

# Walker Chandiook & Co LLP

## Independent Auditor's Report

To the Members of Ester Filmtech Limited

Report on the Audit of the Financial Statements

## Opinion

1. We have audited the accompanying financial statements of Ester Filmtech Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive loss), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the 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 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 loss (including other comprehensive loss), 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. 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 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 financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



## Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the 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.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to



continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

### Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. 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.
13. 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 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B 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 Company does not have any pending litigation which would impact 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;



## Walker Chandiook & Co LLP

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.;
- iv.
  - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 37 (g) to the 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 37 (h) to the 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.
- 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 Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Nitin Toshniwal**  
Partner  
Membership No.: 507568  
UDIN: 23507568BGYWCA5179

**Place:** Delhi  
**Date:** 26 May 2023

## Walker Chandiook & Co LLP

### Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Ester Filmtech Limited on the 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.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (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 6 to the financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Chandavalley, Shahbad Mandal, Hyderabad, State of Telangana with gross carrying values of ₹ 5,226.03 Lacs 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 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 19 to the 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) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (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.



## Walker Chandiook & Co LLP

### Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Ester Filmtech Limited on the financial statements for the year ended 31 March 2023

- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (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 to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (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 no material fraud on the Company has been noticed or reported during the period covered by our audit.



## Walker Chandiook & Co LLP

### Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Ester Filmtech Limited on the financial statements for the year ended 31 March 2023

- (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 incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹ 1,399.35 lacs and ₹ 202.16 lacs respectively.
- (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 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) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

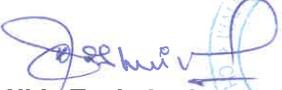


## Walker Chandniok & Co LLP

**Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Ester Filmtech Limited on the financial statements for the year ended 31 March 2023**

- (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 Chandniok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Nitin Toshniwal**  
Partner  
Membership No.: 507568  
UDIN: 23507568BGYWCA5179

**Place:** Delhi  
**Date:** 26 May 2023

# Walker Chandniok & Co LLP

## Annexure B

### **Independent Auditor's Report on the internal financial controls with reference to the financial statements of Ester Filmtech 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 financial statements of Ester Filmtech Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable



## Walker ChandioK & Co LLP

### Annexure B to the Independent Auditor's Report of even date to the members of Ester Filmtech Limited on the financial statements for the year ended 31 March 2023

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

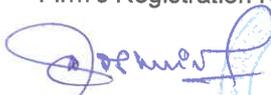
#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 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: 23507568BGYWCA5179

**Place:** Delhi  
**Date:** 26 May 2023

**Ester Filmtech Limited**  
**Balance Sheet as at 31 March 2023**  
**(All amounts are ₹ in lacs, unless otherwise stated)**

(₹ in lacs)

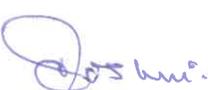
	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6A	60,671.67	111.00
Capital work-in-progress	6B	117.60	41,600.13
Intangible assets	6A	64.05	4.02
<b>Financial assets</b>			
Other financial assets	12A	442.50	169.36
Income tax assets (net)		15.47	4.45
Other non-current assets	8	111.17	3,841.23
<b>Total non-current assets</b>		<b>61,422.46</b>	<b>45,730.19</b>
<b>Current assets</b>			
Inventories	7	3453.49	48.26
<b>Financial assets</b>			
Trade receivables	11B	1,672.71	-
Cash and cash equivalents	9	0.50	3,325.31
Other bank balances	10	136.57	2.77
Loans	11A	2.58	0.37
Other financial assets	12B	10.00	2.65
Other current assets	13	4,327.28	1,639.83
<b>Total current assets</b>		<b>9,603.13</b>	<b>5,019.19</b>
<b>Total assets</b>		<b>71,025.59</b>	<b>50,749.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	27,000.00	18,068.44
Other equity	15	(3,097.87)	(675.23)
<b>Total equity</b>		<b>23,902.13</b>	<b>17,393.21</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19A	36,361.30	31,558.98
Provisions	20A	32.82	22.35
Other non-current liabilities	18A	1,616.47	-
<b>Total non-current liabilities</b>		<b>38,010.59</b>	<b>31,581.33</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19B	6622.82	319.47
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	16	223.33	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	16	604.41	66.48
Other financial liabilities	17	1,531.88	1,365.35
Provisions	20B	1.27	0.73
Other current liabilities	18B	129.16	22.81
<b>Total current liabilities</b>		<b>9,112.87</b>	<b>1,774.84</b>
<b>Total equity and liabilities</b>		<b>71,025.59</b>	<b>50,749.38</b>

Summary of significant accounting policies

1-5

The accompanying notes are integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

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

  
**Nitin Toshniwal**  
Partner  
Membership no.507568



For and on behalf of the Board of Directors of  
**Ester Filmtech Limited**

  
**Arvind Singhania**  
Chairman & MD  
DIN: 00934017

  
**Pradeep Kumar Rustagi**  
Executive Director  
DIN: 00879345

  
**Sourabh Agarwal**  
CFO

  
**Poornima Gupta**  
Company Secretary  
M No: A49876

Place: Delhi  
Date: 26 May 2023

Place: Gurugram  
Date: 26 May 2023

**Ester Filmtech Limited**  
**Statement of Profit and Loss for the year ended 31 March 2023**  
**(All amounts are ₹ in lacs, unless otherwise stated)**

