19
Bad debts, advances and irrecoverable balances written off	0.05	68.95
Provision for doubtful debts/ advances	26.21	-
Security services	423.05	375.81
Miscellaneous expenses	570.55	313.49
Total administrative and other expenses (C)	**4,890.79**	**4,136.15**
Total other expenses (A+B+C)	**24,124.56**	**20,271.89**

Refer note 41

i) Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting health care, promoting education, rural development projects and environment sustainability. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
i) Amount required to be spent by the company during the year	345.22	257.44
ii) Amount of expenditure incurred as follows:		
- Constructions/ acquisition of any assets	-	-
- Others (refer point (v) below)	140.02	198.44
iii) Shortfall at the end of year*	205.20	59.00
iv) Reason for shortfall	₹ 193.28 lacs pertain to on going project for Saraf international school and ₹ 11.92 lacs pertain to other than ongoing projects.	Pertains to ongoing project
v) Nature of CSR activities	Promoting health care, promoting education, rural development projects and eradicating hunger, poverty and malnutrition, promoting health care includingpreventive healthcare and sanitation	Promoting health care, promoting education, rural development projects and environment sustainability
vi) Details of related party transactions	-	-
vii) Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

* The unspent amount will be transferred to unspent CSR account within 30 days from the end of the financial year in case of ongoing project and within 6 months in case of other than ongoing project, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

Unspent amount for other than ongoing projects (₹ in lacs)

Particulars	Amount
Unspent amount as at 31 March 2022	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-
Amount required to be spent during the year	145.22
Amount spent during the year	133.30
Unspent amount as at 31 March 2023	11.92

Unspent amount for ongoing projects **(₹ in lacs)**

Particulars	Amount
Unspent amount as at 31 March 2022	
- with Company	-
- in separate CSR unspent account	59.00
Amount required to be spent during the year	200.00
Amount spent during the year	
- from Company's bank account	6.72
- from separate CSR unspent account	59.00
Unspent amount as at 31 March 2023	
- with Company	-
- in separate CSR unspent account	193.28

ii) Auditors' remuneration

(₹ in lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
- Audit fee (excluding taxes)	43.00	41.00
- Out of pocket expenses (excluding taxes)	3.25	0.87
	46.25	**41.87**

In addition to above ₹ 2.00 lacs (excluding taxes) were charged for certification fees in relation to discontinued operation (refer note 41).

31. Tax expenses

(₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Tax expenses related to continuing operations		
Current tax	1,125.36	3,167.59
Tax earlier years	147.50	136.75
Deferred tax	(48.52)	(72.35)
Tax expenses related to discontinued operations		
Current tax	3,802.87	1,716.96
Income tax expense recognised in the statement of profit and loss	**5,027.21**	**4,948.95**
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss are as follows:		
Accounting profit before income tax continuing operation	**4,807.34**	**12,013.62**
Accounting profit before income tax discontinued operation	**16,324.30**	**6,821.46**
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	5,318.83	4,740.79
Effect of income taxable at lower rate due to slump sale (discontinued operation)	(305.49)	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	139.56	95.75
Earlier year tax paid in current year	147.50	136.75
Adjustments recognised in the current year in relation to the previous year	(273.19)	(24.34)
Income tax expense	**5,027.21**	**4,948.95**

32. Earning per share (EPS)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders (₹ in lacs)		
- From continuing operations	3,583.00	8,781.63
- From discontinued operations	12,521.43	5,104.50
- From continuing and discontinued operations	**16,104.43**	**13,886.13**
Weighted average number of equity shares for basic EPS	83,393,759	83,393,759
Weighted average number of equity shares adjusted for the effect of dilution	**83,393,759**	**83,393,759**
Basic and diluted earnings per share (₹)		
- From continuing operations	4.30	10.53
- From discontinued operations	15.01	6.12
- From continuing and discontinued operations	19.31	16.65

33. Fair value disclosures

(i) Fair value hierarchy

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

(ii) Valuation technique used to determine fair value

A. Specific valuation techniques used to value mutual funds include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

B. Derivative asset/ liability is measured using forward contract exchange rates at the balance sheet rate as confirmed from banks/ financial institutions.

(iii) Financial assets measured at fair value – recurring fair value measurements **(₹ in lacs)**

Particulars	Level	31 March 2023	31 March 2022
Financial assets			
Investments in mutual funds	Level 1	15,393.36	-
Derivative asset	Level 2	2.04	1.22
Total financial assets		**15,395.40**	**1.22**

(iv) Fair value of instruments measured at amortised cost for which fair value are disclosed **(₹ in lacs)**

Particulars	Level	31 March 2023		31 March 2022	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	32.33	32.33	14.12	14.12
Investments in subsidiary	Level 3	27,000.00	27,000.00	18,068.44	18,068.44
Security deposits	Level 3	897.24	897.24	704.78	704.78
Total financial assets		**27,929.57**	**27,929.57**	**18,787.34**	**18,787.34**
Borrowings*	Level 3	24,218.46	24,218.46	20,147.35	20,147.35
Lease liabilities	Level 3	1.25	1.25	48.13	48.13
Total financial liabilities		**24,219.71**	**24,219.71**	**20,195.48**	**20,195.48**

The above disclosures are presented for non-current financial assets (excluding bank deposits) and non-current financial liabilities. Carrying value of current financial assets and current financial liabilities (trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities) represents the best estimate of fair value.

*Long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

34. Financial risk management

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

(₹ in lacs)

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments - mutual funds	15,393.36	-	-	-
Investments in subsidiary	-	27,000.00	-	18,068.44
Trade receivables	-	13,671.68	-	19,346.04
Loans	-	88.82	-	90.29
Cash and cash equivalents	-	2,834.97	-	2,288.96
Other bank balances	-	2,453.52	-	720.03
Derivative assets	2.04	-	1.22	-
Other financial assets	-	976.64	-	849.91
Total financial assets	**15,395.40**	**47,025.63**	**1.22**	**41,363.67**
Financial liabilities				
Borrowings	-	38,585.86	-	31,941.65
Lease liabilities	-	1.25	-	48.13
Trade payables	-	2,597.74	-	6,242.53
Security deposits	-	35.12	-	31.29
Other financial liabilities	-	1,407.41	-	1,300.14
Total financial liabilities	-	**42,627.38**	-	**39,563.74**

(i) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Standalone financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	Ageing analysis	Diversification of bank deposits and investments, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - Interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect market factors
Price risk - security price	Investments in mutual funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, investments, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Description	Asset group	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period (including extension). Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Below is the bifurcation of assets in various categories of risk: **(₹ in lacs)**

Description	Particulars	31 March 2023	31 March 2022
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	35,399.41	23,285.65
High credit risk	Trade receivables	21.62	10.80

ii) Concentration of financial assets

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and security and earnest money deposits given for business purposes.

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Polyester film	9,320.02	9,570.75
Engineering plastics	-	6,556.09
Speciality Polymer	4,351.66	3,219.20

b) Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses or lifetime expected credit losses for following financial assets:

31 March 2023 (₹ in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	13,693.30	21.62	13,671.68
Loans	88.82	-	88.82
Cash and cash equivalents	2,834.97	-	2,834.97
Other bank balances	2,453.52	-	2,453.52
Derivative assets	2.04	-	2.04
Other financial assets	976.64	-	976.64
Investments	15,393.36	-	15,393.36
Total financial assets	**35,442.65**	**21.62**	**35,421.03**

31 March 2022 (₹ in lacs)

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	19,356.84	10.80	19,346.04
Loans	90.29	-	90.29
Cash and cash equivalents	2,288.96	-	2,288.96
Other bank balances	720.03	-	720.03
Derivative assets	1.22	-	1.22
Other financial assets	849.91	-	849.91
Total financial assets	**23,307.25**	**10.80**	**23,296.45**

Expected credit loss for trade receivables under simplified approach

As at 31 March 2023 (₹ in lacs)

Particulars	Less than 6 months	6 months- 1 year	1- 2 years	2- 3 years	More than 3 years
Gross carrying value	13,685.57	1.18	5.98	0.33	0.24
Credit impaired	-	-	4.85	-	-
Expected loss rate	0.10%	100.00%	100.00%	100.00%	100.00%
Expected credit loss (impairment)	13.89	1.18	1.13	0.33	0.24
Carrying amount (net of impairment)	13,671.68	-	-	-	-

As at 31 March 2022 (₹ in lacs)

Particulars	Less than 6 months	6 months- 1 year	1- 2 years	2- 3 years	More than 3 years
Gross carrying value	19,344.13	9.41	3.06	0.24	-
Expected loss rate	0.01%	53.67%	100.00%	100.00%	-
Expected credit loss (impairment)	2.45	5.05	3.06	0.24	-
Carrying amount (net of impairment)	19,341.68	4.36	-	-	-

(₹ in lacs)

Reconciliation of loss allowance	Amount
Loss allowance as on 01 April 2022	**10.80**
Increase in loss allowance due to expected credit loss	5.97
Increase in credit impaired	4.85
Loss allowance as on 31 March 2023	**21.62**

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in lacs)

31 March 2023	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	23,035.77	13,991.96	6,634.76	**43,662.49**
Trade payables	2,597.74	-	-	**2,597.74**
Other financial liabilities	1,442.53	-	-	**1,442.53**
Total	**27,076.04**	**13,991.96**	**6,634.76**	**47,702.76**

(₹ in lacs)

31 March 2022	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	17,714.38	12,384.38	5,702.36	**35,801.12**
Trade payables	6,242.53	-	-	**6,242.53**
Other financial liabilities	1,331.43	-	-	**1,331.43**
Total	**25,288.34**	**12,384.38**	**5,702.36**	**43,375.08**

The Company had access to following funding facilities :

As at 31 March 2023 **(₹ in lacs)**

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	30,900.00	15,591.35	15,308.65
Total	**30,900.00**	**15,591.35**	**15,308.65**

As at 31 March 2022 **(₹ in lacs)**

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	27,400.00	14,366.58	13,033.42
More than 1 year	3,000.00	2,000.00	1,000.00
Total	**30,400.00**	**16,366.58**	**14,033.42**

(C) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates.

Interest rate risk exposure

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

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Variable rate borrowing	38,175.37	31,680.12
Fixed rate borrowing	411.74	309.66
Total borrowings	**38,587.11**	**31,989.78**

Sensitivity

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

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Interest sensitivity*		
Interest rates – decrease by 50 basis point (31 March 2022: 50 basis point)	142.83	118.53
Interest rates – increase by 50 basis point (31 March 2022: 50 basis point)	(142.83)	(118.53)

** Holding all other variables constant*

The Company is exposedto interest rate risk on account of variable rate borrowings. The company's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time.

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Foreign currency risk exposure

Particulars	Currency	Amount in Foreign Currency (In absolute figures)		Amount (₹ in lacs)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Financial assets					
Trade receivable	USD	10,463,148	10,602,320	8,601.75	8,004.75
	GBP	62,531	141,942	63.69	140.71
	EURO	1,822,130	1,357,468	1,629.17	1,140.82
Financial liabilities					
Trade payables	EURO	20,837	5,882	18.65	4.95
	USD	76,370	2,873,202	62.82	2,170.70
Acceptances	USD	609,190	3,928,951	500.88	2,968.32
	EURO	117,000	-	104.67	-
Buyer's credit for raw material	USD	-	781,450	-	590.07
	EURO	-	97,650	-	82.12
Bills discounting	USD	-	194,940	-	146.43
Foreign currency unsecured loan	USD	-	135,000	-	101.94

Sensitivity

The following table illustrates the sensitivity of profit in regards to the Company's financial assets and financial liabilities and the USD/INR exchange rate, EUR/INR exchange rate and GBP/INR exchange rate 'all other things being equal'. It assumes a +/- 4.92% change of the INR/USD exchange rate for the year ended at 31st March, 2023 (2022: 4.65%). A +/- 8.75% change is considered for the INR/EUR exchange rate (2022: 5.80%). A +/- 11.60% change is considered for the INR/GBP exchange rate (2022: 6.01%). All of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

(₹ in lacs)

Particulars	Impact on profit after tax and other equity	
	31 March 2023	31 March 2022
USD sensitivity		
INR/USD increase by 4.92% (31 March 2022- 4.65%)	295.93	70.54
INR/USD decrease by 4.92% (31 March 2022- 4.65%)	(295.93)	(70.54)
GBP sensitivity		
INR/GBP increase by 11.60% (31 March 2022- 6.01%)	5.53	6.33
INR/GBP decrease by 11.60% (31 March 2022- 6.01%)	(5.53)	(6.33)
EUR sensitivity		
INR/EUR increase by 8.75% (31 March 2022- 5.80%)	98.60	45.73
INR/EUR decrease by 8.75% (31 March 2022- 5.80%)	(98.60)	(45.73)

(iii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and other equity is sensitive to higher/ lower prices of instruments on the Company's profit for the year -

Particulars	31 March 2023	31 March 2022
Investments in mutual funds		
Price increase by (5%) - FVTPL instrument	575.94	-
Price decrease by (5%) - FVTPL instrument	(575.94)	-

35. Segment reporting

The Company operates in three segments manufacturing and sale of polyester film ,engineering plastics and speciality polymer. The Company has chosen business segments considering the dominant source of nature of risks and returns, internal organisation, management structure and the manner chief operating decision maker (CODM) review the financial performance of the business for allocating the economic resources. A brief description of the reportable segment is as follows:

Polyester chips and film: Polyester chips and films that are used in primarily flexible packaging and other industrial application. Polyester film is known for high tensile strength, chemical and dimensional stability, transparency, reflective, gas and aroma barrier properties and electrical insulation. PET chips is the main raw material used to manufacture the film.

Engineering plastics-Discontinued : Engineering plastics are group of plastic materials that exhibit superior mechanical and thermal properties over the more commonly used commodity plastics. Engineering plastics are equipped with certain electrical properties which enable it to be used in specific industries such as automotive, telecommunication, electrical, electronics and lighting, consumer durable etc.

Speciality Polymer: Specialty Polymers are Polymers that are high performance material catering to the global needs of the industries / applications such as carpets, textiles, food and beverages, consumer electronics, industrial etc. which cannot be met by commodity PET grades.

A. Segment Disclosure

Year ended 31 March 2023 (₹ in lacs)

Particulars	Polyester chips andfilm	Speciality Polymers	Total of segments	Unallocable	Net Total	Engineering plastics (Discontinued)
Revenue						
External customers	87,996.27	19,751.61	107,747.88	-	**107,747.88**	13,600.66
Total revenue	**87,996.27**	**19,751.61**	**107,747.88**	-	**107,747.88**	**13,600.66**
Income/expenses						
Other income		-	-	1,721.60	**1,721.60**	-
Cost of material consumed	56,717.29	9,953.38	66,670.67	-	**66,670.67**	9,220.36

Year ended 31 March 2023 **(₹ in lacs)**

Particulars	Polyester chips andfilm	Speciality Polymers	Total of segments	Unallocable	Net Total	Engineering plastics (Discontinued)
Changes in inventories of finished goods and work-in-progress	761.10	1,049.91	1,811.01	-	**1,811.01**	1,461.35
Depreciation and amortisation	2,889.77	522.06	3,411.83	489.75	**3,901.58**	76.14
Finance costs	-	-	-	3,015.50	**3,015.50**	-
Other expenses	20,460.33	2,511.35	22,971.68	6,291.70	**29,263.38**	1,074.46
Segment Profit	**7,167.78**	**5,714.91**	**12,882.69**	**(8,075.35)**	**4,807.34**	**1,768.35**
Segment assets	45,729.21	16,207.37	**61,936.58**	65,686.44	**127,623.02**	-
Segment liabilities	5,422.81	643.01	**6,065.82**	44,116.13	**50,181.95**	-
Other disclosures						
Capital expenditure	2,491.74	1,911.45	4,403.19	5,447.30	**9,850.49**	2,115.53

Year ended 31 March 2022 **(₹ in lacs)**

Particulars	Polyester chips andfilm	Speciality Polymers	Total of segments	Unallocable	Net Total	Engineering plastics (Discontinued)
Revenue						
External customers	93,758.83	17,266.12	111,024.95	-	**111,024.95**	29,540.99
Total revenue	**93,758.83**	**17,266.12**	**111,024.95**	-	**111,024.95**	**29,540.99**
Income/expenses						
Other income	-	-	-	880.42	**880.42**	-
Cost of material consumed	59,353.31	10,918.39	70,271.70	-	**70,271.70**	21,210.81
Changes in inventories of finished goods and work-in-progress	(1,220.64)	(1,508.22)	(2,728.86)	-	**(2,728.86)**	(661.90)
Depreciation and amortisation	3,137.20	95.09	3,232.29	438.54	**3,670.83**	185.22
Finance costs	-	-	-	2,486.31	**2,486.31**	-
Other expenses	17,229.71	2,194.23	19,423.94	6,767.83	**26,191.77**	1,985.40
Segment Profit	**15,259.25**	**5,566.63**	**20,825.88**	**(8,812.26)**	**12,013.62**	**6,821.46**
Segment assets	47,842.53	12,921.00	60,763.53	35,574.95	**96,338.48**	13,799.68
Segment liabilities	5,981.80	1,827.81	7,809.61	37,511.82	**45,321.43**	1,970.38
Other disclosures						
Capital expenditure	1,989.91	752.12	2,742.03	1,011.79	**3,753.82**	279.77

Revenue as per geographical market **(₹ in lacs)**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from external customers:		
India	65,212.25	71,519.08
Outside India	42,535.63	39,505.87
Total revenue per statement of profit or loss	**107,747.88**	**111,024.95**
Segment receivables		
India	3,384.44	9,915.20
Outside India	10,287.24	9,430.84
Total	**13,671.68**	**19,346.04**

Information about major customer

During the year ended 31 March 2023 revenue of approximately 6.96% (31 March 2022: 10.80%) was derived from a single external customer in the polyester chips and film business, approximately 16.32% in 31 March 2023 (31 March 2022: 13.47%) was derived from a single external customer in the engineering plastics business (discontinued operations) and approximately 66.42% in 31 March 2023 (31 March 2022: 41.30%) was derived from a single external customer in the speciality polymer business.