(₹ in lacs)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	21 and 33	4,912.27	-
Other income	22	3.37	-
<b>Total income</b>		<b>4,915.64</b>	<b>-</b>
<b>Expenses</b>			
Cost of material consumed		6,271.99	-
Changes in inventories of finished goods and work-in-progress	23	(2,148.91)	-
Employee benefits expense	24	317.80	60.07
Finance costs	25	657.18	1.22
Depreciation and amortisation expenses	6	491.12	11.34
Other expenses	26	1,741.25	142.09
<b>Total expenses</b>		<b>7,330.43</b>	<b>214.72</b>
<b>Loss before tax</b>		<b>(2,414.79)</b>	<b>(214.72)</b>
<b>Tax expense</b>			
Current tax		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>Loss after tax</b>		<b>(2,414.79)</b>	<b>(214.72)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement loss on defined benefit plans		(7.85)	(2.10)
Income tax effect		-	-
<b>Total other comprehensive loss for the year, net of tax</b>		<b>(7.85)</b>	<b>(2.10)</b>
<b>Total comprehensive loss</b>		<b>(2,422.64)</b>	<b>(216.82)</b>
<b>Earnings per equity share</b>			
Basic (₹)	27	(1.13)	(0.16)
Diluted (₹)	27	(1.13)	(0.16)

Summary of significant accounting policies

1-5

The accompanying notes are integral part of the financial statements.  
This is the statement of profit and loss referred to in our report of even date.

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

For and on behalf of the Board of Directors of  
**Ester Filmtech Limited**

  
**Nitin Toshniwal**  
Partner  
Membership no.507568



  
**Arvind Singhania**  
Chairman & MD  
DIN: 00934017

  
**Pradeep Kumar Rustagi**  
Executive Director  
DIN: 00879345

  
**Sourabh Agarwal**  
CFO

  
**Poornima Gupta**  
Company Secretary  
M No: A49876

Place: Delhi  
Date: 26 May 2023

Place: Gurugram  
Date: 26 May 2023

**Ester Filmtech Limited**

**Cash flow statement for the year ended 31 March 2023**

(All amounts are ₹ in lacs, unless otherwise stated)

(₹ in lacs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Cash flows from operating activities</b>		
Loss before tax	(2,414.79)	(214.72)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	491.12	11.34
Mark to market gain on derivative contracts	20.56	-
Finance costs	553.77	1.22
Interest income on financial assets measured at amortised cost	(3.37)	-
Unrealised foreign exchange (gain) / loss (net)	423.50	-
<b>Operating profit before working capital changes and other adjustments:</b>	<b>(929.21)</b>	<b>(202.16)</b>
<b>Working capital changes and other adjustments:</b>		
Increase in current and non-current loans	(2.21)	(0.37)
Increase in other non-current and current assets	(2,687.45)	(1,556.50)
Increase in inventories	(3,405.23)	(48.26)
Increase in other financial and non-financial liabilities	86.63	65.74
Increase in provisions	3.16	20.98
Increase in other non-current and current financial assets	(157.35)	(27.75)
Increase in trade receivables	(1,670.37)	-
Increase in trade payables	761.26	52.33
<b>Cash flow used in operating activities post working capital changes</b>	<b>(8,000.77)</b>	<b>(1,695.99)</b>
Income tax paid (net of refunds)	(11.02)	(4.45)
<b>Net cash flow used in operating activities (A)</b>	<b>(8,011.79)</b>	<b>(1,700.44)</b>
<b>B Cash flows from investing activities</b>		
Purchase of property plant and equipments (including capital work-in-progress, Capital advances, Capital creditors and intangible assets)	(12,964.89)	(35,283.53)
Investment in bank deposits	(256.94)	(145.13)
Interest received	3.37	-
<b>Net cash used in investing activities (B)</b>	<b>(13,218.46)</b>	<b>(35,428.66)</b>
<b>C Cash flows from financing activities</b>		
Increase in share capital	8,931.56	8,433.44
Proceeds from long-term borrowings	6,286.81	31,878.45
Proceeds of short-term borrowings (net)	3,052.96	-
Finance cost paid	(365.90)	(1.22)
<b>Net cash flow in financing activities (C)</b>	<b>17,905.44</b>	<b>40,310.67</b>
<b>D Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(3,324.81)</b>	<b>3,181.57</b>
<b>E Cash and cash equivalents at the beginning of the year (refer note no.9)</b>	<b>3,325.31</b>	<b>143.74</b>
<b>F Cash and cash equivalents at the end of the year (D+E) (refer note no.9)</b>	<b>0.50</b>	<b>3,325.31</b>

**Reconciliation of cash and cash equivalents as per cash flow statement**

Cash in hand	0.50	0.35
Balances with banks:		
In current accounts	-	2,524.96
Bank deposits with original maturity upto 3 months	-	800.00
<b>Total of cash and cash equivalents</b>	<b>0.50</b>	<b>3,325.31</b>

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No. 001076/N/500013

For and on behalf of the Board of Directors of

**Ester Filmtech Limited**

  
Nifin Toshniwal  
Partner  
Membership no.507568



  
Arvind Singhania  
Chairman & MD  
DIN: 00934017

  
Pradeep Kumar Rustagi  
Executive Director  
DIN: 00879345

  
Sourabh Agarwal  
CFO

  
Poornima Gupta  
Company Secretary  
M No: A49876

Place: Delhi  
Date: 26 May 2023

Place: Gurugram  
Date: 26 May 2023

**Ester Filmtech Limited**  
**Statement of Changes in Equity for the year ended 31 March 2023**  
 (All amounts are ₹ in lacs, unless otherwise stated)

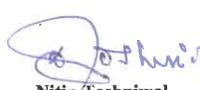
(₹ in lacs)					
Particulars	Opening balance as at 01 April 2021	Changes in equity share capital during the period	Balance as at 31 March 2022	Changes in equity share capital during the period	Balance as at 31 March 2023
Equity share capital	9,525.00	8,543.44	18,068.44	8,931.56	27,000.00
Share Application money pending allotment	110.00	(110.00)	-	-	-

(₹ in lacs)		
Particulars	Reserves and surplus	Total
	Retained Earnings	
<b>Balance as at 01 April 2021</b>	<b>(458.41)</b>	<b>(458.41)</b>
Loss for the period	(214.72)	(214.72)
Other comprehensive income		
Re-measurement losses on defined benefit plans	(2.10)	(2.10)
<b>Balance as at 31 March 2022</b>	<b>(675.23)</b>	<b>(675.23)</b>
Loss for the period	(2,414.79)	(2,414.79)
Re-measurement losses on defined benefit plans	(7.85)	(7.85)
<b>Balance as at 31 March 2023</b>	<b>(3,097.87)</b>	<b>(3,097.87)</b>

This is the statement of change in equity referred to in our report of even date.

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

For and on behalf of the Board of Directors of  
 Ester Filmtech Limited




**Nitin Toshniwal**  
 Partner  
 Membership no.507568

Place: Delhi  
 Date: 26 May 2023



**Arvind Singhania**  
 Chairman & MD  
 DIN: 00934017

Place: Gurugram  
 Date: 26 May 2023



**Pradeep Kumar Rustagi**  
 Executive Director  
 DIN: 00879345

Place: Gurugram  
 Date: 26 May 2023



**Sourabh Agarwal**  
 CFO

Place: Gurugram  
 Date: 26 May 2023



**Poornima Gupta**  
 Company Secretary  
 M No: A49876

Place: Gurugram  
 Date: 26 May 2023

**Ester Filmtech Limited**  
**Notes to the financial statements for the year ended 31 March 2023**

**1. Nature of operations**

Ester Filmtech Limited (“the Company”) is a Wholly Owned Subsidiary of Ester Industries Limited. Company was incorporated on 21 July 2020 and commercial operation has started on 20 January 2023 to manufacture Bi-axially Oriented PET Films (BOPET Films) in the state of Telangana. The Company is domiciled in India and its registered office is situated at Plot No: 11, Block – A, Infocity – 1, Sector – 34, Gurugram – 122001, Haryana.

**2. General information and compliance with Ind AS**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs (‘MCA’) under section 133 of the Companies Act, 2013 (‘Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented.

The financial statements for the year ended 31 March 2023 along with the comparative financial information were authorized and approved for issue by the Board of Directors on 26 May 2023. The revisions to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

**3. 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.

**4. Summary of significant accounting policies**

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

**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.



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**Ester Filmtech Limited**  
**Notes to the financial statements for the year ended 31 March 2023**

**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

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 trial 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



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**Ester Filmtech Limited****Notes to the financial statements for the year ended 31 March 2023**

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

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.



Four handwritten signatures in blue ink, positioned to the right of the circular stamp.

**Ester Filmtech Limited**  
**Notes to the financial statements for the year ended 31 March 2023**

*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.



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**Ester Filmtech Limited**  
**Notes to the financial statements for the year ended 31 March 2023**

*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 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.



Five handwritten signatures in blue ink, arranged horizontally from left to right. The signatures are stylized and appear to be initials or names.

## Ester Filmtech Limited

### Notes to the financial statements for the year ended 31 March 2023

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses are recognized in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

#### 4.8 Foreign currency

##### *Functional and presentation currency*

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company.

##### *Initial recognition*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

##### *Conversion*

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

##### *Exchange difference*

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise

#### 4.9 Financial instruments

##### *Initial recognition and measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets (except for trade receivables) and financial liabilities are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are initially measured at the transaction price. Subsequent measurement of financial assets and financial liabilities is described below.

##### **Non-derivative financial assets**

##### *Subsequent measurement*

- i. **Financial assets carried at amortised cost** – A 'financial asset' is measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



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## Ester Filmtech Limited

### Notes to the financial statements for the year ended 31 March 2023

- 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 as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Non-derivative financial liabilities**

##### *Subsequent measurement*

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

##### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Forward contracts**

The Company has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.10 Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss is recognised based on the 12 months



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## **Ester Filmtech Limited**

### **Notes to the financial statements for the year ended 31 March 2023**

probability of default or life time probability of default and the expected loss good default estimated for each financial asset.

#### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### **4.11 Income taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

The Company offsets current tax assets and current tax liabilities; deferred tax assets and deferred tax liabilities; where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### **4.12 Cash and cash equivalents**

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



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#### **4.13 Employee benefits**

##### *Provident fund*

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution plan as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. In addition, for other employees, the provident fund trust set-up by the Company is treated as a defined benefit plan to the extent the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognized as an expense in the period in which services are rendered by the employee.

##### *Gratuity*

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost on the Company's defined benefit plan is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

##### *Compensated absences*

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

##### *Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### **4.14 Provisions**

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

#### **4.15 Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.



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#### **4.16 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, right issue and share split transaction.