Non-current assets

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

36. Capital management

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

(a) **Debt equity ratio** **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Total borrowings*	38,587.11	31,989.78
Total equity	77,441.07	62,846.35
Net debt to equity ratio	**50%**	**51%**

**Total borrowings include non-current borrowings, current borrowings and leases.*

(b) **Dividends** **(₹ in lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
1. Equity shares - Dividend Paid		
Final dividend for the year ended 31 March 2021 of ₹ 1.90 per share (including tax)	-	1,584.48
Interim dividend for the year ended 31 March 2022 of ₹ 1.40 per share (excluding tax)	-	1,167.51
Final dividend for the year ended 31 March 2022 of ₹ 1.90 per share (excluding tax)	1,584.48	-
2. Equity shares - Dividend Proposed		
Proposed final dividend for the year ended 31 March 2022 of ₹ 1.90 per share (excluding tax)	-	1,584.48

37. Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists:	Nature of related party	
Name of the related parties	**31 March 2023**	**31 March 2022**
Goldring Investments Corporation	Ultimate Holding Company	Ultimate Holding Company
Wilemina Finance Corporation	Holding Company	Holding Company
Ester Filmtech Limited	Wholly owned Subsidiary Company	Wholly owned Subsidiary Company
Mr. Arvind Singhania (Chairman and CEO)	Key managerial personnel	Key managerial personnel
Mr. Pradeep Kumar Rustagi (Executive Director - Corporate Affair)	Key managerial personnel	Key managerial personnel (w.e.f. 04 February 2022)
Mr. Manish Gupta (CFO)	Key managerial personnel (till 29 August 2022)	Key managerial personnel (joined w.e.f. 04 February 2022)
Mr. Sourabh Agarwal (CFO)	Key managerial personnel (joined w.e.f. 16 March 2023)	-

Name of the related parties	31 March 2023	31 March 2022
Mr. Ayush Vardhan Singhania (WTD)	Key managerial personnel	Key managerial personnel (w.e.f. 01 June 2021)
Mrs. Archana Singhania (Director)	Director	Director
Mr. Ashok Kumar Newatia (Independent Director)	Director	Director
Dr. Anand Chand Burman (Independent Director)	Director	Director
Mr. M S Ramachandran (Independent Director)	Director	Director
Mr. Sandeep Dinodia (Independent Director)	Director	Director
Mr. P S Dasgupta (Independent Director)	Director	Director
Mrs. Padmaja Shailen Ruparel (Independent Director)	Director	Director
Mrs. Uma Devi Singhania	Relatives of key managerial personnel	Relatives of key managerial personnel
Mr. Jai Vardhan Singhania	Relatives of key managerial personnel	Relatives of key managerial personnel
Fenton Investments Private Limited	Enterprises over which directors exercise significant influence	Enterprises over which directors exercise significant influence
MOVI Limited	Enterprises over which directors exercise significant influence	Enterprises over which directors exercise significant influence

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

(₹ in lacs)

Sr. No.	Particulars	Key managerial personnel and relatives		Wholly owned Subsidiary Company		Holding Company		Enterprises over which directors exercise significant influence		Total	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	**Managerial remuneration**										
	Arvind Singhania	306.40	318.40	-	-	-	-	-	-	**306.40**	**318.40**
	Pradeep Kumar Rustagi	155.19	130.99	-	-	-	-	-	-	**155.19**	**130.99**
	Manish Gupta	30.23	12.07	-	-	-	-	-	-	**30.23**	**12.07**
	Ayush Vardhan Singhania	165.95	141.29	-	-	-	-	-	-	**165.95**	**141.29**
	Sourabh Agarwal	3.31	-	-	-	-	-	-	-	**3.31**	**-**
2	**Commission to Directors**										
	Arvind Singhania	-	1,200.00	-	-	-	-	-	-	**-**	**1,200.00**
	Anand Chand Burman	-	10.00	-	-	-	-	-	-	**-**	**10.00**
	Ashok Kumar Newatia	-	10.00	-	-	-	-	-	-	**-**	**10.00**
	M S Ramachandran	-	10.00	-	-	-	-	-	-	**-**	**10.00**
	Sandeep Dinodia	-	10.00	-	-	-	-	-	-	**-**	**10.00**
	Padmaja Shailen Ruparel	-	10.00	-	-	-	-	-	-	**-**	**10.00**
	P S Dasgupta	-	10.00	-	-	-	-	-	-	**-**	**10.00**
	Archana Singhania	-	10.00	-	-	-	-	-	-	**-**	**10.00**
3	**Sitting Fees**										
	Archana Singhania	0.80	0.80	-	-	-	-	-	-	**0.80**	**0.80**
	Anand Chand Burman	0.50	0.30	-	-	-	-	-	-	**0.50**	**0.30**

(₹ in lacs)

Sr. No.	Particulars	Key managerial personnel and relatives		Wholly owned Subsidiary Company		Holding Company		Enterprises over which directors exercise significant influence		Total	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Ashok Kumar Newatia	1.90	1.80	-	-	-	-	-	-	**1.90**	**1.80**
	M S Ramachandran	2.60	2.20	-	-	-	-	-	-	**2.60**	**2.20**
	Sandeep Dinodia	2.30	1.80	-	-	-	-	-	-	**2.30**	**1.80**
	Padmaja Shailen Ruparel	0.60	0.70	-	-	-	-	-	-	**0.60**	**0.70**
	P S Dasgupta	0.90	0.70	-	-	-	-	-	-	**0.90**	**0.70**
4	**Dividend paid**										
	Ayush Vardhan Singhania	3.38	5.88	-	-	-	-	-	-	**3.38**	**5.88**
	Jai Vardhan Singhania	2.37	4.12	-	-	-	-	-	-	**2.37**	**4.12**
	Wilemina Finance Corporation	-	-	-	-	920.65	1,599.02	-	-	**920.65**	**1,599.02**
	Fenton Investments Private Limited	-	-	-	-	-	-	9.31	16.17	**9.31**	**16.17**
	MOVI Limited	-	-	-	-	-	-	79.04	137.28	**79.04**	**137.28**
5	**Loan given to Subsidiary ***										
	Ester Filmtech Limited	-	-	1,650.00	-	-	-	-	-	**1,650.00**	-
6	**Investment in Subsidiary ***										
	Ester Filmtech Limited	-	-	7,281.56	8,433.44	-	-	-	-	**7,281.56**	**8,433.44**

*The Company has granted loan to subsidiary amounting to ₹ 1,650.00 lacs, where, as per agreement, it had an undisputed right to convert the loan into equity shares at face value and the Company has exercised that right during the year. Interest income @ 8.60% was received from the subsidiary.

(a) Transactions during the year with related parties carried out in the ordinary course of business (cont'd):

(₹ in lacs)

Sr. No.	Particulars	Key managerial personnel and relatives		Wholly owned Subsidiary Company		Holding Company		Enterprises over which directors exercise significant influence		Total	Total
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
7	**Liability of Gratuity and Leave encashment (due to transfer of employees)**										
	Ester Filmtech Limited	-	-	1.81	13.87	-	-	-	-	**1.81**	**13.87**
8	**Corporate Guarantees given to Lender (banks) of -**										
	Ester Filmtech Limited	-	-	11,088.24	33,078.45	-	-	-	-	11,088.24	33,078.45

(₹ in lacs)

Sr. No.	Particulars	Key managerial personnel and relatives		Wholly owned Subsidiary Company		Holding Company		Enterprises over which directors exercise significant influence		Total	Total
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
9	**Loan repaid**										
	Wilemina Finance Corporation	-	-	-	-	101.94	475.03	-	-	**101.94**	**475.03**
10	**Corporate Guarantees given by Holding Company to lender banks**										
	Wilemina Finance Corporation	-	-	-	-	788.90	6,331.38	-	-	**788.90**	**6,331.38**
11	**Guarantees given by KMP to lender banks**										
	Arvind Singhania	6,543.92	11,760.24	-	-	-	-	-	-	**6,543.92**	**11,760.24**
12	Purchases of goods	-	-	34.90	-	-	-	-	-	**34.90**	-
13	Sale of goods	-	-	1,211.56	-	-	-	-	-	**1,211.56**	-
14	Interest received on loan*	-	-	39.16	-	-	-	-	-	**39.16**	-

*The Company has granted loan to subsidiary amounting to ₹ 1,650.00 lacs, where, as per agreement, it had an undisputed right to convert the loan into equity shares at face value and the Company has exercised that right during the year. Interest income @ 8.60% was received from the subsidiary.

(b) Closing balance with subsidiary in the ordinary course of business:

(₹ in lacs)

Sr. No.	Particulars	Year	Amount
1	**Investment in Subsidiary**		
	Ester Filmtech Limited	31 March 2023	27,000.00
		31 March 2022	18,068.44
2	**Corporate Guarantees given to Lender (banks) of -**		
	Ester Filmtech Limited	31 March 2023	44,166.69
		31 March 2022	33,078.45
3	Payable	31 March 2023	42.99
		31 March 2022	-
4	Receivable	31 March 2023	150.10
		31 March 2022	-

(c) Closing balance with key managerial personnelin the ordinary course of business:

(₹ in lacs)

Sr. No.	Guarantees given (jointly and severally) against loans taken by the Company	Year	Amount
1	Arvind Singhania	31 March 2023	38,175.37
		31 March 2022	31,631.45

(d) Closing balance with holding company in the ordinary course of business:

(₹ in lacs)

Sr. No.	Particulars	Year	Amount
1	**Unsecured loan**		
	Wilemina Finance Corporation	31 March 2023	-
		31 March 2022#	101.94
2	**Guarantees given against loans taken (jointly and severally) by the Company**		
	Wilemina Finance Corporation	31 March 2023	22,048.89
		31 March 2022	21,259.99

includes foreign exchange fluctuation of ₹ Nil (31 March 2022 ₹ 2.71 lacs)

(e) Key managerial personnel compensation: **(₹ in lacs)**

Nature of transactions	31 March 2023	31 March 2022
Short-term employee benefits	661.08	1,802.74
Post-employment benefits	21.06	24.39
Other long-term benefits	1.65	7.19
	683.79	**1,834.32**

The Company's related party transactions during the years ended 31 March 2023 and 31 March 2022 and outstanding balances as at 31 March 2023 and 31 March 2022 are at arms length and in the ordinary course of business.

38. Contingent liabilities and commitments

(₹ in lacs)

Particulars		31 March 2023	31 March 2022
A. Contingent liabilities*			
1	Claims against the Company not acknowledged as debts^	38.93	38.93
2	Additional bonus for financial year 2014-15 due to Payment of Bonus (Amendment) Act, 2015 #	22.87	22.87
3	There is a contingent liability of:		
i)	Excise duty/custom duty/service tax demands not acknowledged as liability	967.03	967.03
ii)	Demand raised by Income Tax department, disputed by the Company and pending in appeal	33.88	33.88

* The amounts indicated as contingent liability or claims against the Company only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered.

^ These claims represents various civil cases filed against the Company by various vendors and ex-employees of the Company.

In view of the amendment in The Payment of Bonus Act, 1965 notified on 01 January 2016, the Company has made a provision for incremental bonus for the financial year i.e. for 2015-16. Though the amendment was effective retrospectively from 01 April 2014, the Company on the legal advice has decided not to consider it on account of interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

(₹ in lacs)

B. Commitments		31 March 2023	31 March 2022
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	4,462.28	3,465.60
2	Estimated amounts of contracts remaining to be executed on other than capital account and not provided for	4,370.96	10,614.84
3	Corporate guarantees given to Lender (banks) of Ester Filmtech Limited (subsidiary) (refer note 37)	44,166.69	33,078.45

39. Leases disclosure as lessee

Lease liabilities are presented in the statement of financial position as follows: **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Current liabilities (amount due within one year)	-	46.88
Non current liabilities (amount due over one year)	1.25	1.25

The Company's leased asset classes primarily consist of leases for land, certain equipments and building, including warehouses and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

For some of the leases, the lessee may terminate the lease by giving 3 months notice period to lessor, subject to other terms and conditions. At the end of the tenor under certain leases, lessee can avail to buy the asset at the agreed value as per buyback agreement between the lessor and lessee.

Right of use asset as at 31 March 2023 amounting to ₹ 57.61 lacs (31 March 2022 amounting to ₹ 835.36 lacs) are for the leases of equipments and lease of land.

A Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right of use the underlying asset recognised in the standalone financial statement.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹99.08 lacs (31 March 2022 amounting to ₹ 127.01 lacs).

B Total cash outflow for leases for the year ended 31 March 2023 was ₹ 48.26 lacs (year ended 31 March 22 was ₹ 120.24 lacs).

C Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows: **(₹ in lacs)**

Particulars	Minimum lease payments due as on 31 March 2023						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 Years	Total
Lease payments	0.15	0.15	0.15	0.15	0.15	10.8	**11.55**
Interest expense	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(9.55)	**(10.30)**
Net present values	-	-	-	-	-	**1.25**	**1.25**

D Information about extension and termination options

Leases entered into	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land for sitarganj manufacturing facility	1	76 years	76 years	-	None	-

E Expected future cash outflow on account of variable lease payments as at 31 March 2023 is of ₹ Nil.

F The total future cash outflows as at 31 March 2023 for leases that had not yet commenced is of ₹ Nil.

40. Employee benefits obligations

I Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on departure at fifteen day salary (last drawn salary) for each completed year of service in terms of the provisions of the Payments of Gratuity Act, 1972. The Company provides for liability in its books of accounts based on actuarial valuation.

The following table summaries the components of net benefit expense recognised in statement of profit and loss and the amount recognised in the balance sheet for gratuity benefit:

(i) ***Amounts recognised in the balance sheet*** **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Current liability	236.53	235.54
Non-current Liability	709.73	783.37
Total	**946.26**	**1,018.91**

(ii) ***Movement in the liability recognised in the balance sheet is as under:*** **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Present value of defined benefit obligation at the beginning of the year	1,018.91	986.64
Acquisition Adjustment (out)	(73.85)	-
Current service cost	64.14	70.72
Interest cost	73.56	66.10
Actuarial (gain)/loss (net)	(35.22)	14.73
Benefits paid	(101.28)	(119.28)
Present value of defined benefit obligation at the end of the year	**946.26**	**1,018.91**

(iii) ***Expenses recognised in statement of profit and loss*** **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Current service cost	64.14	70.72
Interest cost	73.56	66.10
Cost recognised during the year	**137.70**	**136.82**

(iv) ***Expenses recognised in other comprehensive income*** **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Actuarial gain/loss net on account of:		
- Changes in financial assumptions	(7.31)	(29.44)
- Changes in experience adjustment	(27.91)	44.17
(Income)/cost recognised during the year	**(35.22)**	**14.73**

	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
- Changes in experience adjustment loss/ (gain)	(27.91)	44.17	39.20	49.94	(11.18)

(v) ***Expected contribution for the next annual reporting period*** **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Service cost	62.78	69.94
Interest cost	69.83	73.57
Expected expense for the next annual reporting period	**132.61**	**143.51**

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

Particulars	31 March 2023	31 March 2022
Discount rate	7.38%	7.22%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	58 Years	58 Years
Average past service (years)	13.06 Years	12.58 Years
Average age	42.78 Years	41.78 Years
Average remaining working life	15.22 Years	16.22 Years
Weighted average duration	12.37 Years	12.96 Years
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortalityrates inclusive of provision for disability-100% of IALM (2012 – 14)

(vi(b)) ***Maturity profile of defined benefit obligation*** **(₹ in lacs)**

Particulars	Amount 31 March 2023	Amount 31 March 2022
Less than a year	236.53	235.54
Between one to two years	119.81	67.11
Between two to five years	300.70	374.57
Over five years	289.22	341.69

(vii) ***Sensitivity analysis*** **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	**946.26**	**1,018.91**
Impact due to increase of 0.50%	(22.19)	(26.74)
Impact due to decrease of 0.50%	23.57	28.45
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	**946.26**	**1,018.91**
Impact due to increase of 0.50%	24.01	28.93
Impact due to decrease of 0.50%	(22.78)	(27.42)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

Risk

Salary increases	Actual salary increases will increase the defined benefit liability. Increase in salary increment rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact defined benefit liability.

II Provident fund

Provident fund for certain eligible employees is managed by the Company through trust “Ester Industries Limited Employee’s Provident Trust” in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In this regard, actuarial valuation as at 31 March 2023 was carried out by actuary to find out value of projected defined benefit obligation arising due to interest rate guarantee by the Company towards provident fund.

(₹ in lacs)

(i)	Projected benefit obligation	31 March 2023	31 March 2022
	Projected benefit obligation at beginning of year	2,043.75	1,658.82
	Current service cost	104.16	108.06
	Interest cost	174.70	146.91
	Contributions by plan participants/ employees	134.22	140.87
	Actuarial loss / (gain) due to interest guarantee	(0.04)	93.62
	Benefits paid	(71.47)	(104.53)
	Settlements/ transfer In	16.88	-
	Projected benefit obligation at end of year	2,402.20	2,043.75

(₹ in lacs)

(ii)	Reconciliation of plan assets	31 March 2023	31 March 2022
	Fair value of plan asset at beginning of year	2,127.33	1,841.51
	Actual return on plan asset	165.01	141.42
	Employer contribution	104.16	108.06
	Plan participants/ employee contribution	134.22	140.87
	Benefit paid	(71.47)	(104.53)
	Settlements/ transfer in	16.88	-
	Fair value of plan asset at the end of the year	2,476.13	2,127.33

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

(iii)	Economic assumptions	31 March 2023	31 March 2022
	i) Interest rate	8.15%	8.10%
	ii) Discount rate	7.38%	7.22%
	iii) Expected shortfall in Interest earning on the fund	0.05%	0.05%

(iv)	Demographic assumptions	31 March 2023	31 March 2022
	i) Mortality	IALM (2012-14)	IALM (2012-14)
	ii) Normal Retirement Age	58	58

(₹ in lacs)

(v)	Actuarial (Gain)/Loss on Obligation	31 March 2023	31 March 2022
	i) Actuarial loss/ (gain) on arising from change in financial assumption	(0.10)	(0.76)
	ii) Actuarial loss/ (gain) on arising from experience adjustment	0.06	94.38

(₹ in lacs)

	31 March 2023	31 March 2022	31 March 2021
- Changes in experience adjustment loss/ (gain)	0.06	94.38	(87.71)

(vi)	Major categories of plan assets (as percentage of total plan assets)	31 March 2023
	i) Central government bonds	13.11%
	ii) State government bonds	42.61%
	iii) Public sector bonds	26.98%
	iv) Private sector bonds	11.03%
	v) Equity/Mutual fund	5.32%
	vi) RBI special deposit bonds	0.95%
	Total	**100.00%**

III The Company has made contribution to certain defined contribution plans as captured in the table below. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Employer's contribution to Ester Industries Limited Employee's Provident Trust	104.16	108.93
Employer's contribution to other Provident Fund	161.17	147.14
Employer's contribution to Superannuation Fund	44.93	50.30
Employer's contribution to labour welfare fund and employee state insurance	11.02	11.35

41. Discontinued operations

a. Description:

On 06 May 2022, the Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from 15 September 2022. The business was reported under "Engineering Plastics Business" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements till previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below:

b. Financial performance and Cash flow information: (₹ in lacs)

SL		Particulars	31 March 2023	31 March 2022
I	(a)	Sale of products	13,593.60	29,517.90
	(b)	Other operating revenues	7.06	23.09
	(c)	**Revenue from operations {I(a)+I(b)}**	**13,600.66**	**29,540.99**
	(d)	Other income	-	-
	(e)	**Total income {I(c)+I(d)}**	**13,600.66**	**29,540.99**
	(f)	Total expenses	11,832.31	22,719.53
	(g)	**Profit before tax for the period from discontinued operations {I(e)-I(f)}**	**1,768.35**	**6,821.46**
	(h)	Tax expense related to discontinued operations	445.10	1,716.96
	(i)	**Net Profit after tax for the period from discontinued operations {I(g)-I(h)}**	**1,323.25**	**5,104.50**
II	(a)	**Profit before tax on disposal of discontinued operations**	**14,555.95**	-
	(b)	Tax expense related to disposal of discontinued operations	3,357.77	-
	(c)	**Net Profit after tax on disposal of discontinued operations {II(a)-II(b)}**	**11,198.18**	-
III		**Net Profit after tax for the period from discontinued operations {I(i)+II(c)}**	**12,521.43**	**5,104.50**
IV		Net cash generated from operating activities	4,229.02	6,816.65
V		Net cash generated from / (used in) investing activities	20,284.26	(441.54)

c. Details of disposal of discontinued operations: (₹ in lacs)

Particulars	31 March 2023
Proceeds from slump sale of business	26,326.27
Carrying amount of net assets transferred	(11,186.99)
Costs incurred on slump sale of business	(583.33)
Profit before tax on disposal of discontinued operations	**14,555.95**
Tax expense related to disposal of discontinued operations	(3,357.77)
Net Profit after tax on disposal of discontinued operations	**11,198.18**

d. **The carrying amounts of assets and liabilities as at the date of sale were as follows:** **(₹ in lacs)**

Particulars	31 March 2023
Property, plant and equipment	3,642.17
Inventory	3,826.81
Trade receivables	5,897.21
Other assets	582.34
Total assets	**13,948.53**
Trade payables	2,649.82
Other liabilities and provisions	111.72
Total liabilities	**2,761.54**
Net assets transferred	**11,186.99**

e. Pursuant to requirements of Ind AS 105, the amounts in the statement of profit and loss (and notes 25,28 and 30) for the current year and the previous year have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.

42 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contracts with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

For the year 31 March 2023

(₹ in lacs)

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography (continuing operation)			
Domestic	63,465.26	631.20	64,096.46
Export	42,535.63	-	42,535.63
Subtotal (a)	**1,06,000.89**	**631.20**	**1,06,632.09**
Revenue by geography (discontinued operation)			
Domestic	12,361.04	-	12,361.04
Export	1,232.56	-	1,232.56
Subtotal (b)	**13,593.60**	**-**	**13,593.60**
Total (a+b)	**1,19,594.49**	**631.20**	**1,20,225.69**

For the year 31 March 2022 (₹ in lacs)

Revenue by geography	Goods	Other operating revenue*	Total
Revenue by geography (continuing operation)			
Domestic	70,201.59	196.35	70,397.94
Export	39,505.87	-	39,505.87
Subtotal (a)	**109,707.46**	**196.35**	**109,903.81**
Revenue by geography (discontinued operation)			
Domestic	26,317.61	-	26,317.61
Export	3,200.29	-	3,200.29
Subtotal (b)	**29,517.90**	**-**	**29,517.90**
Total (a+b)	**139,225.36**	**196.35**	**139,421.71**

* Other operating revenue amounting to ₹1,122.85 lacs (31 March 2022:₹ 1,144.23 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(b) Assets and liabilities related to contracts with customers (₹ in lacs)

Description	31 March 2023		31 March 2022	
	Non-current	Current	Non-current	Current
Contract liabilities				
Revenue received in advance - Continuing operations	-	250.70	-	374.87
Revenue received in advance- Discontinued operations	-	-	-	56.58

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

Description	31 March 2023	31 March 2022
Continuing operations		
Contract price	1,06,697.26	1,09,940.17
Less: Discount, rebates, credits etc.	65.17	36.36
Discontinued operations		
Contract price	13,599.19	29,528.75
Less: Discount, rebates, credits etc.	5.59	10.85
Revenue from operations as per Statement of Profit and Loss	**1,20,225.69**	**1,39,421.71**

Other operating revenue amounting to ₹1,122.85 lacs (31 March 2022:₹ 1,144.23 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(d) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

(₹ in lacs)

Description	31 March 2023	31 March 2022
Continuing operations		
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	374.87	225.61
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-
Discontinued operations		
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	56.58	151.20
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

(e) In the normal course of business, the payment terms given to domestic customers ranges from 0 to 60 days and for export customers, it ranges from 0 to 105 days.