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

#### **4.17 Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

The Company business activity falls within a single segment, which is under manufacturing of Polyester film, in terms of Ind AS 108 on Segment Reporting. The Company was incorporated on 21 July 2020.

##### *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.

#### **4.18 Significant management judgement**

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 judgement*

**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.



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**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.

## **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

(₹ in lacs)

Particulars	Property, plant and equipment							Intangible assets
	Land-freehold	Building	Vehicles	Office equipments	Furniture and fixtures	Plant and equipment	Total	Software
Gross carrying amount								
As at 01 April 2021	-	-	-	3.02	9.16	-	12.18	-
Additions	-	-	-	7.86	10.60	92.40	110.86	4.35
As at 31 March 2022	-	-	-	10.88	19.76	92.40	123.04	4.35
Additions	5,226.03	9,292.85	25.39	137.67	58.89	46,304.15	61,044.98	66.84
As at 31 March 2023	5,226.03	9,292.85	25.39	148.55	78.65	46,396.55	61,168.02	71.19
Accumulated depreciation								
As at 01 April 2021	-	-	-	0.07	0.96	-	1.03	-
Depreciation charge for the year	-	-	-	1.20	8.00	1.81	11.01	0.33
As at 31 March 2022	-	-	-	1.27	8.96	1.81	12.04	0.33
Depreciation charge for the year	-	75.16	1.93	19.09	9.53	378.60	484.31	6.81
As at 31 March 2023	-	75.16	1.93	20.36	18.49	380.41	496.35	7.14
Net block								
As at 31 March 2022	-	-	-	9.61	10.80	90.59	111.00	4.02
As at 31 March 2023	5,226.03	9,217.69	23.46	128.19	60.16	46,016.14	60,671.67	64.05

Footnotes:

- (i) Refer note 29(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.  
(ii) Refer note 19 for information on property, plant and equipment pledged as security by the Company.

6B. Capital work-in-progress

(₹ in lacs)

Description	Amount
As at 01 April 2021	5,445.13
Additions	36,155.00
Capitalised	-
As at 31 March 2022	41,600.13
Additions	17,864.82
Capitalised	(59,347.35)
As at 31 March 2023	117.60

\* It includes pre-operative expenses of NIL (31 March 2022 ₹ 1,000.83 lacs) refer note 6B(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	117.60	-	-	-	117.60

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	40,890.90	709.23	-	-	41,600.13

6B(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
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



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Ester Filmtech Limited  
Notes to the financial statements for the year ended 31 March 2023  
(All amounts are ₹ in lacs, unless otherwise stated)

7. Inventories		(₹ in lacs)	
	As at	As at	
	31 March 2023	31 March 2022	
Raw materials {including goods in transit ₹ NIL (31 March 2022: NIL)}	723.45	-	
Work-in-progress	1,219.39	-	
Finished goods {including goods in transit ₹ 367.17 lacs (31 March 2022: NIL)}	929.52	-	
Stores and spares {including goods in transit ₹ NIL (31 March 2022: NIL)}	581.13	48.26	
<b>Total Inventories</b>	<b>3,453.49</b>	<b>48.26</b>	

8. Other non-current assets		(₹ in lacs)	
	As at	As at	
	31 March 2023	31 March 2022	
Capital advances	111.17	3,841.23	
<b>Total other non-current assets</b>	<b>111.17</b>	<b>3,841.23</b>	

9. Cash and cash equivalents		(₹ in lacs)	
	As at	As at	
	31 March 2023	31 March 2022	
Cash in hand	0.50	0.35	
Balances with banks			
In current accounts	-	2,524.96	
Bank deposits with original maturity upto 3 months	-	800.00	
<b>Total cash and cash equivalents</b>	<b>0.50</b>	<b>3,325.31</b>	

10. Other bank balances		(₹ in lacs)	
	As at	As at	
	31 March 2023	31 March 2022	
Deposits with remaining maturity for less than 12 months	136.57	2.77	
Deposits with remaining maturity for more than 12 months	265.50	142.36	
<b>Total*</b>	<b>402.07</b>	<b>145.13</b>	
Less:- Amount disclosed under non-current assets (refer note 12)	(265.50)	(142.36)	
<b>Total other bank balances</b>	<b>136.57</b>	<b>2.77</b>	

\*Margin money deposit (including interest accrued) of ₹ 402.07 lacs (31 March 2022: ₹ 145.13 lacs) are subject to lien of lending banks for securing letter of credit, bank guarantee and other facilities sanctioned by them.

11A. Loans		(₹ in lacs)	
	As at	As at	
	31 March 2023	31 March 2022	
<b>Current</b>			
Loans to employees	2.58	0.37	
<b>Total loans</b>	<b>2.58</b>	<b>0.37</b>	

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.