43. Share based payment

The Nomination and Remuneration Committee of the Company had at its meeting held on 01 April 2021, approved grant of 2,48,179 (face value of ₹ 5/- per share) to the eligible employees of the Company under the of Ester Employee Stock Option Plan-2021, at an exercise price of ₹ 105 per option (being 10% less that the closing price at NSE on 31 March 2021 i.e. immediately preceding the grant date), each option being convertible in to one Equity Share of the Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the terms and conditions of the Ester Employee Stock Option Plan-2021.

The terms and conditions of the grant as per the Ester Employee Stock Option Plan-2021 are as under:

A. Vesting period

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

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

B. Exercise period

8 (Eight) years from the date of grant. The employee shall have a right to exercise all the option vested in him at one time or various points of time within the exercise period.

Particulars of options outstanding as on 31 March 23 is as follows:

Particulars	Grant 1			
	Vesting period-1	Vesting period-2	Vesting period-3	Vesting period-4
Outstanding stock options (numbers) at the beginning of the year	24,818	49,636	74,454	99,272
Options (numbers) granted during the year	-	-	-	-
Options (numbers) exercised during the year	-	-	-	-
Outstanding options (numbers) at the end of the year	24,818	49,636	74,454	99,272
Weighted average exercise price (₹)	105.00	105.00	105.00	105.00
Vesting date	01 April 2022	01 April 2023	01 April 2024	01 April 2025

Weighted average remaining contractual life as on 31 March 2023 (6 years) and 31 March 2022 (7 years).

Fair value of options granted during the previous financial year 2021-22, has been determined using Black-Scholes model with following inputs:

Particulars	Grant 1			
	Vesting period-1	Vesting period-2	Vesting period-3	Vesting period-4
Date of Grant	01 April 2021	01 April 2021	01 April 2021	01 April 2021
Stock price on the grant date (₹)	116.75	116.75	116.75	116.75
Exercise price (₹)	105.00	105.00	105.00	105.00
Expected term (years)	8 years	8 years	8 years	8 years
Weighted average fair value as on grant date (₹)	57.97	60.08	64.91	67.29
Expected price volatility	55.72%	55.64%	60.05%	61.03%
Risk free interest rate	5.49%	5.64%	5.77%	5.90%
Expected dividend yield	1.79%	1.79%	1.79%	1.79%

Risk free return has been considered as Zero Coupon Bond Yield (continuous compound) for a term equal to the expected option life of the ESOP's, available on The Clearing Corporation of India Limited's (CCIL) website. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

Summary of the expenses recognised in the statement of profit and loss: **(₹ in lacs)**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Share based payment expense	47.72	62.11

44. Disclosure pursuant to section 186(4) of The Companies Act, 2013 **(₹ in lacs)**

Nature of the transaction (Investments made/ guarantees given)	As at 31 March 2023	As at 31 March 2022
Investments in equity shares		
Ester Filmtech Limited	27,000.00	18,068.44
Guarantees given		
Corporate Guarantees given to lender (banks) of - Ester Filmtech Limited	44,166.69	33,078.45

45. Ratios

The ratios for the years ended 31 March 2023 and 31 March 2022 are as follows:

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance (in %)
Current ratio	Current assets	Current liabilities	1.90	1.89	0.67
Debt-Equity ratio	Total debt[1]	Shareholder's equity	0.50	0.51	(2.11)
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	1.50	2.49	(39.80)*
Return on equity	Net profit after taxes	Average shareholder's equity	7.00%	24.25%	(71.16)*
Inventory turnover ratio	Cost of goods sold	Average inventory	4.65	5.19	(10.41)

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance (in %)
Trade receivables turnover ratio	Net sales	Average accounts receivable	7.24	8.08	(10.34)
Trade payables turnover ratio	Net credit purchases [5]	Average trade payables	19.99	22.04	(9.29)
Net capital turnover ratio	Net sales	Working capital	4.92	6.18	(20.38)
Net profit ratio	Net profit after taxes	Net sales	4.10%	9.97%	(58.86)*
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[4]	8.06%	21.79%	(63.00)*
Return on investment	Gain from investment[6]	Cost of investment	4.68%	NA	100.00**

[1] Total debt represents total borrowings and total lease liabilities

[2] Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest on term loans and lease liabilities + other adjustments like loss on sale of fixed assets etc.

[3] Interest & lease payments during the year + Principal repayments during the year

[4] Tangible net worth (Total equity - other intangible assets) + Total debt + DTL

[5] Cost of material consumed + Consumption of stores and spares + Consumption of packing material + Power and fuel + (Closing inventories of raw materials and Store and spares - opening inventories of raw materials and Store and spares).

[6] Gain/ loss on sale and change in fair value of mutual funds and commercial papers are considered for the purpose of computing return on investment.

* Due to lower profitability as compared to last financial year

** Investments in mutual funds made during the year and was not present last year.

46. Additional regulatory information not disclosed elsewhere in the standalone financials statements.

(a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below

(₹ in lacs)

Name of the struck off company	Nature of transactions with struck off company	As at 31 March 2023	As at 31 March 2022
Parth Organic Pvt ltd	Trade receivable	0.78	39.34
Dev Agencies private limited	Advance from customer	(4.00)	-
A.M.P Polymers India Private Limited	Advance from customer	(0.01)	0.04
Agarwal Impex pvt ltd	Trade receivable	0.01	0.02
Holoprint Security Solutions pvt ltd	Trade receivable	-*	-
Kautilya Venture Capital Company Ltd	Shareholder (dividend payable)	-#	-
Gati Kintetsu Express Pvt Ltd	Trade payables	-^	-

* During the year, transactions totalling to ₹ 0.25 lacs has happened with the company

During the year, transactions totalling to ₹ 0.16 lacs has happened with the company

^ During the year, transactions totalling to ₹ 0.02 lacs has happened with the company

(c) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(d) The Company has complied with the number of layers of companies prescribed under the Companies Act, 2013.

(e) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(f) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(g) No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

(h) No funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(i) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(j) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(k) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

47. During the current year, a fraud of ₹ 65.00 lacs has happened on the Company where on the basis of WhatsApp messages from a mobile phone that did not belong to CEO of the Company, the person in-charge of approving / authorising payments instructed one of the accounts team person to make on-line payments through Bank of Baroda. Total of such payments amounted to ₹ 65.00 lacs. The Company has filed a First Information Report (FIR) on 25 August 2022 regarding this matter. Further, Company has recorded this amount as expense in statement of profit and loss.

48. The previous year numbers have been regrouped/ reclassified wherever necessary to conform to current year presentation. The impact of such reclassification/regrouping is not material to the standalone financial statements.

49. No subsequent event occurred post balance sheet date which requires adjustment in the standalone financial statements for the year ended 31 March 2023.

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

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Nitin Toshniwal	**Arvind Singhania**	**Pradeep Kumar Rustagi**	**Sourabh Agarwal**
Partner	**Chairman & CEO**	**Executive Director - Corporate Affairs**	**CFO**
Membership no.507568	**DIN: 00934017**	**DIN: 00879345**	
Place: Delhi	**Place:** Gurugram	**Place:** Gurugram	**Place:** Gurugram
Date: 26 May 2023	**Date:** 26 May 2023	**Date:** 26 May 2023	**Date:** 26 May 2023

Independent Auditor's Report

To

The Members of Ester Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Ester Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended, and notes to the consolidated financial statements, including 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 consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Sale of products Revenue of the Holding Company majorly comprises of revenue from sale of polyester films and specialty polymers. The Holding Company sells its products through various distribution channels involving a high volume of sale transactions. The Holding Company recognised an amount of ₹107,747.88 lacs as revenue for the year ended 31 March 2023, as disclosed in Note 25 to the consolidated financial statements. Refer Note 4.5.1 for the related accounting policy adopted by the management for recognition of revenue in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'). Revenue recognition is a significant audit risk primarily as there is a risk that revenue is recognised on sale of goods before the control in the goods is transferred. Revenue is also a key performance indicator of the Company and accordingly, testing occurrence of revenue transactions is a key focus area for our audit. We determined this to be a key audit matter due to significant time and effort involved in testing revenue recorded during the year.	Our audit procedures included, but were not limited, to the following: • Obtained an understanding of the process of identification and recording of revenue transaction from sale of polyester films and specialty polymers; • Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions; • Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc.; • On a sample basis, evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition accounting policy adopted by the management is in accordance with Ind AS 115; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; • Evaluated disclosures made in the financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.

Key Audit Matter	How our audit addressed the key audit matter
Capital expenditure Refer Note 4.2 for the accounting policy and Note 6 for the financial disclosures in the accompanying financial statements. Ester Filmtech Limited, (wholly owned subsidiary of Company) has commenced operations in a new manufacturing plant in Telangana on 20 January 2023. Total carrying value of the Property, plant and equipment ('PPE') of ₹60,671.67 lacs, ₹61,044.98 lacs of PPE capitalised during the year. As at 31 March 2023 and carrying value of capital work-in-progress amounting to ₹117.60 lacs. Determining whether expenditure incurred during the year is operational or capital in nature and appropriate classification of such expenditure in various classes of PPE require judgement to be exercised by the management in order to ensure that the recognition and measurement principles given under Ind AS 16, Property, Plant and Equipment ('Ind AS 16') are met. Further, the afore mentioned capital expenditure has been partly funded from the specific borrowing raised for such purpose. Accordingly, the borrowing costs incurred on such borrowings have been included as a capital expenditure in accordance with the provisions of Ind AS 23, Borrowing Costs ('Ind AS 23'). This has been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs (including borrowing costs) that are eligible for capitalisation are not appropriately capitalised in accordance with the recognition criteria provided Ind AS 16 and Ind AS 23.	Our audit procedures with respect to capital expenditure included, but were not limited, to the following: • Tested the design, implementation and operating effectiveness of controls in respect of capitalisation of various cost; • Reviewed management's capitalisation policy to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment; • Tested the source documentation to determine whether the expenditure has been properly approved and segregated into appropriate classes of Property, Plant and Equipment; • Physically verified the site to ensure existence of Property, Plant and Equipment and Capital Work In Progress; • Tested direct and indirect costs capitalised, on sample basis, with the underlying supporting documents to ascertain nature of cost and basis of allocation, where applicable and evaluated whether they meet the recognition criteria provided in the Ind AS 16; • Evaluated whether the estimated useful lives and residual values of PPE appear reasonable based on the schedule II of the Companies Act, 2013/Company's technical evaluation of project in charge; • Ensured that the borrowing cost capitalised measured is accordance with Ind AS 23, Borrowing Cost; • Assessed the appropriateness and adequacy of related disclosures in the financial statements in accordance with the applicable accounting standards.

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.

16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:

A) Following are the adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date:

S No	Name	CIN	Holding Company/ subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified
1.	Ester Industries Limited	L24111UR1985PLC015063	Holding Company	(xi) (a)

17. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary company and taken on record by the Board of Directors of the Holding Company, its subsidiary company, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

    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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 38 to the consolidated financial statements;

    ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023;

    iv. a. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in Note 46 (g) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

    b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in the Note 46 (h) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

    c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiary company have not declared or paid any dividend during the year ended 31 March 2023.

The final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 01 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 23507568BGYWBZ6234

Place : Delhi
Date : 26 May 2023

Annexure I-

List of entities included in the Consolidated financial statement

Name of Holding Company

Ester Industries Limited

Name of Subsidiary Company

Ester Filmtech Limited

Annexure I

Independent Auditor's Report on the internal financial controls with reference to financial statements of Ester Industries limited under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Ester Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companyas aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Nitin Toshniwal
Partner
Membership No.:507568
UDIN: 23507568BGYWBZ6234

Place: Delhi
Date: 26 May 2023

CONSOLIDATED BALANCE SHEET as at 31 March 2023

(₹ in lacs)

		As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6A	97,680.00	38,077.38
Right of use asset	6B	57.61	835.36
Capital work-in-progress	6C	7,876.55	43,490.66
Intangible assets	6A	128.85	50.18
Financial assets			
Loans	8A	32.33	14.12
Other financial assets	9A	1,592.37	1,119.94
Income tax assets (net)	24A	513.43	752.55
Other non-current assets	10	2,913.92	5,601.08
Total non-current assets		**110,795.06**	**89,941.27**
Current assets			
Inventories	11	17,223.01	20,346.90
Financial assets			
Investments	7	15,393.36	-
Trade receivables	12	15,153.11	19,346.04
Cash and cash equivalents	13	2,835.46	5,614.27
Other bank balances	14	2,337.46	477.00
Loans	8B	59.07	76.54
Other financial assets	9B	91.44	149.00
Other current assets	15	7,565.65	6,868.08
Total current assets		**60,658.56**	**52,877.83**
Total assets		**171,453.62**	**142,819.10**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16A	4,169.69	4,169.69
Other equity	17	70,173.51	58,001.43
Total equity		**74,343.20**	**62,171.12**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18A	53,812.99	47,385.64
Lease liability	38	1.25	1.25
Provisions	19A	947.05	1,036.06
Deferred tax liabilities (net)	20	3,038.19	3,078.56
Other non-current liabilities	21A	3,434.56	2,029.13
Total non-current liabilities		**61,234.04**	**53,530.64**
Current liabilities			
Financial liabilities			
Borrowings	18B	27,756.99	16,434.46
Lease liability	38	-	46.88
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	22	610.68	829.56
b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	2,623.51	5,479.45
Other financial liabilities	23	2,970.72	2,696.78
Other current liabilities	21B	1,060.00	1,248.05
Provisions	19B	309.31	305.91
Income tax liabilities (net)	24B	545.17	76.25
Total current liabilities		**35,876.38**	**27,117.34**
Total equity and liabilities		**171,453.62**	**142,819.10**

Summary of significant accounting policies 1-5

The accompanying notes are integral part of the consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place : Delhi
Date : 26 May 2023

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place : Gurugram
Date : 26 May 2023

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Place : Gurugram
Date : 26 May 2023

Sd/-
Sourabh Agarwal
CFO

Place : Gurugram
Date : 26 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2023

(₹ in lacs)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	25 and 42	111,413.68	111,024.95
Other income	26	1,241.76	880.42
Total income		**112,655.44**	**111,905.37**
Expenses			
Cost of material consumed		71,696.20	70,271.70
Changes in inventories of finished goods and work-in-progress	27	(337.90)	(2,728.86)
Employee benefits expense	28	5,456.63	5,979.95
Finance costs	29	3,633.52	2,487.53
Depreciation and amortisation expenses	6	4,392.70	3,682.17
Other expenses	30	25,421.74	20,413.98
Total expenses		**110,262.89**	**100,106.47**
Profit before tax from continuing operations		**2,392.55**	**11,798.90**
Tax expense related to continuing operations	31		
Current tax		1,125.36	3,167.59
Tax earlier years		147.50	136.75
Deferred tax		(48.52)	(72.35)
Total tax expenses related to continuing operations		**1,224.34**	**3,231.99**
Profit for the year from continuing operations		**1,168.21**	**8,566.91**
Profit before tax from discontinued operations	41	16,324.30	6,821.46
Tax expense related to discontinued operations	41	3,802.87	1,716.96
Profit for the year from discontinued operations		**12,521.43**	**5,104.50**
Profit after tax		**13,689.64**	**13,671.41**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/ (loss) on defined benefit plans		27.37	(16.83)
Income tax effect		(8.15)	3.76
Total other comprehensive income/(loss) for the year		**19.22**	**(13.07)**
Total comprehensive income		**13,708.86**	**13,658.34**
Profit for the year		**13,689.64**	**13,671.41**
Attributable to owners of the Holding Company		13,689.64	13,671.41
Other comprehensive income/(loss) for the year		**19.22**	**(13.07)**
Attributable to owners of the Holding Company		19.22	(13.07)
Total other comprehensive income/(loss) for the year		**13,708.86**	**13,658.34**
Attributable to owners of the Holding Company		13,708.86	13,658.34
Earnings per equity share			
Basic and Diluted EPS from continuing operations (₹)	32	1.40	10.27
Basic and Diluted EPS from discontinued operations (₹)	32	15.01	6.12
Basic and Diluted EPS from continuing and discontinued operations (₹)	32	16.42	16.39

Summary of significant accounting policies 1-5

The accompanying notes are integral part of the consolidated financial statements.
This is the consolidated statement of profit and loss referred to in our report of even date.

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

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Sd/-
Sourabh Agarwal
CFO

Place: Delhi
Date: 26 May 2023

Place : Gurugram
Date : 26 May 2023

Place : Gurugram
Date : 26 May 2023

Place : Gurugram
Date : 26 May 2023

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2023

(₹ in lacs)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A	**Cash flow from operating activities**		
	Profit before tax		
	Continuing operations	2,392.55	11,798.90
	Discontinued operations	16,324.30	6,821.46
	Profit before tax including discontinued operations	**18,716.85**	**18,620.36**
	Adjustments for:		
	Depreciation and amortisation expense	4,468.84	3,867.39
	Employee stock option scheme expenses	47.72	62.11
	Loss on sale of property, plant and equipments (net)	94.67	45.04
	Finance costs	3,217.10	1,982.24
	Interest income on financials assets measured at amortised cost	(315.52)	(92.77)
	Unrealised foreign exchange (gain) / loss (net)	412.06	16.07
	Bad debts, advances and irrecoverable balances written off	4.70	-
	Profit on sale of investments (net)	(56.76)	(28.91)
	Profit on sale of business	(14,555.95)	-
	Provisions/ liabilities no longer required written back	(11.82)	(16.14)
	Mark to market loss/ (gain) on derivative contracts	20.56	(253.57)
	Income recognised on account of government assistance	(251.67)	-
	Provision/ (reversal) for doubtful debts	10.82	(25.91)
	Provision for doubtful advances	15.39	-
	Gain on fair valuation of financial assets	(309.43)	-
	Provision/ (reversal) for obsolete inventories	7.30	(12.42)
	Operating profit before working capital changes and other adjustments:	**11,514.86**	**24,163.49**
	Working capital changes and other adjustments:		
	(Increase)/ decrease in current and non-current loans	(0.74)	(19.90)
	Increase in other non-current and current assets	(1,143.68)	(3,902.91)
	Increase in inventories	(710.22)	(6,670.22)
	Increase/ (decrease) in other financial and non-financial liabilities	(382.86)	(569.18)
	Increase/ (decrease) in provisions	50.27	(6.12)
	(Increase)/ decrease in other non-current and current financial assets	(412.85)	560.24
	Increase in trade receivables	(1,704.41)	(4,204.86)
	Increase/ (decrease) in trade payables	(426.61)	2,536.98
	Cash flow from operating activities post working capital changes	**6,783.76**	**11,887.52**
	Income tax paid (net of refunds)	(1,009.92)	(5,700.11)
	Net cash flow from operating activities (A)	**5,773.84**	**6,187.41**
B	**Cash flows from investing activities**		
	Purchase of property plant and equipments (including capital work-in-progress, capital advances, capital creditors and intangible assets)	(25,659.13)	(41,377.28)
	Sale of property plant and equipments	63.70	3.20
	(Investment)/ proceeds from bank deposits	(2,167.38)	1,413.98
	Proceeds from pledged deposits (net)	256.70	545.45
	Interest received	157.21	92.77
	Proceed from sale of business (net)	26,326.27	-
	Income tax paid on profit on sale of business	(3,357.77)	-
	Cost incurred on sale of business	(583.33)	-
	Sales/ (purchase) of investment (net)	(14,969.70)	162.04
	Net cash used in investing activities (B)	**(19,933.43)**	**(39,159.84)**
C	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	15,574.17	44,766.63
	Repayment of long-term borrowings	(5,292.58)	(6,881.26)
	Payment of lease liability	(48.26)	(120.24)
	Proceeds of short-term borrowings (net)	5,627.44	5,374.35
	Finance cost paid	(2,895.51)	(1,982.24)
	Dividend paid	(1,584.48)	(2,751.99)
	Net cash flow in financing activities (C)	**11,380.78**	**38,405.25**
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,778.82)	5,432.82
E	Cash and cash equivalents at the beginning of the year (refer note no. 13)	5,614.27	181.45
F	**Cash and cash equivalents at the end of the year (D+E) (refer note no. 13)**	**2,835.45**	**5,614.27**
	Reconciliation of cash and cash equivalents as per cash flow statement		
	Cash in hand	3.50	4.23
	Balances with banks:		
	In current accounts	4.58	2,529.54
	Bank deposits with original maturity upto 3 months	2,827.38	3,080.50
	Total of cash and cash equivalents	**2,835.46**	**5,614.27**

This is the consolidated cash flow statement referred to in our report of even date.