11B. Trade receivables		(₹ in lacs)	
	As at	As at	
	31 March 2023	31 March 2022	
Trade receivables considered good - unsecured	1,672.71	-	
Less: allowance for expected credit losses	-	-	
<b>Total trade receivables</b>	<b>1,672.71</b>	<b>-</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	1,672.71	-	-	-	-	1,672.71
<b>Gross trade receivables</b>						<b>1,672.71</b>
Less: allowance for expected credit losses						-
<b>Total trade receivables</b>						<b>1,672.71</b>

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	-	-	-	-	-	-
<b>Gross trade receivables</b>						-
Less: allowance for expected credit losses						-
<b>Total trade receivables</b>						-



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	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
<b>12. Other financial assets</b>		
<b>A) Non-current</b> (Unsecured considered good)		
Bank deposits with maturity of more than 12 months (refer note 10)	265.50	142.36
Security deposits	177.00	27.00
<b>Total non-current other financial assets (A)</b>	<b>442.50</b>	<b>169.36</b>
<b>B) Current</b> (Unsecured considered good)		
Security deposits	10.00	2.65
<b>Total current other financial assets (B)</b>	<b>10.00</b>	<b>2.65</b>
	<b>452.50</b>	<b>172.01</b>

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
<b>13. Other current assets</b>		
<b>Considered good</b>		
Receivables under export benefit scheme	3.41	-
Advance to vendors	345.81	2.23
Prepaid expenses	136.81	21.74
Balances with government authorities	3,839.44	1,615.86
Other advances	1.81	-
<b>Total other current assets</b>	<b>4,327.28</b>	<b>1,639.83</b>



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14. Equity share capital

	As at 31 March 2023		As at March 31, 2022	
	Number	Amount (₹ in lacs)	Number	Amount (₹ in lacs)
<b>i) Authorised</b>				
Equity shares of ₹ 10 each	27,00,00,000	27,000.00	20,00,00,000	20,000.00
		<u>27,000.00</u>		<u>20,000.00</u>
<b>ii) Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	27,00,00,000	27,000.00	18,06,84,390	18,068.44
		<u>27,000.00</u>		<u>18,068.44</u>

iii) Shareholding of Promoters

The details of the shares held by promoters as at 31 March 2023 are as follow.

Promoter name	No. of Shares	% of total shares	% change during the year
Ester Industries Limited	26,99,99,994	99.99	-

6 shares held by nominee shareholders as at 31 March 2023.

The details of the shares held by promoters as at 31 March 2022 are as follow.

Promoter name	No. of Shares	% of total shares	% change during the year
Ester Industries Limited	18,06,84,384	99.99	-

6 shares held by nominee shareholders as at 31 March 2022.

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

Equity shares	Number	Amount (₹ in lacs)
Balance at the beginning of the year		
Equity Shares allotted	18,06,84,390	18,068.44
Add: Equity shares issued during the year (Equity shares of ₹ 10 each)	8,93,15,610	8,931.56
<b>Balance at the end of the year</b>	<u>27,00,00,000</u>	<u>27,000.00</u>

v) Shares held by Holding Company

Name of the equity shareholder	As at 31 March 2023		As at 31 March 2022	
	Number	Amount (₹ in lacs)	Number	Amount (₹ in lacs)
Ester Industries Limited, Holding Company				
Equity shares of ₹ 10 each fully paid up	26,99,99,994	27,000.00	18,06,84,384	18,068.44
	<u>26,99,99,994</u>	<u>27,000.00</u>	<u>18,06,84,384</u>	<u>18,068.44</u>

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

	As at 31 March 2023		As at 31 March 2022	
	Number	%	Number	%
Ester Industries Limited, Holding Company				
Equity shares of ₹ 10 each fully paid	26,99,99,994	99.99	18,06,84,384	99.99

vii) No shares were allotted as fully paid up by way of bonus issue and/or brought back in the current reporting year and in previous years since incorporation.

15. Other equity (refer statement of changes in equity)

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount (₹ in lacs)	Number	Amount (₹ in lacs)
<b>Reserves and surplus</b>				
Retained earnings		(3,097.87)		(675.23)
<b>Total</b>		<u>(3,097.87)</u>		<u>(675.23)</u>

Retained earnings

Retained earnings represents profit/loss in the Statement of Profit and Loss.



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16. Trade payable

	As at 31 March 2023	As at March 31, 2022
<b>Trade payables</b>		
Trade payables		
-total outstanding dues of micro enterprises and small enterprises*	223.33	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	604.41	66.48
<b>Total trade payables</b>	<b>827.74</b>	<b>66.48</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2023:

Particulars	As at 31 March 2023	As at 31 March 2022
	(₹ in lacs)	
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
Principal amount*	432.46	336.73
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 ₹ 209.13 lacs. (31 March 2022: 336.73 lacs) (refer note 17).

Trade payable 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 - 3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	222.79	0.54	-	-	223.33
(ii) Others	604.41	-	-	-	604.41

Particulars	As at 31st March 2022				
	Outstanding for following periods from the due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	-	-	-	-	-
(ii) Others	66.48	-	-	-	66.48

17. Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
Interest accrued	134.36	26.74
Capital creditors*	1,158.94	1,317.19
Deposits from dealer/customer and others	2.00	-
Derivative liability	167.98	-
Employee related payables	68.05	21.42
Other payable	0.55	-
<b>Total other financial liabilities</b>	<b>1,531.88</b>	<b>1,365.35</b>

\* includes payable to micro enterprises and small enterprises of ₹ 209.13 lacs. (31 March 2022 : 336.73 lacs)

18. Other current liabilities

	As at 31 March 2023	As at 31 March 2022
<b>A) Non-current</b>		
Deferred income*	1,616.47	-
<b>Total non current liabilities (A)</b>	<b>1,616.47</b>	<b>-</b>
<b>Current</b>		
Deferred income*	68.90	-
Revenue received in advance	21.58	-
Statutory dues	38.68	22.81
<b>Total current liabilities (B)</b>	<b>129.16</b>	<b>22.81</b>
<b>Total other liabilities</b>	<b>1,745.63</b>	<b>22.81</b>

\* 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.



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Ester Filmtech Limited  
Notes to the financial statements for the year ended 31 March 2023  
(All amounts are ₹ in lacs, unless otherwise stated)

19. (A) Borrowings		(₹ in lacs)	
A) Non-current*		As at	As at
Secured loans		31 March 2023	31 March 2022
Term loans from:			
Banks		16,010.81	10,038.58
Financial institution		20,337.46	21,520.40
Vehicle loans		13.03	-
<b>Total borrowings - non-current</b>		<b>36,361.30</b>	<b>31,558.98</b>

\* For liquidity risk related disclosures, refer note 31B.

**I. Term loans**

a) **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.#

b) **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.#

c) **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.#

d) **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 its 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 Company (both present and future) including factory land and building at Chandanvally, shahbad mandal, Hyderabad, Telangana with other lenders, except plant and equipment that are exclusively charged to OLB Bank, Germany for ECA funding and first charge on Debt Service Reserve Account (DSRA) to be created to meet debt service requirements of the project for the ensuring 60 days principal and interest payment. Second Pari passu charge on current assets and further secured by irrevocable guarantee of its holding Company (Ester Industries Limited) and personal guarantee of Mr. Arvind Singhania.

**Vehicle loans** are secured by hypothecation of specific vehicles acquired out of proceeds of the loans. Vehicle loans bearing interest rates at 8.40% per annum. It is repayable in monthly instalments till July 2026.

19. (B) Current borrowings*		(₹ in lacs)	
		As at	As at
		31 March 2023	31 March 2022
Acceptances		2,584.77	-
<b>Loans repayable on demand</b>			
Working capital loans from banks		468.19	-
<b>Other loans</b>			
Current maturities of long term loans		3,569.86	319.47
<b>Total borrowings - current</b>		<b>6,622.82</b>	<b>319.47</b>

\* For liquidity risk related disclosures, refer note 31B.

**Working capital loans, bills discounting and acceptances:** These loans are secured by first charge by way of hypothecation of raw materials, finished goods, semi finished goods, stores and spares, book debts and other receivables (both present and future) and further secured by irrevocable guarantees of its holding Company and personal guarantee of Mr. Arvind Singhania. Working capital and bill discounting facilities are further secured by way of second charge in respect of immovable properties and movable fixed assets except fixed assets that are exclusively charged to OLB Bank.

The working capital loans from banks bear floating interest rate at MCLR plus ranging from 0.60% per annum to 0.75% per annum.

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

Particulars	Borrowings		Total
	Non-current	Current	
	(₹ in lacs)		
<b>01 April 2022</b>	31,558.98	319.47	31,878.45
<b>Cash flows:</b>			
- Proceeds	6,286.81	3,052.96	9,339.77
- Net impact of reclassification as per schedule III	(3,250.39)	3,250.39	-
<b>Non cash:</b>			
- Finance cost adjustment for effective interest rate	324.88	-	324.88
- Unrealised foreign exchange loss	1,441.02	-	1,441.02
<b>31 March 2023</b>	<b>36,361.30</b>	<b>6,622.82</b>	<b>42,984.12</b>
<b>01 April 2021</b>			
<b>Cash flows:</b>			
- Proceeds	31,558.98	319.47	31,878.45
<b>31 March 2022</b>	<b>31,558.98</b>	<b>319.47</b>	<b>31,878.45</b>

**20. Provisions**

		(₹ in lacs)	
		As at	As at
		31 March 2023	31 March 2022
<b>A) Provisions - non-current</b>			
Provision for gratuity (refer note 34)		19.16	13.28
Provision for compensated absence		13.66	9.07
<b>Total provisions - non-current</b>		<b>32.82</b>	<b>22.35</b>
<b>B) Provisions - current</b>			
Provision for gratuity (refer note 34)		0.45	0.32
Provision for compensated absence		0.82	0.41
<b>Total provisions - current</b>		<b>1.27</b>	<b>0.73</b>
<b>Total provisions (A+B)</b>		<b>34.09</b>	<b>23.08</b>



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21. Revenue from operations		(₹ in lacs)	
	As at	As at	
	31 March 2023	March 31, 2022	
Sale of products	4,906.06	-	
Other operating revenue (refer note (i) below)	6.21	-	
<b>Total revenue from operations (refer note 33)</b>	<b>4,912.27</b>	<b>-</b>	

i) Other operating revenue comprises of the following income:

Sales of scrap	2.46	-
Duty drawback earned	3.75	-
<b>Total other operating revenue (refer note 33)</b>	<b>6.21</b>	<b>-</b>

22. Other income		(₹ in lacs)	
	As at	As at	
	31 March 2023	March 31, 2022	
Interest on:			
- Fixed deposits (tax deducted at source ₹ 0.34 lacs)	3.37	-	
<b>Total other income</b>	<b>3.37</b>	<b>-</b>	

23. Changes in inventories of finished goods and work-in-progress		(₹ in lacs)	
	As at	As at	
	31 March 2023	March 31, 2022	
Closing stock			
- Finished goods	929.52	-	
- Work-in-progress	1,219.39	-	
	<b>2,148.91</b>	<b>-</b>	
Opening stock			
- Finished goods	-	-	
- Work-in-progress	-	-	
	<b>-</b>	<b>-</b>	
<b>Total changes in inventories</b>	<b>(2,148.91)</b>	<b>-</b>	