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

Sd/-
Nitin Toshniwal
Partner
Membership no.507568

Place: Delhi
Date: 26 May 2023

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Gurugram
Date: 26 May 2023

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Place: Gurugram
Date: 26 May 2023

Sd/-
Sourabh Agarwal
CFO

Place: Gurugram
Date: 26 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as at 31 March 2023

Equity share capital (₹ in lacs)

Particulars	Opening balance as at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
Equity share capital	4,169.69	-	4,169.69	-	4,169.69

Other equity (₹ in lacs)

Particulars	Equity component of redeemable financial instrument	Reserves and surplus						Total
		Securities premium	Capital reserve	Capital redemption reserve	General reserve	Share options outstanding	Retained earnings	
Balance as at 01 April 2021	**76.83**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**-**	**35,450.11**	**47,032.22**
Profit for the year	-	-	-	-	-	-	**13,671.41**	**13,671.41**
Other comprehensive income								
Re-measurement losses on defined benefit plans (net of tax)	-	-	-	-	-	-	(13.07)	**(13.07)**
Share based payment expense	-	-	-	-	-	62.11	-	**62.11**
Others	-	-	-	-	-	-	0.75	**0.75**
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(2,751.99)	**(2,751.99)**
Adjustment on account of partial repayment of redeemable financial instrument (foreign currency loan)	(63.62)	-	-	-	-	-	63.62	-
Balance as at 31 March 2022	**13.21**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**62.11**	**46,420.83**	**58,001.43**
Profit for the year	-	-	-	-	-	-	**13,689.64**	**13,689.64**
Other comprehensive income								
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	-	-	19.22	**19.22**
Share based payment expense	-	-	-	-	-	47.72	-	**47.72**
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(1,584.50)	**(1,584.50)**
Adjustment on account of partial repayment of redeemable financial instrument (foreign currency loan)	(13.21)	-	-	-	-	-	13.21	-
Balance as at 31 March 2023	**-**	**6,121.01**	**3,520.74**	**335.37**	**1,528.16**	**109.83**	**58,558.40**	**70,173.51**

This is the consolidated statement of change in equity referred to in our report of even date.

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

For and on behalf of the Board of Directors of
Ester Industries Limited

Nitin Toshniwal
Partner
Membership no.507568

Place: Delhi
Date: 26 May 2023

Arvind Singhania
Chairman & CEO
DIN: 00934017

Place: Gurugram
Date: 26 May 2023

Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Place: Gurugram
Date: 26 May 2023

Sourabh Agarwal
CFO

Place: Gurugram
Date: 26 May 2023

1. Nature of operations

Ester Industries Limited ('the Holding Company') is a manufacturer of polyester film and engineering plastics. The Holding Company is domiciled in India and its registered office is situated at Pilibhit Road, Sohan Nagar PO – Charubeta, Khatima District – Udham Singh Nagar, Uttarakhand – 262308.

2. General information and compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies for the periods presented. The Holding Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The consolidated financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 26 May 2023.

The consolidated financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the consolidated financial statements have been prepared on a historical cost basis except for following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value as explained in relevant accounting policies.
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.
Share based payment	Fair value as explained in relevant accounting policies.

3. Basis of Consolidation

Subsidiary

Subsidiary is the entity over which the Holding Company has control. The Holding Company controls an entity when the Holding Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Holding Company can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements.

Subsidiary is fully consolidated from the date on which control is transferred to the Holding Company statement of profit and loss (including other comprehensive income ('OCI')) of subsidiary acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Holding Company for its separate financial statements.

Intercompany transactions, balances and unrealised gains or losses on transactions between Holding Company and its subsidiary (jointly referred to as the 'Group' herein under) are eliminated. Accounting policies of subsidiary is consistent with the policies adopted by the Holding Company.

4. Summary of significant accounting policies

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

4.1 Current versus non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

4.2 Property, plant and equipment (PPE)and capital work in progress

Recognition and initial measurement

Property plant and equipment, capital work in progress are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discount and rebates are deducted in arriving at the purchase price. 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 Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories

Expenditure related to and incurred on implementation of new project is included under capital work-in-progress until the relevant assets are ready for its intended use. All other expenditure (including trail run/test run expenditures) during construction/erection period (net of income) are shown as part of pre-operative expenditure allocation/capitalisation and the same is allocated to the respective asset on completion of its construction/erection.

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful life estimated by the management. The identified components are depreciated separately over their respective useful life; the remaining components are depreciated over the life of the principal asset. The Group has used the following rates to provide depreciation on its property, plant and equipment.

Asset class	Useful life
Factory buildings*	2 to 30 years
Administrative buildings*	12 to 61.35 years
Plant and equipment*	2 to 40 years
Furniture and fixtures*	5 to 15.79 years
A.C. and Refrigeration	10 years
Office equipment*	2 to 10 years
Computers*	3 to 6.16 years
Vehicles	8 years
Batteries under UPS project (Plant and equipment) *	5 years
Leasehold improvements	Over the period of lease

Depreciation on the amount of additions made to fixed assets due to upgradations / improvements is provided over the remaining useful life of the asset to which it relates. Depreciation on fixed assets added/disposed off during the year is provided on a pro-rata basis to the date, the asset is retired from active use.

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

* For these class of assets, based on detailed technical assessment, the management believes that the useful life as given above best represents the period over which management expects to use these assets. Hence, the useful life for these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

4.3 Intangible assets

Recognition and initial measurement

Intangible assets (softwares and patents) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

Software's are amortized on a straight-line basis over its useful life, which is considered to be of a period of three years.

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.

The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortisation expense.

De-recognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

4.4 Inventories

Inventories are valued as follows:

Raw materials, components and stores and spares

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on moving weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

4.5 Revenue recognition

4.5.1: Revenue

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

1) Identifying the contract with a customer
2) Identifying the performance obligations
3) Determining the transaction price
4) Allocating the transaction price to the performance obligations
5) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at transaction price (net of variable consideration), which is the consideration, net of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST). In case of multi-element revenue arrangements, which involve delivery or performance of multiple products, services, evaluation will be done of all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of arrangement. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components based on residual value method. The Group applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below.

Advance from customers (“contract liability”) is recognised when the Group has received consideration from the customer before it delivers the goods.

Sale of goods

Revenue from sale of goods is recognized when control over ownership of the goods have been passed to the buyer. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. The Group collects sales taxes, value added taxes (‘VAT’) and GST on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Export benefits

Export benefits constituting duty draw back, merchandise export from India scheme and advance license scheme are accounted for on accrual basis when there is reasonable assurance that the Group will comply with the conditions attached to them and the export benefits will be received. Export benefits under duty draw back and merchandise export from India scheme are considered as other operating income.

4.5.2: Other Income

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are recognised as deferred income and are credited to statement of profit and loss based on the conditions for which the grant was obtained and presented within other income.

Interest

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

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 Group is certain of their ultimate collection.

4.6 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.

4.7 Leases

The Group as a lessee

The Group’s leased asset classes primarily consist of leases for certain equipments and building, including warehouses and related facilities. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

The Group as a lessor

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

4.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

4.9 Foreign currency

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Group.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise

4.10 Financial instruments

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets (except for trade receivables) and financial liabilities are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are initially measured at the transaction price. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – A 'financial asset' is measured at the amortised cost if both the following conditions are met:

   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in 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 s at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iv. **Investments in mutual funds -** The Group has measured its investment in mutual fund at FVTPL in its financial statements. Profit or loss on fair value of mutual fund is recognised in statement of profit and loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Forward contracts

The Group has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.11 Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss is recognised based on the 12 months probability of default or life time probability of default and the expected loss good default estimated for each financial asset.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

4.12 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).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

The Group offsets current tax assets and current tax liabilities; deferred tax assets and deferred tax liabilities; where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.13 Cash and cash equivalents

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

4.14 Employee benefits

Provident fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as defined contribution plan as the Group does not carry any further obligations, apart from the contributions made on a monthly basis. In addition, for other employees, the provident fund trust set-up by the Group is treated as a defined benefit plan to the extent the Group has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognized as an expense in the period in which services are rendered by the employee.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Group's defined benefit plan is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences

The Group also provides benefit of compensated absences to its employees which are in the nature of long -term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

Superannuation fund

Contribution made towards superannuation fund (funded by payments to Life Insurance Corporation of India) is charged to statement of profit and loss on accrual basis.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.15 Provisions

Provisions are recognized when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

4.16 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 Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

4.17 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.

4.18 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 Group's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing and Sale of Polyester film and Engineering plastics.

Inter segment transfers

Inter segment transfers of goods, as marketable products produced by separate segments of the Group for captive consumption, are not accounted for in the books of account of the Group. For the purpose of segment disclosures, however, inter segment transfers have been taken at cost.

Allocation of common costs

Common allocable costs are allocated to each segment in proportion to the turnover of the segment, except where a more logical allocation is possible.

Unallocated items

Corporate income and expense are considered as a part of un-allocable income and expense, which are not identifiable to any business segment.

4.19 Significant management judgement and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Government grants – Grants receivables are based on estimates for utilisation of grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted prospectively over the balance life of asset.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Allowance for expected credit losses – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. The Group has also taken into account estimates of possible effect from the pandemic relating to COVID-19. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognised in the consolidated financial statements.

Allowance for obsolete and slow-moving inventory - The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value and has been determined on the basis of past experience and historical and expected future trends in the market. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognized in the consolidated financial statements.

Provisions – At each balance sheet date basis management estimate, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

4.20 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification. Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and:

a) Represents a separate major line of business or geographical area of operations,

b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or

c) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

4.21 Share based payment

Employees of the Holding Company receive remuneration in the form of share-based payments in consideration of the services rendered (equity settled transactions).

Under the equity settled share-based payment, the fair value on the grant date of the options given to employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options on the grant date is calculated using an appropriate valuation model.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. An additional expense is recognised for any modification that increases the total fair value of the shares-based payments transactions, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. When the options are exercised, the Holding Company issues fresh equity shares.

5. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The group does not expect the amendment to have any significant impact in its financial statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The group does not expect the amendment to have any significant impact in its financial statements

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2023. The group does not expect the amendment to have any significant impact in its financial statements.

6A. Property, plant and equipment and intangible assets (₹ in lacs)

Particulars	Property, plant and equipment							Intangible assets	
	Land-freehold	Building	Vehicles	Office equipments	Furniture and fixtures	Plant and equipment	Total	Software	Total
Gross carrying amount									
As at 01 April 2021	**1,653.36**	**6,002.28**	**607.41**	**226.18**	**385.44**	**41,412.44**	**50,287.11**	**248.90**	**248.90**
Additions	-	311.83	49.41	47.74	36.34	3,999.86	**4,445.18**	17.50	**17.50**
Disposal/ adjustments	-	(5.88)	(12.13)	(23.99)	-	(299.78)	**(341.78)**	-	-
As at 31 March 2022	**1,653.36**	**6,308.23**	**644.69**	**249.93**	**421.78**	**45,112.52**	**54,390.51**	**266.40**	**266.40**
Additions	5,547.04	11,699.80	341.28	294.83	164.54	48,979.98	**67,027.47**	145.46	**145.46**
Disposal/ adjustments	-	(2,364.48)	(226.95)	(36.32)	**(85.83)**	(2,109.60)	**(4,823.17)**	(1.67)	**(1.67)**
As at 31 March 2023	**7,200.40**	**15,643.55**	**759.02**	**508.44**	**500.49**	**91,982.90**	**116,594.80**	**410.19**	**410.19**
Accumulated Depreciation									
As at 01 April 2021	-	**938.59**	**40.64**	**77.82**	**139.14**	**11,701.25**	**12,897.44**	**169.10**	**169.10**
Depreciation charge for the year							-		-
Continuing operation	-	199.19	106.58	40.05	38.61	3,140.06	**3,524.49**	46.64	**46.64**
Discontinued operation	-	15.58	4.41	1.90	1.13	161.72	**184.74**	0.48	**0.48**
Disposal/ adjustments	-	(5.20)	(5.10)	(20.89)	-	(262.35)	**(293.54)**	-	-
As at 31 March 2022	-	**1,148.16**	**146.53**	**98.88**	**178.88**	**14,740.68**	**16,313.13**	**216.22**	**216.22**
Depreciation charge for the year									
Continuing operation	-	284.40	117.87	59.05	47.61	3,781.24	**4,290.17**	65.88	**65.88**
Discontinued operation	-	6.80	1.94	0.99	0.45	64.18	**74.36**	0.26	**0.26**
Disposal/ adjustments	-	(2.30)	(171.01)	(12.06)	(52.44)	(1,525.05)	**(1,762.86)**	(1.02)	**(1.02)**
As at 31 March 2023	-	**1,437.06**	**95.33**	**146.86**	**174.50**	**17,061.05**	**18,914.80**	**281.34**	**281.34**
Net block									
As at 31 March 2022	**1,653.36**	**5,160.07**	**498.16**	**151.05**	**242.90**	**30,371.84**	**38,077.38**	**50.18**	**50.18**
Continuing operation	1,653.36	4,832.68	473.81	142.16	236.28	29,531.62	36,869.91	49.13	49.13
Discontinued operation	-	327.39	24.35	8.89	6.62	840.22	1,207.47	1.05	1.05
As at 31 March 2023	**7,200.40**	**14,206.49**	**663.69**	**361.58**	**325.99**	**74,921.85**	**97,680.00**	**128.85**	**128.85**
Continuing operation	7,200.40	14,206.49	663.69	361.58	325.99	74,921.85	97,680.00	128.85	128.85
Discontinued operation	-	-	-	-	-	-	-	-	-

Footnotes:

(i) Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Refer note 18 for information on property, plant and equipment pledged as security by the Group.

(iii) Disposals include property, plant and equipment of discontinued operations. Refer note 41.

6B. Right of use asset (₹ in lacs)

Particulars	Land	Plant and equipment	Total
Gross carrying amount			
As at 31 March 2021	**59.88**	**319.88**	**379.76**
Additions	737.19	-	737.19
As at 31 March 2022	**797.07**	**319.88**	**1,116.95**
Additions	-	-	
As at 31 March 2023	**797.07**	**319.88**	**1,116.95**
Accumulated depreciation			
As at 01 April 2021	**0.95**	**169.60**	**170.55**
Charge for the year			
Continuing operation	0.75	108.31	**109.06**
Discontinued operation	1.98	-	**1.98**

Particulars	Land	Plant and equipment	Total
As at 31 March 2022	**3.68**	**277.91**	**281.59**
Charge for the year			
Continuing operation	0.75	35.91	36.66
Discontinued operation	1.52	-	1.52
Disposal on lease	733.51	6.06	739.57
As at 31 March 2023	**739.46**	**319.88**	**1,059.34**
Net carrying amount			
As at 31 March 2022			
Continuing operation	**58.36**	**41.97**	**100.33**
Discontinued operation	**735.03**	-	**735.03**
As at 31 March 2023			
Continuing operation	**57.61**	-	**57.61**
Discontinued operation	-	-	-

(i) Disposals include right of use asset of discontinued operations. Refer note 41.

6C. Capital work-in-progress **(₹ in lacs)**

Description	Amount
As at 01 April 2021	**7,639.65**
Additions	39,031.93
Capitalised	(3,180.92)
As at 31 March 2022*	**43,490.66**
Continuing operation	43,220.34
Discontinued operation	270.32
Additions	26,998.65
Capitalised	(60,251.27)
Disposal (engineering plastic business)	(2,361.49)
As at 31 March 2023*	**7,876.55**
Continuing operation	7,876.55
Discontinued operation	-

* It includes pre-operative expenses of NIL (31 March 2022 ₹ 1,000.83 lacs) refer note 6C(i).

The capital work-in- progress ageing schedule for the years ended 31 March 2023 and 31 March 2022 is as follows:

Amount in capital work-in-progress 31 March 2023 **(₹ in lacs)**

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work-in-progress	6,682.81	1,065.98	27.28	-	**7,776.07**
Capital work-in-progress temporarily suspended	-	100.48	-	-	**100.48**

Amount in capital work-in-progress 31 March 2022 **(₹ in lacs)**

Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Capital work-in-progress	42,754.63	736.03	-	-	**43,490.66**
Capital work-in-progress temporarily suspended	-	-	-	-	-

6C(i). Pre-operative expenses **(₹ in lacs)**

Description	As at 31 March 2023	As at 31 March 2022
Opening balances	**1,000.83**	**283.97**
Finance charges	2,609.39	288.18
Trial run expenses	1,777.98	-
Legal and professional expenses	90.76	199.83
Salaries and wages	274.58	169.22
Others	492.72	69.01

Description	As at 31 March 2023	As at 31 March 2022
Less: recoveries		
Sales before starting of commercial operations	856.17	-
Interest earned	21.12	9.38
Sub total	**5,368.97**	**1,000.83**
Less:- capitalised	**5,368.97**	**-**
Closing balance	-	**1,000.83**

7. Investments **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Current **Investments carried at fair value through profit and loss - Mutual Funds**		
ICICI Prudential Overnight fund Direct Plan Growth Units 1,26,47.57 (31 March 2022 : Nil) of ₹ 1,208.48	152.84	-
ICICI Prudential blue chipfund-Direct Plan Growth Units 2,92,997.18 (31 March 2022 : Nil) of ₹ 73.20	214.47	-
ICICI Prudential Nifty 50 Index Fund -Direct Plan Growth Units 1,51,583.80 (31 March 2022 : Nil) of ₹ 177.607	269.22	-
IIFL Wealth Prime Ltd 364 D cp 03.10.2023 Units 340.00 (31 March 2022 : Nil) of ₹ 4,81,676.829	1,637.70	-
IIFL Wealth Prime Ltd 31 Jul 2024 Units 89.00 (31 March 2022 : Nil) of ₹ 10,56,119	939.95	-
KMIL 27-Aug-24 MLD Units 145.00 (31 March 2022 : Nil) of ₹ 10,35,868	1,502.01	-
IIFLWPL-7%28 FEB 2024 Units 119.00 (31 March 2022 : Nil) of ₹ 10,88,105	1,294.84	-
IIFLWPL-7%-28FEB2024 Units 56.00 (31 March 2022 : Nil) of ₹ 10,86,721	608.56	-
MIRAE ASSET Overnight Fund Direct Plan - Growth Units 5,921.62 (31 March 2022 : Nil) of ₹ 1,149.24	68.05	-
MIRAE ASSET Large Cap Fund -Direct Plan -Growth Units 2,28,926.84 (31 March 2022 : Nil) of ₹ 84.47	193.38	-
SBI Overnight Fund Direct Growth Units 898.98 (31 March 2022 : Nil) of ₹ 3,649.25	32.81	-
SBI Nifty Next 50 Index Fund -Direct Plan -Growth Units 11,51,119.60 (31 March 2022 : Nil) of ₹ 10.33	118.94	-
UTI Overnight Fund - Direct Plan Growth Units 1,382.72 (31 March 2022 : Nil) of ₹ 3,068.63	42.43	-
UTI Flexi Cap Fund -Direct Plan Growth Units 69,476.67 (31 March 2022 : Nil) of ₹ 232.46	161.51	-
Bharat Bond of- Direct Plan Growth Units 126,38,290.91 (31 March 2022 : Nil) of ₹ 12.22	1,544.44	-
IIFL Commercial Yield Fund Units 97,65,708.95 (31 March 2022 : Nil) of ₹ 10.487	1,024.15	-
UTI MMF-Direct Plan Growth Units 7,937.70 (31 March 2022 : Nil) of ₹ 2,634.86	209.15	-
TATA Treasury Advantage Fund - Direct Plan Units 9,071.34 (31 March 2022 : Nil) of ₹ 3,415.95	309.87	-
KOTAK Corporate Bond fund direct growth Units 18,904.17 (31 March 2022 : Nil) of ₹ 3,276.23	619.35	-

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
ABSL Nifty Sdl Plus PSU Bond Sep 2026 60 Units 118,85,065.698 (31 March 2022 : Nil) of ₹ 10.463	1,243.48	-
Aditya Birla Sun Life Corporate Bond Fund Units 3,28,851.233 (31 March 2022 : Nil) of ₹ 94.390	310.40	-
Aditya Birla Sun Life Banking & PSU DEBT Units 1,00,067.015 (31 March 2022 : Nil) of ₹ 3,09.33	309.54	-
HDFC Credit Risk Debt Fund Collections Units 14,36,806.111 (31 March 2022 : Nil) of ₹ 21.59	310.23	-
Nifty PSU Bond Plus SDL Sep 2007 Units 119,19,657.521 (31 March 2022 : Nil) of ₹ 10.44	1,244.40	-
UTI Nifty 50 Index Fund - Regular Plan Growth Units 1,49,198.94 (31 March 2022 : Nil) of ₹ 116.672	174.07	-
HDFC Large and Mid Cap Fund - Direct Growth Plan Units 88,439.62 (31 March 2022 : Nil) of ₹ 198.25	175.34	-
UTI Flexi Cap Fund -Direct Plan Growth Units 72,440.58 (31 March 2022 : Nil) of ₹ 232.463	168.40	-
ICICC Prudential Value Discovery Fund -Direct Plan Growth Units 60,743.69 (31 March 2022 : Nil) of ₹ 297.14	180.49	-
SBI Contra Fund - Direct Plan -Growth Units 74,911.93 (31 March 2022 : Nil) of ₹ 242.06	181.34	-
BOI balanced advantage fund Units 5,55,534.57 (31 March 2022 : Nil) of ₹ 18.378	102.10	-
BOI multicap fund regular plan-Growth Units 499,975(31 March 2022 : Nil) of ₹ 9.98	49.90	-
Total current investment	**15,393.36**	-
Aggregate amount of quoted investments (this represents market value as well)	**15,393.36**	-
Aggregate amount of impairment in the value of investments	**-**	**-**

8. Loans (₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
A) Non-current		
Loans considered good- unsecured		
Loans to employees	32.33	14.12
Total non-current loans (A)	**32.33**	**14.12**
B) Current		
Loans considered good- unsecured		
Loans to employees	59.07	76.54
Total current loans (B)	**59.07**	**76.54**
Total loans (A+B)	**91.40**	**90.66**

There are no debt/ loans due by directors or other officers of the group or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

9. Other financial assets **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
A) Non-current (carried at amortised cost)		
(Unsecured considered good)		
Bank deposits with maturity of more than 12 months (refer note 14)	518.13	388.16
Security deposits*	1,074.24	731.78
Total non-current other financial assets (A)	**1,592.37**	**1,119.94**
B) Current		
(Unsecured considered good)		
Derivative asset	2.04	1.22
Security deposits	78.40	136.78
Others	11.00	11.00
Total current other financial assets (B)	**91.44**	**149.00**
Total other financial assets (A+B)	**1,683.81**	**1,268.94**

*Deposits includes deposits with Uttarakhand Power Corporation Limited which carries interest of 4.25% per annum (31 March 2022: 4.50% per annum).

10. Other non-current assets **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Capital advances	2,906.19	5,590.77
Prepaid expenses	5.14	7.72
Balances with government authorities	2.59	2.59
Total other non-current assets	**2,913.92**	**5,601.08**

11. Inventories **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Raw materials {including goods in transit ₹ 316.27 lacs (31 March 2022: ₹ 2,384.70 lacs)}	7,130.66	9,823.28
Work-in-progress	2,595.84	1,918.94
Finished goods {including goods in transit ₹ 1,399.23 lacs (31 March 2022: ₹ 2,598.32 lacs)}	4,081.90	5,882.26
Stores and spares {including goods in transit ₹ 24.82 lacs (31 March 2022: ₹ 25.29 lacs)}	3,414.61	2,722.42
Total inventories	**17,223.01**	**20,346.90**

(i) During the year, the Group has reversed a provision of ₹ 85.33 lacs (in 31 March 2022 provision reversed: ₹ 115.59 lacs) for raw material and store and spares inventories. The reversal is due to change in ageing buckets of inventory.

(ii) The Group has provision outstanding of ₹ 184.68 lacs for raw material and ₹ 62.22 lacs for stores and spares as at 31 March 2023 (31 March 2022 : raw material ₹ 276.49 lacs and stores and spares ₹ 55.75 lacs).

12. Trade receivables **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good - unsecured	15,169.88	19,356.84
Less: allowance for expected credit losses	(16.77)	(10.80)
	15,153.11	19,346.04
Trade receivables credit impaired	4.85	-
Less: allowance for credit impairment	(4.85)	-
	-	-
Total trade receivables	**15,153.11**	**19,346.04**

* For credit risk related disclosures, refer note 34A(b).

(i) Trade receivables ageing schedule is as follows: **(₹ in lacs)**

Particulars	As at 31 March 2023					
	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	15,153.11	-	-	-	-	**15,153.11**
(ii) Undisputed trade receivables – which have significant increase in credit risk	13.89	1.18	1.13	0.33	0.24	**16.77**
(iii) Undisputed trade receivables – credit impaired	-	-	4.85	-	-	**4.85**
Gross trade receivables						**15,174.73**
Less: allowance for trade receivables						(21.62)
Total trade receivables						**15,153.11**

(₹ in lacs)

Particulars	As at 31 March 2022					
	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	19,341.68	4.36	-	-	-	**19,346.04**
(ii) Undisputed trade receivables – which have significant increase in credit risk	2.45	5.05	3.06	0.24	-	**10.80**
Gross trade receivables						**19,356.84**
Less: allowance for trade receivables						(10.80)
Total trade receivables						**19,346.04**

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

	As at 31 March 2023	As at 31 March 2022
Cash on hand	3.50	4.23
Balances with banks		
In current accounts	4.58	2,529.54
Bank deposits with original maturity upto 3 months**	2,827.38	3,080.50
Total cash and cash equivalents	**2,835.46**	**5,614.27**

14. Other bank balances **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Earmarked bank balances		
Unpaid dividend accounts *	74.37	62.09
Bank deposits		
Deposits with remaining maturity for less than 12 months	2,263.09	414.91
Deposits with remaining maturity for more than 12 months	518.13	388.16
**Total ** **	**2,855.59**	**865.16**
Less:- Amount disclosed under non-current financial assets (refer note 9)	(518.13)	(388.16)
Total other bank balances	**2,337.46**	**477.00**

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

** Margin money deposit (including interest accrued) of ₹ 5,608.60 lacs (31 March 2022: ₹ 883.57 lacs) are subject to lien of lending banks for securing letter of credit, bank guarantee and other facilities sanctioned by them.

15. Other current assets (₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Considered good		
Receivables under export benefit scheme	446.67	719.05
Advance to vendors	1,381.47	2,194.69
Prepaid expenses	692.80	527.06
Balances with government authorities	5,035.27	3,426.40
Other advances	9.44	0.88
	7,565.65	**6,868.08**
Considered doubtful		
Receivables under export benefit scheme	44.70	29.31
Other advances	50.27	50.27
Less: Provision of export benefit receivable	(44.70)	(29.31)
Less: Provision of other advances	(50.27)	(50.27)
Total other current assets	**7,565.65**	**6,868.08**

16 A. Equity share capital

	As at 31 March 2023		As at 31 March 2022	
i) Authorised	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Equity shares of ₹ 5 each	150,000,000	7,500.00	150,000,000	7,500.00
Equity shares of ₹ 10 each	47,960,000	4,796.00	47,960,000	4,796.00
		12,296.00		**12,296.00**
ii) Issued, subscribed and fully paid up				
Equity shares of ₹ 5 each	83,393,759	4,169.69	83,393,759	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

	As at 31 March 2023		As at 31 March 2022	
Equity shares	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Balance at the beginning of the year	83,393,759	4,169.69	83,393,759	4,169.69
Balance at the end of the year	**83,393,759**	**4,169.69**	**83,393,759**	**4,169.69**

iv) Rights, preferences and restrictions attached to equity share

The Holding Company has only one class of equity share having a par value of ₹ 5 per share. Each equity shareholder is entitled for one vote per share. The Holding Company declares and pays dividend in Indian rupees (₹). The final dividend proposed by the Board of Director is subject to the approval of the shareholder in the ensuing annual general meeting.

In the event of liquidation of the Holding Company, the holder of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholder.

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

	As at 31 March 2023		As at 31 March 2022	
Name of the equity shareholder	**Number**	**Amount (₹ in lacs)**	**Number**	**Amount (₹ in lacs)**
Wilemina Finance Corporation, Intermediate Holding Company Equity shares of ₹ 5 each fully paid	49,055,012	2,452.75	4,84,55,012	2,422.75
	49,055,012	**2,452.75**	**46,355,012**	**2,317.75**

vi) Shareholding of promoters are as follows:

	As at 31 March 2023		
Promoter Name	**No. of Shares**	**% of total shares**	**% change during the period**
Arvind Singhania	150	-	-
Uma Devi Singhania	175	-	16.67%
Jai Vardhan Singhania	124,858	0.15	-
Ayush Vardhan Singhania	178,033	0.21	-
Fenton Investments Private Limited	490,000	0.59	-
MOVI Limited	3,560,000	4.27	(14.42%)
Wilemina Finance Corporation	49,055,012	58.82	1.24%

	As at 31 March 2022		
Promoter Name	**No. of Shares**	**% of total shares**	**% change during the period**
Arvind Singhania	150	-	-
Uma Devi Singhania	150	-	-
Jai Vardhan Singhania	124,858	0.15	-
Ayush Vardhan Singhania	178,033	0.21	-
Fenton Investments Private Limited	490,000	0.59	-
MOVI Limited	4,160,000	4.99	(33.55%)
Wilemina Finance Corporation	48,455,012	58.10	4.53%

vii) Details of shareholder holding more than 5% shares in the Holding Company

	As at 31 March 2023		As at 31 March 2022	
	Number	**%**	**Number**	**%**
Wilemina Finance Corporation, Intermediate Holding Company Equity shares of ₹ 5 each fully paid	49,055,012	58.82%	4,84,55,012	58.10%
Movi Limited, Promoter Group Company Equity shares of ₹ 5 each fully paid	3,560,000	4.27%	4,160,000	4.99%
Vettel International Limited, Public Shareholder Equity shares of ₹ 5 each fully paid	8,086,861	9.70%	8,086,861	9.70%

(viii) No shares were allotted as fully paid up by way of bonus issue and/or brought back in the current reporting year and in last five years immediately preceding the current reporting year.

16 B. Preference shares (₹ in lacs)

i) Authorised	As at 31 March 2023 Number	As at 31 March 2023 Amount (₹ in lacs)	As at 31 March 2022 Number	As at 31 March 2022 Amount (₹ in lacs)
Cumulative convertible preference shares of ₹ 50 each	6,00,000	300.00	6,00,000	300.00
Redeemable cumulative preference shares of ₹ 50 each	80,00,000	4,000.00	80,00,000	4,000.00
		4,300.00		**4,300.00**

No preference shares have been issued as yet.

17. Other equity (refer statement of changes in equity) (₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
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	58,558.40	46,420.83
Share options outstanding account	109.83	62.11
Equity component of redeemable financial instrument	-	13.21
Total	**70,173.51**	**58,001.43**

i) Nature and purpose of other reserves

Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

Capital redemption reserve

The same has been created in accordance with provision of Companies Act, 2013 against redemption of preference shares.

General reserve

The Holding Company is required to create a general reserve out of the profits when the Holding Company declares dividend to shareholders.

Retained earnings

Retained earnings represents surplus in the Statement of Profit and Loss.

Share options outstanding account

The Holding Company has allotted equity shares to certain employees under an employee share purchase scheme. The share options outstanding account is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 43 for further details of the scheme.

Equity component of redeemable financial instrument

The same has been created in accordance with Indian accounting standard (Ind AS) 109 against the Redeemable financial instrument (foreign currency loan) and it will be transfer to Retained earning when loan fully repaid.

18. (A) Borrowings

(₹ in lacs)

A) Non-current* Secured loans	As at 31 March 2023	As at 31 March 2022
Term loans from:		
Banks	23,645.36	17,102.24
Financial institution	29,893.35	30,016.52

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Vehicle loans	274.28	170.15
Unsecured loans		
Redeemable financial instrument (foreign currency loan) from related party	-	96.73
Total borrowings - non-current	**53,812.99**	**47,385.64**

* For liquidity risk related disclosures, refer note 34B

I. Term loans

a) From Canara Bank of ₹ 301.71 lacs (31 March 2022 : ₹ 725.09 lacs) as capex loan for augmentation of capital expenditure (modification, de-bottlenecking, modernization, cost reduction and maintenance capex). The term loan bearing floating interest at the MCLR plus 0.65% per annum. The term loan is repayable in 60 equal monthly instalments starting from September 2019.#

b) From Karnataka Bank Limited of ₹ 1,366.09 lacs (31 March 2022 : ₹ 1,992.37 lacs) as capex loan for capital expenditure (purchase of plant and equipment). The term loan bearing floating interest at the MCLR plus 0.50% per annum. The term loan is repayable in 60 unequal monthly instalments starting from October 2020.##

c) From Tata Capital Financial Services Limited of ₹ 122.86 lacs (31 March 2022 : ₹ 546.66 lacs) as corporate loan for augmentation of working capital bearing floating interest at the LTLR minus 9.50% per annum. The corporate loan is repayable in 16 unequal quarterly instalments starting from Sep 2019.#

d) From Tata Capital Financial Services Limited of ₹ 1,220.01 lacs (31 March 2022 : ₹ 1,773.52 lacs) has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited). The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon and first and exclusive charge over the hypothecation of certain plant and equipment installed at factory premises at Uttarakhand and further securedby irrevocable guarantee of the intermediate holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 9.10% per annum. The loan is repayable in 54 equal monthly instalments starting from Dec 2020.

e) From Tata Capital Financial Services Limited of ₹ 2,614.84 lacs (31 March 2022 : ₹ NIL) has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan bearing floating interest at the LTLR minus 11.25% per annum. The loan is repayable in 54 equal monthly instalments starting from June 2022. ##

f) From Tata Capital Financial Services Limited of ₹ 877.24 lacs (31 March 2022 : ₹ NIL) has been sanctioned for infusion of funds in Subsidiary Company of borrower (Ester Filmtech Limited), general corporate and capex. The term loan is secured by equitable mortgage by way of deposit of title deeds of land and corporate office building constructed thereupon in Gurgaon andfirst and exclusive charge over the hypothecation of certain plant and equipment installed at factory premises at Uttarakhand and further securedby irrevocable guarantee of the intermediate holding company and personal guarantee of Mr. Arvind Singhania. The term loan bearing floating interest at the LTLR minus 11.25% per annum. The loan is repayable in 84 equal monthly instalments starting from June 2022.

g) From Bajaj Finance Limited of ₹ 2,386.49 lacs (31 March 2022 : ₹ 2,979.01 lacs) as loan for general corporate and capex purpose. The term loan bearing floating interest linked to BFL IRR at the rate of 8.00% per annum. The term loan is repayable in 60equal monthly instalments starting from April 2022 .##

h) From Bajaj Finance Limited of ₹ 2,984.7 lacs (31 March 2022 : ₹ 1,978.19 lacs) as loan for general corporate and capex purpose. The term loan bearing floating interest linked to BFL IRR at the rate of 7.35% per annum. The term loan is repayable in 20 equal quarterly instalments starting from May 2023 .##

i) From IDFC Limited of ₹ 315.96 lacs (31 March 2022 : ₹ 944.99 lacs) as capex loan for capital expenditure incurred by the Group. The term loan bearing floating interest at the MCLR plus 1,50% per annum. The term loan is repayable in 12 equal quarterly instalments starting from Dec 2020.#

j) From IDFC Limited of ₹ 860.45 lacs (31 March 2022 : ₹ 1,501.51 lacs) as capex loan for capital expenditure incurred by the Group. The term loan bearing floating interest at the MCLR plus 0.30% per annum. The term loan is repayable in 37 equal monthly instalments starting July 2021.#

k) From Axis Finance Limited of ₹ 2784.82 lacs (31 March 2022 : ₹ 3,373.75 lacs) as capex loan for capital expenditure incurred by the Group. The term loan bearing floating interest at the MCLR plus .85% per annum. The term loan is repayable in 18 unequal quarterly instalments starting March 2022.##

l) From QNB Bank of ₹ 3,983.25 lacs (31 March 2022 : ₹ 3,973.91 lacs) as capex loan for capital expenditure incurred by the Group. The term loan bearing floating interest at the MCLR plus 1.80% per annum. The term loan is repayable in 42 equal monthly instalments starting April 2023.#

m) From Shinhan Bank of ₹ 3,990.16 lacs (31 March 2022 : ₹ NIL) as capex loan for capital expenditure incurred by the Group. The term loan bearing floating interest at the Repo rate plus 2.10% per annum. The term loan is repayable in 18 equal quarterly instalments starting December 2023.##

n) From Bank of India of ₹ 7,281.99 lacs (31 March 2022: ₹ 5,341.62 lacs) as term loan to set up a new BOPET Film manufacturing project at floating interest at the rate of 1 Year MCLR plus 0.70% per annum. The term loan is repayable in 28 equal quarterly instalments starting to commencing from December 2023.###

o) From Bank of Baroda of₹ 6,902.56 lacs (31 March 2022: ₹ 5,062.39 lacs) as term loan to set up a new BOPET Film manufacturing project at floating interest at the rate of 1 Year MCLR plus 0.90% per annum. The term loan is repayable in 28 equal quarterly instalments starting to commencing from October 2023.###

p) From HDFC Bank of ₹ 2,823.82 lacs (31 March 2022: ₹ 1,437.90) as term loan to set up a new BOPET Film manufacturing project at floating interest at the rate of 1 year MCLR plus 0.75% per annum. The term loan is repayable in 28 equal quarterly instalments starting to commencing from September 2024.###

q) From OLB Bank, Germany of Euro 269.52 lacs which is in ₹ 22,899.98 lacs (31 March 2021: ₹ Euro 238.27 lacs which is in ₹ 20,036.54 lacs) as term loan to set up a new project interest at the rate EURIBOR plus 0.75% per annum. The term loan is secured by first and exclusive charge on plant and equipment financed by OLB bank and further secured by irrevocable guarantee of the Holding Company (Ester Industries Limited). The term loan bearing floating interest at the EURIBOR plus 0.75% per annum. The term loan is repayable in 17 equal half yearly instalments starting to commence from six month from date of commencement.

Above term loans are secured by first pari passu charge on fixed assets of the Group (both present and future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and vehicles and second Pari passu charge on current assets and further secured by irrevocable guarantee of the intermediate Holding company and personal guarantee of Mr. Arvind Singhania.

Above term loans are secured by first pari passu charge on fixed assets of the Group (both present and future) including factory land and building at Pilibhit Road, Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand with other lenders, except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and vehicles and second Pari passu charge on current assets and further secured by irrevocable personal guarantee of Mr. Arvind Singhania.

Above term loans are secured by first pari passu charge on fixed assets of the group (both present and future) including factory land and building at Chandanvally, shahbad mandal, Hyderabad, Telangana with other lenders, except plant and equipment that are exclusively charged to OLB Bank,Germany for ECA funding and first charge on Debt Service Reserve Account (DSRA) to be created to meet debt service requirements of the project for the ensuring 60 days principal and interest payment. Second Pari passu charge on current assets and further secured by irrevocable guarantee of the Holding Company (Ester Industries Limited) and personal guarantee of Mr. Arvind Singhania.

II. Vehicle loans are secured by hypothecation of specific vehicles acquired out of proceeds of the loans. Vehicle loans bearing interest rates ranging from 7.25% per annum to 9.40% per annum. These loans are repayable in monthly instalments till May 2027.

(₹ in lacs)

18. (B) Current borrowings*	**As at 31 March 2023**	**As at 31 March 2022**
Secured		
Loans repayable on demand		
Working capital loans from banks	11,506.24	4,675.38
Bills discounting	-	146.43
Acceptances	5,914.12	6,300.30
Buyers' credit for raw material	-	672.19
Current Maturities of Long Term Loan	10,336.63	4,640.16
Total borrowings - current	**27,756.99**	**16,434.46**

* For liquidity risk related disclosures, refer note 34B.

Working capital loans, bills discounting, acceptances and buyer's credit for raw materials : These loans are secured by first charge by way of hypothecation of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of the Intermediate Holding Company and personal guarantee of Mr. Arvind Singhania. Working capital, bill discounting facilities, acceptances and buyer's credit for raw materials are further secured by way of second charge in respect of immovable properties and movable fixed assets except fixed assets that are exclusively charged to Tata Capital Financial Services Limited and OLB Bank.

The working capital loans from banks bear floating interest rate at MCLR plus ranging from 0.60% per annum to 1.20% per annum. The bill discounting from banks bear floating interest rate ranging from 7.55% per annum to 8.60% per annum.