24. Employee benefits expense		(₹ in lacs)	
	As at	As at	
	31 March 2023	March 31, 2022	
Salaries and wages	220.78	35.97	
Contribution to provident fund and other funds	18.32	1.45	
Gratuity (refer note 34)	5.95	2.95	
Staff welfare expenses	72.75	19.70	
<b>Total employee benefits expense</b>	<b>317.80</b>	<b>60.07</b>	

25. Finance cost		(₹ in lacs)	
	As at	As at	
	31 March 2023	31 March 2022	
Interest :			
-Term loans	535.27	-	
-Working capital	18.50	-	
Interest on Statutory dues	0.01	0.43	
Bank charges	103.40	0.79	
<b>Total finance cost</b>	<b>657.18</b>	<b>1.22</b>	

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26. Other expenses

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
<b>Manufacturing expenses</b>		
Consumption of stores and spare parts	122.89	3.30
Consumption of packing material	113.04	-
Power and fuel	636.71	-
Material handling charges	47.53	-
<b>Total manufacturing expenses (A)</b>	<b>920.17</b>	<b>3.30</b>
<b>Selling expenses</b>		
Freight	98.08	-
Commission and brokerage	0.55	-
Others	-	-
<b>Total selling expenses (B)</b>	<b>98.63</b>	<b>-</b>
<b>Administration and other expenses</b>		
Rent	24.55	8.02
Rates and taxes	1.12	37.64
Insurance	26.98	-
Repairs and maintenance:		
- Building	0.88	-
- Plant and equipment	18.66	-
Repairs and maintenance - Others	51.78	-
Travelling and conveyance	30.03	-
Legal and professional charges	48.34	77.04
Director's sitting fees	1.50	-
Auditors' remuneration (refer note (i) below)	11.44	6.50
Loss on fair valuation of financial liabilities	20.56	-
Security services	11.00	-
Foreign exchange fluctuation loss (net)	423.50	-
Miscellaneous expenses	52.11	9.59
<b>Total administrative and other expenses (C)</b>	<b>722.45</b>	<b>138.79</b>
<b>Total other expenses (A+B+C)</b>	<b>1,741.25</b>	<b>142.09</b>

i) Auditors' remuneration

	(₹ in lacs)	
	As at 31 March 2023	As at 31 March 2022
- Audit fee (excluding taxes)	11.00	6.50
- Out of pocket expenses (excluding taxes)	0.44	-
	<b>11.44</b>	<b>6.50</b>

27. Earning per share (EPS)

	As at 31 March 2023	As at 31 March 2022
Loss attributable to equity shareholders (₹ in lacs)	(2,414.79)	(214.72)
Loss attributable to equity shareholders adjusted for the effect of dilution (₹ in lacs)	(2,414.79)	(214.72)
Weighted average number of equity shares for basic EPS	21,35,18,166	13,04,44,259
Weighted average number of equity shares adjusted for the effect of dilution	21,35,18,166	13,04,44,259

Earnings per equity share

Basic (₹)	(1.13)	(0.16)
Diluted (₹)	(1.13)	(0.16)

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28. Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists: Name of the related parties	Nature of related party	
	31 March 2023	31 March 2022
Goldring Investments Corporation	Ultimate Holding Company	Ultimate Holding Company
Wilemina Finance Corporation	Holding Company of Ester Industries Limited	Holding Company of Ester Industries Limited
Ester Industries Limited	Holding Company	Holding Company
Mr. Arvind Singhania (Chairman and Managing Director)	Key managerial personnel	Key managerial personnel
Mr. Pradeep Kumar Rustagi (Executive Director)	Key managerial personnel	Key managerial personnel
Mr. Ayush Vardhan Singhania (Director)	Director	Director
Mr. Girish Behal (Director)	Director	Director
Mr. Arvind Kumar Goyal (Independent Director)	Director	Director (w.e.f. 07 January 2022)
Mrs. Padmaja Shailen Ruparel (Independent Director)	Director	Director (w.e.f. 07 January 2022)
Mr. Manish Gupta (CFO)	Key managerial personnel (till 29 August 2022)	Key managerial personnel (w.e.f. 24 March 2022)
Mr. Sourabh Agarwal (CFO)	Key managerial personnel (w.e.f. 16 March 2023)	-

(a) Transactions with key managerial personnel/ related parties and their relatives carried out in the ordinary course of business:

(₹ in lacs)

Sr. No.	Particulars	Holding Company		Directors and Key Managerial Personnel		Total	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	<b>Sitting Fees</b> Mr. Arvind Kumar Goyal (Independent Director) Mrs. Padmaja Shailen Ruparel (Independent Director)	- -	- -	0.90 0.60	- -	0.90 0.60	1.80 1.20
2	Issue of share capital	8,931.56	8,433.44	-	-	8,931.56	8,433.44
3	<b>Gratuity and Leave encashment (due to transfer of employees)</b> Ester Industries Limited	1.81	13.87	-	-	1.81	13.87
4	<b>Corporate Guarantees given by Holding Company to lender ( banks) -</b> Ester Industries Limited	11,088.24	33,078.45	-	-	11,088.24	33,078.45
5	<b>Transaction with Holding Company (Ester Industries Limited)</b> Purchase of Goods Sale of Goods Interest on Term Loan paid	1,211.56 34.90 39.16	- - -	- - -	- - -	1,211.56 34.90 39.16	- - -

(b) Closing balance with related parties in the ordinary course of business :

(₹ in lacs)

Sr. No.	Particulars	Holding Company		Directors and Key Managerial Personnel		Total	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	<b>Corporate Guarantees given by Holding Company to Lender ( banks) -</b> Ester Industries Limited	44,166.69	33,078.45	-	-	44,166.69	33,078.45
2	<b>Personal Guarantees given by KMP/ Directors</b> Mr. Arvind Singhania	-	-	21,261.33	14,243.44	21,261.33	14,243.44
3	<b>Balance with Holding Company (Ester Industries Limited)</b> Payables Receivables	150.10 42.99	- -	- -	- -	150.10 42.99	- -

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.