The quarterly returns/ statements of current assets filed by the Group with banks or financial institutions in relation to secured borrowings / sanctioned loans, wherever applicable, are in agreement with the books of accounts

18. Borrowings (cont'd)

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

(₹ in lacs)

Particulars	**Borrowings**		
	Non-current borrowings	**Current**	**Lease liabilities**
01 April 2022	**47,385.64**	**16,434.46**	**48.13**
Cash flows:			
- Repayments	(5,292.58)	-	(48.26)
- Proceeds net of amortisation of upfront fees	15,574.17	5,627.44	-
- Net impact of reclassification as per schedule III	(5,695.09)	5,695.09	
Non cash:			
- Finance cost adjustment for effective interest rate	399.82	-	1.38
-Unrealised foreign exchange loss	1,441.03	-	-
31 March 2023	**53,812.99**	**27,756.99**	**1.25**
01 April 2021	**9,890.33**	**10,733.58**	**155.70**
Cash flows:			
- Repayments	(6,881.26)	-	(120.24)
- Proceeds net of amortisation of upfront fees	44,447.16	5,693.82	-
Non cash:			
- Finance cost adjustment for effective interest rate	(70.59)	-	-
- Interest on lease liabilities	-	-	5.23
- Unrealised foreign exchange loss on buyers credit for raw material	-	7.06	-
- Addition during the year	-	-	7.44
31 March 2022	**47,385.64**	**16,434.46**	**48.13**

19. Provisions **(₹ in lacs)**

	As at 31 March 2023	**As at 31 March 2022**
A) Provisions - non-current		
Provision for gratuity (refer note 40)	728.89	796.65
Provision for compensated absence	218.16	239.41
Total provisions - non-current	**947.05**	**1,036.06**
Provision for gratuity (refer note 40)	236.98	235.86
Provision for compensated absence	72.33	70.05
Total provisions - current	**309.31**	**305.91**
Total provisions (A+B)	**1,256.36**	**1,341.97**

20. Deferred tax liabilities (net) **(₹ in lacs)**

	As at 31 March 2023	**As at 31 March 2022**
Deferred tax liabilities	3,382.13	3,540.63
Less: Deferred tax assets	343.94	462.07
Deferred tax liabilities (net)	**3,038.19**	**3,078.56**

(₹ in lacs)

Particulars	As at 01 April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at 31 March 2023
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	3,539.32	(157.19)	-	-	3,382.13
Redeemable financial instrument	1.31	(1.31)	-	-	-
Total	**3,540.63**	**(158.50)**	-	-	**3,382.13**
Deferred tax assets arising on account of :					
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	462.07	(128.63)	-	-	333.44
Employee benefits	-	8.15	(8.15)	-	-
Others	-	10.50	-	-	10.50
Total	**462.07**	**(109.98)**	**(8.15)**	-	**343.94**
Deferred tax liabilities (net)	**3,078.56**	**(48.52)**	**8.15**	-	**3,038.19**

(₹ in lacs)

Particulars	As at 01 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in statement of changes in equity	As at 31 March 2022
Deferred tax liabilities arising on account of :					
Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	3,635.69	(96.37)	-	-	3,539.32
Redeemable financial instrument	22.21	(20.90)	-	-	1.31
Total	**3,657.90**	**(117.27)**	-	-	**3,540.63**
Deferred tax assets arising on account of :					
Effect of expenditure debited to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	490.49	(28.42)	-	-	462.07
Employee benefits	-	(3.76)	3.76	-	-
Others	12.73	(12.73)	-	-	-
Total	**503.22**	**(44.91)**	**3.76**	-	**462.07**
Deferred tax liabilities (net)	**3,154.68**	**(72.35)**	**(3.76)**	-	**3,078.56**

21. Other liabilities

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
A) Non-current		
Deferred income*	3,434.56	2,029.13
Total non current liabilities (A)	**3,434.56**	**2,029.13**
B) Current		
Deferred income*	303.77	250.81
Revenue received in advance	272.28	431.45
Statutory dues	483.95	565.79
Total current liabilities (B)	**1,060.00**	**1,248.05**
Total other liabilities (A+B)	**4,494.56**	**3,277.18**

* Represents government assistance in form of duty benefit availed under Export Promotion Capital Goods ('EPCG') scheme on purchase of property, plant and equipment accounted for as government grants and being amortised over useful life of such assets.

22. Trade payable

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Trade payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises*	610.68	829.56
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,623.51	5,479.45
Total trade payables	**3,234.19**	**6,309.01**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2023:

(₹ in lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
Principal amount*	912.37	1,231.18
Interest due thereon	-	-
ii. The amount paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;		
Principal amount	-	-
Interest due thereon	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

* includes capital creditors of ₹ 301.69 lacs. (31 March 2022: 401.62 lacs) (refer note 23).

Trade payables ageing is as follows:

Particulars	As at 31 March 2023				
	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 to 3 years	More than 3 Years	Total
(i) Micro enterprises and small enterprises	606.02	0.54	4.12	-	610.68
(ii) Others	2,540.04	73.45	7.38	2.64	2,623.51

Particulars	As at 31 March 2022				
	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 to 3 years	More than 3 Years	Total
(i) Micro enterprises and small enterprises	829.56	-	-	-	829.56
(ii) Others	5,082.62	392.33	4.50	-	5,479.45

23. Other financial liabilities

(₹ in lacs)

	As at 31 March 2023	As at 31 March 2022
Capital creditors*	1,742.68	1,620.14
Interest accrued	191.74	26.74
Unpaid dividend	74.37	62.09
Deposits from dealer/ customer and others	37.12	31.29
Derivative liability	167.98	-

	As at 31 March 2023	As at 31 March 2022
		(₹ in lacs)
Employee related payables	642.39	847.50
Other payable#	114.44	109.02
Total other financial liabilities	**2,970.72**	**2,696.78**

*includes payable to micro enterprises and small enterprises of ₹ 301.69 lacs. (31 March 2022 : 401.62 lacs)

includes sales commission payable of ₹ 82.71 lacs (31 March 2022 ₹ 78.68 lacs).

24 A. Income tax assets (net) **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provisions ₹ 20,916.36 lacs (31 March 2022 ₹ 20,916.36 lacs))	513.43	752.55

24 B. Current tax liabilities (net) **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of advance tax ₹ 5,079.34 lacs (31 March 2022 ₹ 472.52 lacs))	545.17	76.25

25. Revenue from operations#

(₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	109,660.49	109,707.46
Other operating revenue (refer note (i) below)	1,753.19	1,317.49
Total revenue from operations (refer note 42)	**111,413.68**	**111,024.95**

i) Other operating revenue comprises of the following income:

Sales of scrap	239.81	196.35
Other income from tolling	393.85	-
Duty drawback earned	1,119.53	1,121.14
Total other operating revenue (refer note 42)	**1,753.19**	**1,317.49**

Refer note 41

26. Other income **(₹ in lacs)**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on:		
- Fixed deposits carried at amortised cost{tax deducted at source ₹ 24.60 lacs (31 March 2022 ₹ 7.07 lacs)}	203.53	71.97
- Commercial Papers	78.62	-
- Other financial assets carried at amortised cost{tax deducted at source ₹ 3.34 lacs (31 March 2022: ₹ 1.98 lacs)}	33.37	20.80
Insurance claim	83.47	72.06
Provisions/liabilities no longer required written back	11.82	16.14
Reversal of provision on doubtful advances	-	25.91
Profit/ (loss) on sale of investments	56.76	-
Foreign exchange fluctuation gain (net)	115.37	198.78
Income recognised on account of government assistance*	251.67	253.57
Gain on fair valuation of financial assets	288.87	28.91
Miscellaneous income	118.28	192.28
Total other income	**1,241.76**	**880.42**

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

27. Changes in inventories of finished goods and work-in-progress

(₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing stock		
Continuing operations		
- Finished goods	4,081.90	4,455.02
- Work-in-progress	2,595.85	1,884.83
	6,677.75	**6,339.85**
Discontinued operations		
- Finished goods	**-**	1,427.24
- Work-in-progress	**-**	34.11
	-	**1,461.35**
Opening stock		
Continuing operations		
- Finished goods	4,455.02	2,660.18
- Work-in-progress	1,884.83	950.81
	6,339.85	**3,610.99**
Discontinued operations		
- Finished goods	1,427.24	740.66
- Work-in-progress	34.11	58.79
	1,461.35	**799.45**
Total changes in inventories from continuing operation	**(337.90)**	**(2,728.86)**
Total changes in inventories from discontinued operation	**1,461.35**	**(661.90)**

28. Employee benefits expense#

(₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	4,594.14	5,205.47
Share based payment expense (refer note 43)	47.72	62.11
Contribution to provident fund and other funds	322.31	280.72
Gratuity (refer note 40)	140.53	128.92
Staff welfare expenses	351.93	302.73
Total employee benefits expense	**5,456.63**	**5,979.95**

Refer note 41

29. Finance cost

(₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest :		
-Term loans	2,445.35	1,560.70
-Working capital	770.37	416.31
-Lease liabilities	1.38	5.23
-Statutory dues	38.04	141.48
-Buyers credit for raw material	0.53	1.43
-Others	1.46	**-**
Other borrowing costs*	376.39	362.38
Total finance cost	**3,633.52**	**2,487.53**

* Bank charges majorly comprises of letter of credit charges, bank guarantee charges and working capital demand loan (WCDL) processing fees.

30. Other expenses# (₹ in lacs)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Manufacturing expenses		
Consumption of stores and spare parts	2,259.08	2,056.32
Consumption of packing material	2,025.75	1,795.57
Power and fuel	12,083.95	8,890.98
Material handling charges	657.06	610.22
Total manufacturing expenses (A)	**17,025.84**	**13,353.09**
Selling expenses		
Freight	3,062.03	2,592.51
Commission and brokerage	164.70	193.44
Total selling expenses (B)	**3,226.73**	**2,785.95**
Administration and other expenses		
Rent	118.74	124.91
Rates and taxes	52.90	86.69
Insurance	714.04	589.35
Repairs and maintenance:		
- Building	236.50	156.42
- Plant and equipment	651.65	428.28
- Others	478.79	461.58
Corporate social responsibility expenditure (refer note (i) below)	345.22	257.44
Travelling and conveyance	640.58	538.57
Communication expenses	64.11	61.55
Legal and professional charges	608.04	622.56
Printing and stationery	20.30	16.61
Donations (other than political parties)	6.82	2.28
Director’s sitting fees	11.10	8.30
Director’s commission	-	70.00
Auditors’ remuneration	57.69	48.37
Loss on sale of property, plant and equipment (net)	79.73	34.19
Bad debts, advances and irrecoverable balances written off	0.06	68.95
Provision for doubtful debts / advances	26.21	-
Security services	434.05	375.81
Miscellaneous expenses	622.64	323.08
Total administrative and other expenses (C)	**5,169.17**	**4,274.94**
Total other expenses (A+B+C)	**25,421.74**	**20,413.98**

Refer note 41

i) Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting health care, promoting education, rural development projects and environment sustainability. A CSR committee has been formed by the Holding Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
i) Amount required to be spent by the Holding Company during the year	345.22	257.44
ii) Amount of expenditure incurred		
- Constructions/ acquisition of any assets	-	-
- Others (refer point (v) below)	140.02	198.44
iii) Shortfall at the end of year*	205.20	59.00
iv) Reason for shortfall	₹ 193.28 lacs pertain to on going project for Saraf international school and ₹ 11.92 lacs pertain to other than ongoing projects.	Pertains to ongoing project
v) Nature of CSR activities	Promoting health care, promoting education, rural development projects and eradiating hunger, poverty and malnutrition, promoting health care includingpreventive healthcare and sanitation	Promoting health care, promoting education, rural development projects and environment sustainability

*The unspent amount will be transferred to unspent CSR account within 30 days from the end of the financial year in case of ongoing project and within 6 months in case of other than ongoing project, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

Unspent amount for other than ongoing projects **(₹ in lacs)**

Particulars	Amount
Unspent amount as at 31 March 2022	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-
Amount required to be spent during the year	145.22
Amount spent during the year	133.30
Unspent amount as at 31 March 2023	11.92

i) Corporate social responsibility expenses (cont'd)

Unspent amount for ongoing projects **(₹ in lacs)**

Particulars	Amount
Unspent amount as at 31 March 2022	
- with Company	-
- in separate CSR unspent account	59.00
Amount required to be spent during the year	200.00
Amount spent during the year	
- from Company's bank account	6.72
- from separate CSR unspent account	59.00
Unspent amount as at 31 March 2023	
- with Company	-
- in separate CSR unspent account	193.28

31. Tax expenses **(₹ in lacs)**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Tax expenses related to continuing operations		
Current tax	1,125.36	3,167.59
Tax earlier years	147.50	136.75
Deferred tax	(48.52)	(72.35)
Tax expenses related to discontinued operations		
Current tax	3,802.87	1,716.96
Income tax expense recognised in the statement of profit and loss	**5,027.21**	**4,948.95**
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% and the reported tax expense in the statement of profit and loss are as follows:		
Accounting profit before income tax continuing operation	**2,392.55**	**11,798.90**
Accounting profit before income tax discontinued operation	**16,324.30**	**6,821.46**
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	4,711.03	4,686.74
Effect of income taxable at lower rate due to slump sale (Discontinued operation)	(305.49)	**-**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	139.56	95.75
Earlier year tax paid in current year	147.50	136.75
Adjustments recognised in the current year in relation to the previous year	(273.19)	(24.34)
Tax impact on loss in subsidiary	607.80	54.05
Income tax expense	**5,027.21**	**4,948.95**

32. Earning per share (EPS)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders (₹ in lacs)		
- From continuing operations	1,168.21	8,566.91
- From discontinued operations	12,521.43	5,104.50
- From continuing and discontinued operations	**13,689.64**	**13,671.41**
Weighted average number of equity shares for basic EPS	83,393,759	83,393,759
Weighted average number of equity shares adjusted for the effect of dilution	**83,393,759**	**83,393,759**
Basic and diluted Earnings per share (₹)		
- From continuing operations	1.40	10.27
- From discontinued operations	15.01	6.12
- From continuing and discontinued operations	16.42	16.39

33. Fair value disclosures

(i) Fair value hierarchy

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

(ii) Valuation technique used to determine fair value

A. Specific valuation techniques used to value mutual funds include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

B. Derivative asset/liability is measured using forward contract exchange rates at the balance sheet rate as confirmed from banks/ financial institutions.

(iii) Financial assets measured at fair value – recurring fair value measurements **(₹ in lacs)**

Particulars	Level	31 March 2023	31 March 2022
Financial assets			
Investments in mutual funds	Level 1	15,393.36	-
Derivative asset	Level 2	2.04	1.22
Total financial assets		**15,395.40**	**1.22**
Financial liabilities			
Derivative liability	Level 2	167.98	-
Total financial liabilities		**167.98**	-

(iv) Fair value of instruments measured at amortised cost for which fair value are disclosed **(₹ in lacs)**

Particulars	Level	31 March 2023		31 March 2022	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	32.33	32.33	14.12	14.12
Security deposits	Level 3	1,074.24	1,074.24	731.78	731.78
Total financial assets		**1,106.57**	**1,106.57**	**745.90**	**745.90**
Borrowings*	Level 3	64,149.62	64,149.62	52,025.80	52,025.80
Lease Liabilities	Level 3	1.25	1.25	48.13	48.13
Total financial liabilities		**64,150.87**	**64,150.87**	**52,073.93**	**52,073.93**

The above disclosures are presented for non-current financial assets (excluding bank deposits) and non-current financial liabilities. Carrying value of current financial assets and current financial liabilities (trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities) represents the best estimate of fair value.

*Long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's credit worthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

34. Financial risk management

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

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments - mutual funds	15,393.36	-	-	-
Trade receivables	-	15,153.11	-	19,346.04
Loans	-	91.40	-	90.66
Cash and cash equivalents	-	2,835.46	-	5,614.27
Other bank balances	-	2,855.59	-	722.80
Derivative assets	2.04	-	1.22	-
Other financial assets	-	1,163.64	-	1,021.92
Total financial assets	**15,395.40**	**22,099.20**	**1.22**	**26,795.69**

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial liabilities				
Borrowings	-	81,569.98	-	63,820.10
Lease liabilities	-	1.25	-	48.13
Trade payables	-	3,234.19	-	6,309.01
Security deposits	-	37.12	-	31.29
Derivative liabilities	167.98	-	-	-
Other financial liabilities	-	2,765.62	-	2,665.49
Total financial liabilities	**167.98**	**87,608.16**	-	**72,874.02**

(i) Risk management

The Group activities expose it to market risk, liquidity risk and credit risk. The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables, other financial assets and investments	Ageing analysis	Diversification of bank deposits and investments, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - Interest rate risk	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect market factors
Price risk - security price	Investments in mutual funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the group. The group exposure to credit risk is influenced mainly by cash and cash equivalents, investments, trade receivables and other financial assets measured at amortised cost. The group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss based on the following:

Description	Asset group	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period (including extension). Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Below is the bifurcation of assets in various categories of risk: **(₹ in lacs)**

Description	Particulars	31 March 2023	31 March 2022
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	37,472.98	26,786.11
High credit risk	Trade receivables	21.62	10.80

ii) *Concentration of financial assets*

The Group exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and security and earnest money deposits given for business purposes.

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Polyester film	10,801.45	9,570.75
Engineering plastics	-	6,556.09
Speciality Polymer	4,351.66	3,219.20

b) Credit risk exposure

Provision for expected credit losses

The Group provides for 12 month expected credit losses or lifetime expected credit losses for following financial assets:

31 March 2023 **(₹ in lacs)**

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	15,174.73	21.62	15,153.11
Loans	91.40	-	91.40
Cash and cash equivalents	2,835.46	-	2,835.46
Other bank balances	2,855.59	-	2,855.59
Derivative assets	2.04	-	2.04
Other financial assets	1,163.64	-	1,163.64
Investments	15,393.36	-	15,393.36
Total financial assets	**37,516.22**	**21.62**	**37,494.60**

31 March 2022 **(₹ in lacs)**

Particulars	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	19,356.84	10.80	19,346.04
Loans	90.66	-	90.66
Cash and cash equivalents	5,614.27	-	5,614.27
Other bank balances	722.80	-	722.80
Derivative assets	1.22	-	1.22
Other financial assets	1,021.92	-	1,021.92
Total financial assets	**26,807.71**	**10.80**	**26,796.91**

Expected credit loss for trade receivables under simplified approach

As at 31 March 2023 **(₹ in lacs)**

Particulars	Less than 6 months	6 months- 1 year	1- 2 years	2- 3 years	More than 3 years
Gross carrying value	15,167.00	1.18	5.98	0.33	0.24
Credit impaired	-	-	4.85	-	-
Expected loss rate	0.09%	100.00%	100.00%	100.00%	100.00%
Expected credit loss (impairment)	13.89	1.18	1.13	0.33	0.24
Carrying amount (net of impairment)	15,153.11	-	-	-	-

As at 31 March 2022 **(₹ in lacs)**

Particulars	Less than 6 months	6 months- 1 year	1- 2 years	2- 3 years	More than 3 years
Gross carrying value	19,344.13	9.41	3.06	0.24	-
Expected loss rate	0.01%	53.67%	100.00%	100.00%	-
Expected credit loss (impairment)	2.45	5.05	3.06	0.24	-
Carrying amount (net of impairment)	19,341.68	4.36	-	-	-

(₹ in lacs)

Reconciliation of loss allowance	Amount
Loss allowance as on 01 April 2022	**10.80**
Increase in loss allowance due to expected credit loss	5.97
Increase in credit impaired	4.85
Loss allowance as on 31 March 2023	**21.62**

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Group liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Group financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in lacs)

31 March 2023	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	31,973.07	28,287.58	36,960.44	**97,221.09**
Trade payables	3,234.19	-	-	**3,234.19**
Other financial liabilities	2,970.72	-	-	**2,970.72**
Total	**38,177.98**	**28,287.58**	**36,960.44**	**103,426.00**

(₹ in lacs)

31 March 2022	Less than 1 year	1 - 3 years	More than 3 years	Total
Non-derivatives				
Borrowings (including interest)	18,561.25	26,679.02	27,898.18	**73,138.45**
Trade payables	6,309.01	-	-	**6,309.01**
Other financial liabilities	2,696.78	-	-	**2,696.78**
Total	**27,567.04**	**26,679.02**	**27,898.18**	**82,144.24**

The Group had access to following funding facilities:

As at 31 March 2023 (₹ in lacs)

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	45,100.00	18,643.38	26,456.62
Total	**45,100.00**	**18,643.38**	**26,456.62**

As at 31 March 2022 (₹ in lacs)

Funding facilities	Total Facility	Drawn	Not drawn
Less than 1 year	27,400.00	14,366.58	13,033.42
More than 1 year	3,000.00	2,000.00	1,000.00
Total	**30,400.00**	**16,366.58**	**14,033.42**

(C) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

Interest rate risk exposure

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

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Variable rate borrowing	81,142.06	63,558.57
Fixed rate borrowing	429.17	309.66
Total borrowings	**81,571.23**	**63,868.23**

Sensitivity

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

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Interest sensitivity*		
Interest rates – decrease by 50 basis point (31 March 2021: 50 basis point)	320.80	277.92
Interest rates – increase by 50 basis point (31 March 2021: 50 basis point)	(320.80)	(277.92)

** Holding all other variables constant*

The Group is exposed to interest rate risk on account of variable rate borrowings. The Group's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time.

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group functional currency.

Foreign currency risk exposure

Particulars	Currency	Amount in Foreign Currency (In absolute figures)		Amount (₹ in lacs)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Financial assets					
Trade receivable	USD	10,463,148	10,602,320	8,601.75	8,004.75
	GBP	62,531	141,942	63.69	140.71
	EURO	1,990,172	1,357,468	1,779.42	1,140.82
Financial liabilities					
Trade payables	EURO	20,837	5,882	18.65	4.95
	USD	76,370	2,925,230	62.82	2,210.27
Acceptances	USD	609,190	3,928,951	500.88	2,968.32
	EURO	117,000		104.67	
Buyer's credit for raw material	USD	-	781,450	-	590.07
	EURO	-	97,650	-	82.12
Bills discounting	USD	-	194,940	-	146.43
Foreign currency unsecured loan	USD	-	135,000	-	101.99
Foreign currency secured loan*	EURO	26,952,108	25,592,108	24,111.36	21,520.40
Interest accrued on foreign currency secured loan	EURO	125,288	-	112.08	-

*As a risk mitigation strategy the Subsidiary Company has taken cross currency Principal only swap in USD @1.0561 per USD for the 25% of EURO exposure.

Sensitivity

The following table illustrates the sensitivity of profit in regards to the Group's financial assets and financial liabilities and the USD/INR exchange rate, EUR/INR exchange rate and GBP/INR exchange rate 'all other things being equal'. It assumes a +/- 4.92% change of the INR/USD exchange rate for the year ended at 31st March, 2023 (2022: 4.65%). A +/- 8.75% change is considered for the INR/EUR exchange rate (2022: 5.80%). A +/- 11.60% change is considered for the INR/GBP exchange rate (2022: 6.01%). All of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

Particulars	Impact on profit after tax and other equity	
	31 March 2023	31 March 2022
USD sensitivity		
INR/USD increase by 4.92% (31 March 2022- 4.65%)	295.93	68.70
INR/USD decrease by 4.92% (31 March 2022- 4.65%)	(295.93)	(68.70)
GBP sensitivity		
INR/GBP increase by 11.60% (31 March 2022- 6.01%)	5.53	8.75
INR/GBP decrease by 11.60% (31 March 2022- 6.01%)	(5.53)	(8.75)
EUR sensitivity		
INR/EUR increase by 8.75% (31 March 2022- 5.80%)	(1,646.35)	(1,202.45)
INR/EUR decrease by 8.75% (31 March 2022- 5.80%)	1,646.35	1,202.45

(iii) Price risk

The Group exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and other equity is sensitive to higher/lower prices of instruments on the Group profit for the year -

Particulars	31 March 2023	31 March 2022
Investments in mutual funds		
Price increase by (5%) - FVTPL instrument	575.94	-
Price decrease by (5%) - FVTPL instrument	(575.94)	-

35. Segment reporting

The Group operates in three segments manufacturing and sale of polyester film ,engineering plastics and speciality polymer. The Group has chosen business segments considering the dominant source of nature of risks and returns, internal organisation, management structure and the manner chief operating decision maker (CODM) review the financial performance of the business for allocating the economic resources. A brief description of the reportable segment is as follows:

Polyester chips and film: Polyester chips and films that are used in primarily flexible packaging and other industrial application. Polyester film is known for high tensile strength, chemical and dimensional stability, transparency, reflective, gas and aroma barrier properties and electrical insulation. PET chips is the main raw material used to manufacture the film.

Engineering plastics- Discontinued: Engineering plastics are group of plastic materials that exhibit superior mechanical and thermal properties over the more commonly used commodity plastics. Engineering plastics are equipped with certain electrical properties which enable it to be used in specific industries such as automotive, telecommunication, electrical, electronics and lighting, consumer durable etc.

Speciality Polymer: Specialty Polymers are polymers that are high performance material catering to the global needs of the industries / applications such as carpets, textiles, food and beverages, consumer electronics, industrial etc. which cannot be met by commodity PET grades.

A. Segment Disclosure

Year ended 31 March 2023 **(₹ in lacs)**

Particulars	Polyester film	Speciality Polymers	Total of segments	Unallocable	Net Total	Engineering plastics (Discontinued)
Revenue						
External customers	91,662.08	19,751.60	111,413.68	-	**111,413.68**	13,600.66
Total revenue	**91,662.08**	**19,751.60**	**111,413.68**	-	**111,413.68**	**13,600.66**
Income/expenses						
Other income	-	-	-	1,241.76	**1,241.76**	-
Cost of material consumed	61,742.82	9,953.38	71,696.20	-	**71,696.20**	9,220.36
Changes in inventories of finished goods and work-in-progress	(1,387.81)	1,049.91	(337.90)	-	**(337.90)**	1,461.35
Depreciation and amortisation	3,380.89	522.06	3,902.95	489.75	**4,392.70**	76.14
Finance costs	-	-	-	3,633.52	**3,633.52**	-
Other expenses	22,516.01	2,511.35	25,027.36	5,851.01	**30,878.37**	1,074.46
Segment Profit	**5,410.17**	**5,714.90**	**11,125.07**	**(8,732.52)**	**2,392.55**	**1,768.35**
Segment assets	116,754.79	16,207.37	132,962.16	38,491.46	**171,453.62**	-
Segment liabilities	52,351.29	643.01	52,994.30	44,116.12	**97,110.42**	-
Other disclosures						
Capital expenditure	25,669.27	1,911.45	27,580.72	5,447.30	**33,028.02**	2,115.53

Year ended 31 March 2022 **(₹ in lacs)**

Particulars	Polyester film	Speciality Polymers	Total of segments	Unallocable	Net Total	Engineering plastics (Discontinued)
Revenue						
External customers	93,758.83	17,266.12	111,024.95	-	**111,024.95**	29,540.99
Total revenue	93,758.83	17,266.12	111,024.95	-	**111,024.95**	29,540.99
Income/expenses						
Other income	-	-	-	880.42	**880.42**	-
Cost of material consumed	59,353.31	10,918.39	70,271.70	-	**70,271.70**	21,210.81
Changes in inventories of finished goods and work-in-progress	(1,220.64)	(1,508.22)	(2,728.86)	-	**(2,728.86)**	(661.90)
Depreciation and amortisation	3,148.54	95.09	3,243.63	438.54	**3,682.17**	185.22
Finance costs	-	-	-	2,487.53	**2,487.53**	-
Other expenses	17,431.87	2,194.23	19,626.10	6,767.83	**26,393.93**	1,985.40
Segment Profit	**15,045.75**	**5,566.63**	**20,612.38**	**(8,813.48)**	**11,798.90**	**6,821.46**
Segment assets	80,523.47	12,921.00	93,444.47	35,574.95	129,019.42	13,799.68
Segment liabilities	39,337.97	1,827.81	41,165.78	37,511.82	78,677.60	1,970.38
Other disclosures						
Capital expenditure	37,956.72	752.12	38,708.84	1,011.79	**39,720.63**	279.77

Revenue as per geographical market **(₹ in lacs)**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from external customers:		
India	68,736.43	71,519.08
Outside India	42,677.25	39,505.87
Total revenue per statement of profit or loss	**111,413.68**	**111,024.95**
Segment receivables		
India	11,620.11	9,915.20
Outside India	3,533.00	9,430.84
Total	**15,153.11**	**19,346.04**

Information about major customer

During the year ended 31 March 2023 revenue of approximately 6.96% (31 March 2022: 10.80%) was derived from a single external customer in the polyester chips and film business, approximately 16.32% in 31 March 2023 (31 March 2022: 13.47%) was derived from a single external customer in the engineering plastics business (discontinued operations) and approximately 66.42% in 31 March 2023 (31 March 2022: 41.30%) was derived from a single external customer in the speciality polymer business.

Non-current assets

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

36. Capital management

The Group's objectives when managing capital are to:

- To ensure Group ability to continue as a going concern, and
- To provide adequate return to shareholders

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Group are summarised as follows:

(a) **Debt equity ratio** **(₹ in lacs)**

	As at 31 March 2023	As at 31 March 2022
Total borrowings*	81,571.23	63,894.97
Total equity	74,343.20	62,846.35
Net debt to equity ratio	**110%**	**102%**

** Total borrowings include non-current borrowings, current borrowings and leases.*

(b) **Dividends** **(₹ in lacs)**

Particulars	As at 31 March 2023	As at 31 March 2022
1. Equity shares - Dividend Paid		
Final dividend for the year ended 31 March 2021 of ₹ 1.90 per share (including tax)	-	1,584.48
Interim dividend for the year ended 31 March 2022 of ₹ 1.40 per share (excluding tax)	-	1,167.51
Final dividend for the year ended 31 March 2022 of ₹ 1.90 per share (excluding tax)	1,584.50	-
2. Equity shares - Dividend Proposed		
Proposed final dividend for the year ended 31 March 2022 of ₹ 1.90 per share (excluding tax)	-	1,584.48

37. Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related parties where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists:	Nature of related party	
Name of the related parties	**31 March 2023**	**31 March 2022**
Goldring Investments Corporation	Ultimate Holding Company	Ultimate Holding Company
Wilemina Finance Corporation	Intermediate Holding Company	Intermediate Holding Company
Mr. Arvind Singhania (Chairman and CEO)	Key managerial personnel	Key managerial personnel
Mr. Pradeep Kumar Rustagi (Executive Director - Corporate Affair)	Key managerial personnel	Key managerial personnel (w.e.f. 04 February 2022)
Mr. Manish Gupta (CFO)	Key managerial personnel (till 29 August 2022)	Key managerial personnel (joined w.e.f. 04 February 2022)
Mr. Sourabh Agarwal (CFO)	Key managerial personnel (joined w.e.f. 16 March 2023)	-
Mrs. Archana Singhania (Director)	Director	Director
Mr. Ashok Kumar Newatia (Independent Director)	Director	Director
Dr. Anand Chand Burman (Independent Director)	Director	Director
Mr. M S Ramachandran (Independent Director)	Director	Director
Mr. Sandeep Dinodia (Independent Director)	Director	Director
Mr. P S Dasgupta (Independent Director)	Director	Director
Mrs. Padmaja Shailen Ruparel (Independent Director)	Director	Director
Mrs. Uma Devi Singhania	Relatives of key managerial personnel	Relatives of key managerial personnel
Mr. Jai Vardhan Singhania	Relatives of key managerial personnel	Relatives of key managerial personnel
Fenton Investments Private Limited	Enterprises over which directors exercise significant influence	Enterprises over which directors exercise significant influence
MOVI Limited	Enterprises over which directors exercise significant influence	Enterprises over which directors exercise significant influence
Mr. Ayush Vardhan Singhania (WTD)	Key managerial personnel (w.e.f. 01 June 2021)	Key managerial personnel (w.e.f. 01 June 2021)
Mr. Arvind Kumar Goyal (independent Director)	Director	Director (w.e.f. 07 January 2022)
Mr. Girish Behal (Director)	Director (Ester Filmtech Limited)	Director (Ester Filmtech Limited)

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

(₹ in lacs)

Sr. No.	Particulars	Key managerial personnel and relatives		Intermediate Holding Company		Enterprises over which directors exercise significant influence		Total	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	**Managerial remuneration**								
	Arvind Singhania	306.40	318.40	-	-	-	-	**306.40**	**318.40**
	Pradeep Kumar Rustagi	155.19	130.99	-	-	-	-	**155.19**	**130.99**
	Manish Gupta	30.23	12.07	-	-	-	-	**30.23**	**12.07**
	Ayush Vardhan Singhania	165.95	141.29	-	-	-	-	**165.95**	**141.29**
	Sourabh Agarwal	3.31	-	-	-	-	-	**3.31**	**-**
2	**Commission to directors**								
	Arvind Singhania	-	1,200.00	-	-	-	-	-	**1,200.00**
	Anand Chand Burman	-	10.00	-	-	-	-	-	**10.00**
	Ashok Kumar Newatia	-	10.00	-	-	-	-	-	**10.00**
	M S Ramachandran	-	10.00	-	-	-	-	-	**10.00**
	Sandeep Dinodia	-	10.00	-	-	-	-	-	**10.00**
	Padmaja Shailen Ruparel	-	10.00	-	-	-	-	-	**10.00**
	P S Dasgupta	-	10.00	-	-	-	-	-	**10.00**
	Archana Singhania	-	10.00	-	-	-	-	-	**10.00**
3	**Sitting fees**								
	Archana Singhania	0.80	0.80	-	-			**0.80**	**0.80**
	Anand Chand Burman	0.50	0.30	-	-	-	-	**0.50**	**0.30**
	Ashok Kumar Newatia	1.90	1.80	-	-	-	-	**1.90**	**1.80**
	M S Ramachandran	2.60	2.20	-	-	-	-	**2.60**	**2.20**
	Sandeep Dinodia	2.30	1.80	-	-	-	-	**2.30**	**1.80**
	Padmaja Shailen Ruparel	1.20	0.70	-	-	-	-	**1.20**	**0.70**
	P S Dasgupta	0.90	0.70	-	-	-	-	**0.90**	**0.70**
	Arvind Kumar Goyal	0.90	-	-	-	-	-	**0.90**	**-**
4	**Dividend paid**								
	Ayush Vardhan Singhania	3.38	5.88	-	-	-	-	**3.38**	**5.88**
	Jai Vardhan Singhania	2.37	4.12	-	-	-	-	**2.37**	**4.12**
	Wilemina Finance Corporation	-	-	920.65	1,599.02	-	-	**920.65**	**1,599.02**
	Fenton Investments Private Limited	-	-	-	-	9.31	16.17	**9.31**	**16.17**
	MOVI Limited	-	-	-	-	79.04	137.28	**79.04**	**137.28**
5	**Loan repaid**								
	Wilemina Finance Corporation	-	-	101.94	475.03	-	-	**101.94**	**475.03**
6	**Corporate Guarantees given by Intermediate Holding Company to lender banks**								
	Wilemina Finance Corporation	-	-	788.90	6,331.38	-	-	**788.90**	**6,331.38**
7	**Guarantees given by KMP to lender banks**								
	Arvind Singhania			13,561.81	26,003.68	-	-	**13,561.81**	**26,003.68**

37. Related party transactions (cont'd)

(b) Closing balance with key managerial personnel and their relatives in the ordinary course of business: **(₹ in lacs)**

	Particulars	Year	Amount
	Guarantees given against loans taken (jointly and severally) by the Group		
1	Arvind Singhania	31 March 2023	59,436.70
		31 March 2022	45,874.89

(c) Closing balance with related parties in the ordinary course of business: **(₹ in lacs)**

Sr. No.	Particulars	Year	Amount
1	**Unsecured loan**		
	Wilemina Finance Corporation	31 March 2023	-
		31 March 2022	101.94
2	**Guarantees given against loans taken (jointly and severally) by the Group**		
	Wilemina Finance Corporation	31 March 2023	22,048.89
		31 March 2022	21,259.99

* includes foreign exchange fluctuation of ₹ Nil (31 March 2022 ₹ 2.71 lacs)

(d) Key managerial personnel compensation: **(₹ in lacs)**

Nature of transactions	31 March 2023	31 March 2022
Short-term employee benefits	661.08	1,802.74
Post-employment benefits	21.06	24.39
Other long-term benefits	1.65	7.19
	683.79	**1,834.32**

The Group related party transactions during the years ended 31 March 2023 and 31 March 2022 and outstanding balances as at 31 March 2023 and 31 March 2022 are at arms length and in the ordinary course of business.

38. Contingent liabilities and commitments

(₹ in lacs)

A. Contingent liabilities*		31 March 2023	31 March 2022
1	Claims against the Group not acknowledged as debts^	38.93	38.93
2	Additional bonus for financial year 2014-15 due to Payment of Bonus (Amendment) Act, 2015 #	22.87	22.87
3	There is a contingent liability of:		
i)	Excise duty/custom duty/service taxdemands not acknowledged as liability	967.03	967.03
ii)	Demand raised by Income Tax department, disputed by the Group and pending in appeal	33.88	33.88

***** The amounts indicated as contingent liability or claims against the Group only reflect the basic value. Interest, penalty if any or legal costs, being indeterminable are not considered.

^ These claims represents various civil cases filed against the Group by various vendors and ex-employees of the Group.

In view of the amendment in The Payment of Bonus Act, 1965 notified on 01 January 2016, the Group has made a provision for incremental bonus for the financial year i.e. for 2015-16. Though the amendment was effective retrospectively from 01 April 2014, the Group on the legal advice has decided not to consider it on account of interim order of various Hon'ble High Courts allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.

(₹ in lacs)

B.	Commitments	31 March 2023	31 March 2022
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	5,561.22	8,309.21
2	Estimated amounts of contracts remaining to be executed on other than capital account and not provided for	5,281.05	10,614.84
3	Corporate guarantees given to lender (banks) of Ester Filmtech Limited (Subsidiary)	44,166.69	33,078.45

39. Leases disclosure as lessee

Lease liabilities are presented in the statement of financial position as follows: (₹ in lacs)

Particulars	31 March 2023	31 March 2022
Current liabilities (amount due within one year)	-	46.88
Non current liabilities (amount due over one year)	1.25	1.25

The Group leased asset classes primarily consist of leases for land, certain equipment's and building, including warehouses and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security.

For some of the leases, the lessee may terminate the lease by giving 3 months notice period to lessor, subject to other terms and conditions. At the end of the tenor under certain leases, lessee can avail to buy the asset at the agreed value as per buyback agreement between the lessor and lessee.

Right of use asset as at 31 March 2023 amounting to ₹ 57.61 lacs (31 March 2022 amounting to ₹ 835.36 lacs) are for the leases of equipments and lease of land.

A Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right of use the underlying asset recognised in the financial statement.

The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹123.63 lacs (31 March 2022 amounting to ₹ 135.03 lacs).

B Total cash outflow for leases for the year ended 31 March 2023 was ₹ 48.26 lacs (year ended 31 March 2022 was ₹ 120.24 lacs).

C Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ in lacs)

Particulars	Minimum lease payments due as on 31 March 2023						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 Years	Total
Lease payments	0.15	0.15	0.15	0.15	0.15	10.80	**11.55**
Interest expense	(0.15)	(0.15)	(0.15)	(0.15)	(0.15)	(9.55)	**(10.30)**
Net present values	-	-	-	-	-	1.25	**1.25**

D Information about extension and termination options

Leases entered into	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land for sitarganj manufacturing facility	1	76 years	76 years	-	None	-

E Expected future cash outflow on account of variable lease payments as at 31 March 2023 is of ₹ Nil.

F The total future cash outflows as at 31 March 2023 for leases that had not yet commenced is of ₹ Nil.

40. Employee benefits obligations

I Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of continuous service gets a gratuity on departure at fifteen day salary (last drawn salary) for each completed year of service in terms of the provisions of the Payments of Gratuity Act, 1972. The Group provides for liability in its books of accounts based on actuarial valuation.

The following table summaries the components of net benefit expense recognised in statement of profit and loss and the amount recognised in the balance sheet for gratuity benefit:

(i) *Amounts recognised in the balance sheet* **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Current liability	236.98	235.86
Non-current Liability	728.89	796.65
Total	**965.87**	**1,032.51**

(ii) *Movement in the liability recognised in the balance sheet is as under:* **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Present value of defined benefit obligation at the beginning of the year	1,032.51	986.64
Acquisition adjustment	(73.85)	8.55
Current service cost	69.10	73.05
Interest cost	74.55	66.72
Actuarial (gain)/ loss (net)	(27.80)	16.83
Benefits paid	(108.64)	(119.28)
Present value of defined benefit obligation at the end of the year	**965.87**	**1,032.51**

(iii) *Expenses recognised in statement of profit and loss* **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Current service cost	69.10	73.05
Interest cost	74.55	66.72
Cost recognised during the year	**143.65**	**139.77**

(iv) *Expenses recognised in other comprehensive income* **(₹ in lacs)**

Particulars	31 March 2023	31 March 2022
Actuarial (gain)/ loss net on account of:		
- Changes in financial assumptions	(7.31)	(29.44)
- Changes in experience adjustment	(20.06)	46.27
(Income)/cost recognised during the year	**(27.37)**	**16.83**

	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
- Changes in experience adjustment loss/ (gain)	(20.06)	46.27	39.20	49.94	(11.18)

(v) ***Expected contribution for the next annual reporting period*** **(₹ in lacs)**

Particulars	**31 March 2023**	**31 March 2022**
Service cost	70.16	73.14
Interest cost	71.28	74.55
Expected expense for the next annual reporting period	**141.44**	**147.69**

(vi(a)) ***For determination of the liability of the Group the following actuarial assumptions were used:***

Particulars	**31 March 2023**	**31 March 2022**
Discount rate	7.38%	7.22%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	58 Years	58 Years
Average past service (years)	13.06 Years	12.58 Years
Average age	42.78 Years	41.78 Years
Average remaining working life	15.22 Years	16.22 Years
Weighted average duration	12.37 Years	12.96 Years
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortalityrates inclusive of provision for disability-100% of IALM (2012 – 14)

(vi(b)) ***Maturity profile of defined benefit obligation*** **(₹ in lacs)**

Particulars	**Amount 31 March 2023**	**Amount 31 March 2022**
Less than a year	236.98	236.45
Between one to two years	120.14	67.38
Between two to five years	302.17	375.55
Over five years	306.58	353.12

(vii) ***Sensitivity analysis*** **(₹ in lacs)**

Particulars	**31 March 2023**	**31 March 2022**
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	**965.87**	**1,032.51**
Impact due to increase of 0.50%	(23.56)	(27.74)
Impact due to decrease of 0.50%	25.08	29.55
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	**965.87**	**1,032.51**
Impact due to increase of 0.50%	25.54	30.05
Impact due to decrease of 0.50%	(24.19)	(28.44)

Sensitivities due to mortality andwithdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation and life expectancy are not applicable being a lump sum benefit on retirement.

Risk

Salary increases	Actual salary increases will increase the defined benefit liability. Increase in salary increment rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact defined benefit liability.

II Provident fund

Provident fund for certain eligible employees is managed by the Group through trust "Ester Industries Limited Employee's Provident Trust" in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate as notified by the Provident Fund authority. The contribution by the employer and employee together with the interest thereon are payable to the employee at the time of separation from the Group or retirement, whichever is earlier.

The benefits vests immediately on rendering of the services by the employee. In this regard, actuarial valuation as at 31 March 2023 was carried out by actuary to find out value of projected defined benefit obligation arising due to interest rate guarantee by the Group towards provident fund.

(₹ in lacs)

(i)

Projected benefit obligation	**31 March 2023**	**31 March 2022**
Projected benefit obligation at beginning of year	2,043.75	1,658.82
Current service cost	104.16	108.06
Interest cost	174.70	146.91
Contributions by plan participants/ employees	134.22	140.87
Actuarial loss / (gain) due to interest guarantee	(0.04)	93.62
Benefits paid	(71.47)	(104.53)
Settlements/ transfer In	16.88	-
Projected benefit obligation at end of year	2,402.20	2,043.75

(₹ in lacs)

(ii)

Reconciliation of plan assets	**31 March 2023**	**31 March 2022**
Fair value of plan asset at beginning of year	2,127.33	1,841.51
Actual return on plan asset	165.01	141.42
Employer contribution	104.16	108.06
Plan participants/ employee contribution	134.22	140.87
Benefit paid	(71.47)	(104.53)
Settlements/ transfer in	16.88	-
Fair value of plan asset at the end of the year	2,476.13	2,127.33

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

(iii)

Economic assumptions	**31 March 2023**	**31 March 2022**
i) Interest rate	8.15%	8.10%
ii) Discount rate	7.38%	7.22%
iii) Expected shortfall in Interest earning on the fund	0.05%	0.05%

(iv)

Demographic assumptions	**31 March 2023**	**31 March 2022**
i) Mortality	IALM (2012-14)	IALM (2012-14)
ii) Normal Retirement Age	58	58

(₹ in lacs)

(v)

Actuarial (Gain)/Loss on Obligation	**31 March 2023**	**31 March 2022**
i) Actuarial loss/ (gain) on arising from change in financial assumption	(0.10)	(0.76)
ii) Actuarial loss/ (gain) on arising from experience adjustment	0.06	94.38

(₹ in lacs)

	31 March 2023	31 March 2022	31 March 2021
- Changes in experience adjustment loss/ (gain)	0.06	94.38	(87.71)

(vi)

Major categories of plan assets (as percentage of total plan assets)	31 March 2023
i) Central government bonds	13.11%
ii) State government bonds	42.61%
iii) Public sector bonds	26.98%
iv) Private sector bonds	11.03%
v) Equity/Mutual fund	5.32%
vi) RBI special deposit bonds	0.95%
Total	**100.00%**

III The Group has made contribution to certain defined contribution plans as captured in the table below. The obligations of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Employer's contribution to Ester Industries Limited Employee's Provident Trust	104.16	108.93
Employer's contribution to other Provident Fund	176.22	147.14
Employer's contribution to Superannuation Fund	44.93	50.30
Employer's contribution to labour welfare fund and employee state insurance	14.29	11.35

41. Discontinued operations

a. Description:

On 06 May 2022, the Holding Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from 15 September 2022. The business was reported under "Engineering Plastics Business" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements till previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms ofInd AS 105- "Non-current assets held for sale and discontinued operations" as below:

b. Financial performance and Cash flow information: (₹ in lacs)

SL	Particulars	31 March 2023	31 March 2022
I	(a) Sale of products	13,593.60	29,517.90
	(b) Other operating revenues	7.06	23.09
	(c) **Revenue from operations {I(a)+I(b)}**	**13,600.66**	**29,540.99**
	(d) Other income	-	-
	(e) **Total income {I(c)+I(d)}**	**13,600.66**	**29,540.99**
	(f) Total expenses	11,832.31	22,719.53
	(g) **Profit before tax for the period from discontinued operations {I(e)-I(f)}**	**1,768.35**	**6,821.46**
	(h) Tax expense related to discontinued operations	445.10	1,716.96
	(i) **Net Profit after tax for the period from discontinued operations {I(g)-I(h)}**	**1,323.25**	**5,104.50**
II	(a) **Profit before tax on disposal of discontinued operations**	**14,555.95**	-
	(b) Tax expense related to disposal of discontinued operations	3,357.77	-
	(c) **Net Profit after tax on disposal of discontinued operations {II(a)-II(b)}**	**11,198.18**	-
III	**Net Profit after tax for the period from discontinued operations {I(i)+II(c)}**	**12,521.43**	**5,104.50**
IV	Net cash generated from operating activities	4,229.02	6,816.65
V	Net cash generated from / (used in) investing activities	20,284.26	(441.54)

c. **Details of disposal of discontinued operations:** **(₹ in lacs)**

Particulars	**31 March 2023**
Proceeds from slump sale of business	26,326.27
Carrying amount of net assets transferred	(11,186.99)
Costs incurred on slump sale of business	(583.33)
Profit before tax on disposal of discontinued operations	**14,555.95**
Tax expense related to disposal of discontinued operations	(3,357.77)
Net Profit after tax on disposal of discontinued operations	**11,198.18**

d. **The carrying amounts of assets and liabilities as at the date of sale were as follows:** **(₹ in lacs)**

Particulars	**31 March 2023**
Property, plant and equipment	3,642.17
Inventory	3,826.81
Trade receivables	5,897.21
Other assets	582.34
Total assets	**13,948.53**
Trade payables	2,649.82
Other liabilities and provisions	111.72
Total liabilities	**2,761.54**
Net assets transferred	**11,186.99**

e. Pursuant to requirements of Ind AS 105, the amounts in the statement of profit and loss (and notes 25,28 and 30) for the current year and the previous year have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.

42 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers (“Ind AS 115”), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contracts with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

For the year 31 March 2023 **(₹ in lacs)**

Revenue from operations	**Goods**	**Other operating revenue***	**Total**
Revenue by geography (continuing operation)			
Domestic	66,983.24	633.66	67,616.90
Export	42,677.25	-	42,677.25
Subtotal (a)	**109,660.49**	**633.66**	**110,294.15**
Revenue by geography (discontinued operation)			
Domestic	12,361.04	-	12,361.04
Export	1,232.56	-	1,232.56
Subtotal (b)	**13,593.60**	**-**	**13,593.60**
Total (a+b)	**123,254.09**	**633.66**	**123,887.75**

For the year 31 March 2022 (₹ in lacs)

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography (continuing operation)			
Domestic	70,201.59	196.35	70,397.94
Export	39,505.87	-	39,505.87
Subtotal (a)	**1,09,707.46**	**196.35**	**1,09,903.81**
Revenue by geography (discontinued operation)			
Domestic	26,317.61	-	26,317.61
Export	3,200.29	-	3,200.29
Subtotal (b)	**29,517.90**	-	**29,517.90**
Total (a+b)	**1,39,225.36**	**196.35**	**1,39,421.71**

* Other operating revenue amounting to ₹1,126.59 lacs (31 March 2022:₹ 1,144.23 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(b) Assets and liabilities related to contracts with customers (₹ in lacs)

Description	31 March 2023		31 March 2022	
	Non-current	Current	Non-current	Current
Contract liabilities				
Revenue received in advance - Continuing operations	-	272.28	-	374.87
Revenue received in advance- Discontinued operations	-	-	-	56.58

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

Description	31 March 2023	31 March 2022
Continuing operations		
Contract price	1,10,359.32	1,09,940.17
Less: Discount, rebates, credits etc.	65.17	36.36
Discontinued operations		
Contract price	13,599.19	29,528.75
Less: Discount, rebates, credits etc.	5.59	10.85
Revenue from operations as per Statement of Profit and Loss	**1,23,887.75**	**1,39,421.71**

Other operating revenue amounting to ₹1,126.59 lacs (31 March 2022:₹ 1144.23 lacs) in the nature of export incentives are not covered under the scope of Ind AS 115.

(d) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

(₹ in lacs)

Description	31 March 2023	31 March 2022
Continuing operations		
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	374.87	225.61
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-
Discontinued operations		
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	56.58	151.20
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

(e) In the normal course of business, the payment terms given to domestic customers ranges from 0 to 60 days and for export customers, it ranges from 0 to 105 days.

43 Share based payment

The Nomination and Remuneration Committee of the Holding Company had at its meeting held on 01 April 2021, approved grant of2,48,179 (face value of ₹ 5/- per share) to the eligible employees of the Holding Company under the of Ester Employees Stock Option Plan-2021, at an exercise price of ₹ 105 per option (being 10% less that the closing price at NSE on 31 March 2021 i.e. immediately preceding the grant date), each option being convertible in to one Equity Share of the Holding Company upon vesting subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the terms and conditions of the Ester Employees Stock Option Plan-2021.

The terms and conditions of the grant as per the Ester Employee Stock Option Plan-2021 are as under:

A. Vesting period

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

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

B. Exercise period

8 (Eight) years from the date of grant. The employee shall have a right to exercise all the option vested in him at one time or various points of time within the exercise period.

Particulars of Options outstanding as on 31 March 23 is as follows:

Particulars	**Grant 1**			
	Vesting period-1	**Vesting period-2**	**Vesting period-3**	**Vesting period-4**
Outstanding stock options (numbers) at the beginning of the year	24,818	49,636	74,454	99,272
Options (numbers) granted during the year	-	-	-	-
Options (numbers) exercised during the year	-	-	-	-
Outstanding Options (numbers) at the end of the year	24,818	49,636	74,454	99,272
Weighted average exercise price (₹)	105.00	105.00	105.00	105.00
Vesting date	01 April 2022	01 April 2023	01 April 2024	01 April 2025

Weighted average remaining contractual life as on 31 March 2023 (6 years) and 31 March 2022 (7 years).

Fair value of Options granted during the previous financial year 2021-22, has been determined using Black-Scholes model with following inputs:

Particulars	**Grant 1**			
	Vesting period-1	**Vesting period-2**	**Vesting period-3**	**Vesting period-4**
Date of Grant	01 April 2021	01 April 2021	01 April 2021	01 April 2021
Stock price on the grant date (₹)	116.75	116.75	116.75	116.75
Exercise price (₹)	105.00	105.00	105.00	105.00
Expected term (years)	8 years	8 years	8 years	8 years
Weighted average fair value as on grant date (₹)	57.97	60.08	64.91	67.29
Expected price volatility	55.72%	55.64%	60.05%	61.03%
Risk free interest rate	5.49%	5.64%	5.77%	5.90%
Expected dividend yield	1.79%	1.79%	1.79%	1.79%

Risk free return has been considered as Zero Coupon Bond Yield (continuous compound) for a term equal to the expected option life of the ESOP's, available on The Clearing Corporation of India Limited's (CCIL) website. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

Summary of the expenses recognised in the statement of profit and loss: **(₹ in lacs)**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Share based payment expense	47.72	62.11

44 Ratios

The ratios for the years ended 31 March 2023 and 31 March 2022 are as follows:

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance (in %)
Current ratio	Current assets	Current liabilities	1.69	1.95	(13.29)
Debt-Equity ratio	Total debt[1]	Shareholder's equity	1.10	1.02	7.92
Debt service coverage ratio	Earnings available for debt service[2]	Debt service[3]	1.22	2.46	(50.64)
Return on equity	Net profit after taxes	Average shareholder's equity	3.65%	24.12%	(84.86)
Inventory turnover ratio	Cost of goods sold	Average inventory	4.37	5.18	(15.69)
Trade receivables turnover ratio	Net sales	Average accounts receivable	7.15	8.08	(11.57)
Trade payables turnover ratio	Net credit purchases[5]	Average trade payables	20.02	21.87	(8.46)
Net capital turnover ratio	Net sales	Working capital	4.97	5.40	(7.98)
Net profit ratio	Net profit after taxes	Net sales	2.02%	9.82%	(79.41)
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed[4]	4.91%	16.35%	(69.98)
Return on investment	Gain from investment[6]	Cost of investment	4.68%	NA	100.00

[1] Total debt represents total borrowings and total lease liabilities

[2] Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Intereston term loans and lease liabilities + other adjustments like loss on sale of fixed assets etc

[3] Interest and lease payments during the year + Principal repayments during the year

[4] Tangible net worth (Total equity - other intangible assets) + Total debt + DTL

[5] Cost of material consumed + Consumption ofstores and spares + Consumption ofpacking material + Power and fuel + (Closing inventories of raw materials and Store and spares - opening inventories of raw materials and Store and spares).

[6] Gain/ loss on sale and change in fair value of mutual funds and commercial papers are considered for the purpose of computing return on investment.

* Due to lower profitability as compared to last financial year. Subsidiary company was incorporated on 21 July 2020 and commercial operation has started on 20 January 2023.

** Investments in mutual funds made during the year and was not present last year.

45 **Additional regulatory information not disclosed elsewhere in the consolidated financials statements.**

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount (₹ in lacs)	As % of consolidated total comprehensive income	Amount (₹ in lacs)
Ester industries limited								
For the year ended 31 March 2023	67.85%	50,441.07	117.64%	16,104.43	140.84%	27.07	117.67%	16,131.50
For the year ended 31 March 2022	72.02%	44,777.91	101.57%	13,886.13	83.93%	(10.97)	101.59%	13,875.16
Subsidiary								
Ester Filmtech Limited								
For the year ended 31 March 2023	32.15%	23,902.13	(17.64%)	(2,414.79)	(40.84%)	(7.85)	(17.67%)	(2,422.64)
For the year ended 31 March 2022	27.98%	17,393.21	(1.57%)	(214.72)	16.07%	(2.10)	(1.59%)	(216.82)

46 **Additional regulatory information not disclosed elsewhere in the consolidated financials statements**

(a) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(b) The Group does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below

(₹ in lacs)

Name of the struck off company	Nature of transactions with struck off company	As at 31 March 2023	As at 31 March 2022
Parth Organic Pvt ltd	Trade receivable	0.78	39.34
Dev Agencies private limited	Advance from customer	(4.00)	-
A.M.P Polymers India Private Limited	Advance from customer	(0.01)	0.04
Agarwal Impex pvt ltd	Trade receivable	0.01	0.02
Holoprint Security Solutions pvt ltd	Trade receivable	-*	-
Sharda Trading Company Pvt. Ltd.	Trade receivable	-**	-
Kautilya Venture Capital Company Ltd	Shareholder (dividend)	-#	-
Gati Kintetsu Express Pvt Ltd	Trade payables	-^	-

* During the year, transactions totalling to ₹ 0.25 lacs has happened with the company

** During the year, transactions totalling to ₹ 33.75 lacs has happened with the company

During the year, transactions totalling to ₹ 0.16 lacs has happened with the company

^ During the year, transactions totalling to ₹ 0.02 lacs has happened with the company

(c) The Group has not been declared willful defaulter by any bank or financial institution or other lender.

(d) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(e) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(f) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(g) No funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

(h) No funds have been received by the Holding Company or its subsidiary company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(i) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(j) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(k) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

47 During the current year, a fraud of ₹ 65.00 lacs has happened on the Holding Company where on the basis of WhatsApp messages from a mobile phone that did not belong to CEO of the Holding Company, the person in-charge of approving / authorising payments instructed one of the accounts team person to make on-line payments through Bank of Baroda. Total of such payments amounted to ₹ 65.00 lacs. Holding Company has filed a First Information Report (FIR) on 25 August 2022 regarding this matter. Further, Holding Company has recorded this amount as expense in statement of profit and loss.

48 The previous year numbers have been regrouped/ reclassified wherever necessary to conform to current year presentation. The impact of such reclassification/regrouping is not material to the consolidated financial statements.

49 No subsequent event occurred post balance sheet date which requires adjustment in the consolidated financial statements for the year ended 31 March 2023.

For Walker Chandiok & Co LLP **Chartered Accountants**	**For and on behalf of the Board of Directors of** **Ester Industries Limited**		
Nitin Toshniwal	**Arvind Singhania**	**Pradeep Kumar Rustagi**	**Sourabh Agarwal**
Partner **Membership no.507568**	**Chairman & CEO** **DIN: 00934017**	**Executive Director - Corporate Affairs** **DIN: 00879345**	**CFO**
Place: Delhi **Date:** 26 May 2023	**Place:** Gurugram **Date:** 26 May 2023	**Place:** Gurugram **Date:** 26 May 2023	**Place:** Gurugram **Date:** 26 May 2023

FORM AOC-1

for the financial year ended 31st March, 2023
Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures
[Pursuant to first proviso of Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART "A"- Subsidiaries

(₹ in Lacs)

1.	Name of the Subsidiary	:	Ester Filmtech Limited
2.	Date of acquisition	:	21st July, 2020
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	1st April, 2022 - 31st March, 2023
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	:	Not Applicable
5.	Share capital	:	27,000
6.	Reserves & surplus	:	(3,097.87)
7.	Total assets	:	71,025.59
8.	Total Liabilities	:	47,123.46
9.	Investments	:	-
10.	Turnover	:	4,912.27
11.	Profit & Loss before taxation	:	(2,414.79)
12.	Provision for taxation	:	-
13.	Profit & Loss after taxation	:	(2,414.79)
14.	Proposed Dividend	:	-
15.	% of shareholding held by the Company	:	100

Notes:

1. Name of subsidiaries which are yet to commence operations- NIL
2. Names of Subsidiaries which have been liquidated or sold during the year-NIL

PART "B": Associates and Joint Ventures

There is no Associate or Joint Venture of the Company during the year under review.

For and on behalf of the Board of Directors of
Ester Industries Limited

Sd/-
Arvind Singhania
Chairman & CEO
DIN: 00934017

Place : Gurugram
Date : 26th May, 2023

Sd/-
Pradeep Kumar Rustagi
Executive Director - Corporate Affairs
DIN: 00879345

Place : Gurugram
Date : 26th May, 2023

Sd/-
Arvind Singhania
CFO

Place : Gurugram
Date : 26th May, 2023

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
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.

Regards
For **Ester Industries Limited**

Sd/-
Poornima Gupta
Company Secretary & Compliance Officer

NECS MANDATE FORM FOR DIVIDEND PAYMENT

IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE	**IF SHARE(S) IS/ARE HELD IN DEMAT (ELECTRONIC) 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**	Please send the form to your concerned Depository Participant where you maintain your Demat Account.

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

1 Folio No./DP ID & Client ID ____________________

2 Shareholder's Name : Mr. / Mrs. / Ms. / M/s. ____________________

3 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.			
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 : ....

Note: Please attach a cancelled cheque leaf and self-attested PAN copy along with this form.

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