29 (i) Contingent liabilities and commitments

The Company does not have any contingencies as at 31 March 2023.

Commitments

(₹ in lacs)

Particulars		31 March 2023	31 March 2022
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,098.94	4,843.81
2	Estimated amounts of contracts remaining to be executed on other than capital account and not provided for	910.10	-

29 (ii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

The Company business activity falls within a single segment, which is under manufacturing of polyester film, in terms of Ind AS 108 on segment reporting. The Company was incorporated on 21 July 2020 and commercial operation has started on 20 January 2023.



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30. 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 liabilities			
Derivative liability	Level 2	167.98	-
<b>Total financial liabilities</b>		<b>167.98</b>	<b>-</b>

(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					
Security deposits	Level 3	177.00	177.00	27.00	27.00
<b>Total financial assets</b>		<b>177.00</b>	<b>177.00</b>	<b>27.00</b>	<b>27.00</b>
Borrowings*	Level 3	39,931.16	39,931.16	31,878.45	31,878.45
<b>Total financial liabilities</b>		<b>39,931.16</b>	<b>39,931.16</b>	<b>31,878.45</b>	<b>31,878.45</b>

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 (cash and cash equivalents, other bank balances, loans, other current financial assets, trade payables 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.

31. 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				
Trade receivables	-	1,672.71	-	-
Loans	-	2.58	-	0.37
Cash and cash equivalents	-	0.50	-	3,325.31
Other bank balances	-	136.57	-	2.77
Other financial assets	-	452.50	-	172.01
<b>Total financial assets</b>	<b>-</b>	<b>2,264.86</b>	<b>-</b>	<b>3,500.46</b>
Financial liabilities				
Borrowings	-	42,984.12	-	31,878.45
Trade payables	-	827.74	-	66.48
Security deposits and retentions	-	2.00	-	-
Derivative liabilities	167.98	-	-	-
Other financial liabilities	-	1,363.90	-	1,365.35
<b>Total financial liabilities</b>	<b>167.98</b>	<b>45,177.76</b>	<b>-</b>	<b>33,310.28</b>

(i) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

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

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(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:

Description	Particulars	₹ in lacs	
		31 March 2023	31 March 2022
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	2,264.86	3,500.46
High credit risk	Trade receivables	-	-

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

Particulars	₹ in lacs		
	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Trade receivables	1,672.71	-	1,672.71
Loans	2.58	-	2.58
Cash and cash equivalents	0.50	-	0.50
Other bank balances	136.57	-	136.57
Other financial assets	452.50	-	452.50
<b>Total financial assets</b>	<b>2,264.86</b>	<b>-</b>	<b>2,264.86</b>

31 March 2022

Particulars	₹ in lacs		
	Estimated gross carrying amount at default	Expected credit losses (including credit impaired)	Carrying amount net of impairment provision
Loans	0.37	-	0.37
Cash and cash equivalents	3,325.31	-	3,325.31
Other bank balances	2.77	-	2.77
Other financial assets	172.01	-	172.01
<b>Total financial assets</b>	<b>3,500.46</b>	<b>-</b>	<b>3,500.46</b>

(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.

31 March 2023	₹ in lacs			Total
	Less than 1 year	1 - 3 years	More than 3 years	
<b>Non-derivatives</b>				
Borrowings (including interest)	8,937.30	14,295.62	30,325.68	53,558.60
Trade payables	827.74	-	-	827.74
Other financial liabilities	1,531.88	-	-	1,531.88
<b>Total</b>	<b>11,296.92</b>	<b>14,295.62</b>	<b>30,325.68</b>	<b>55,918.22</b>

31 March 2022	₹ in lacs			Total
	Less than 1 year	1 - 3 years	More than 3 years	
<b>Non-derivatives</b>				
Borrowings (including interest)	846.87	14,294.64	22,195.82	37,337.33
Trade payables	66.48	-	-	66.48
Other financial liabilities	1,365.35	-	-	1,365.35
<b>Total</b>	<b>2,278.70</b>	<b>14,294.64</b>	<b>22,195.82</b>	<b>38,769.16</b>

The Company had access to following funding facilities :

As at 31 March 2023

Funding facilities	₹ in lacs		
	Total Facility	Drawn	Not drawn
Less than 1 year	14,200.00	3,052.03	11,147.97
<b>Total</b>	<b>14,200.00</b>	<b>3,052.03</b>	<b>11,147.97</b>



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(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:

Particulars	31 March 2023	31 March 2022
Variable rate borrowing	42,966.69	31,878.45
Fixed rate borrowing	17.43	-
<b>Total borrowings</b>	<b>42,984.12</b>	<b>31,878.45</b>

Sensitivity

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

Particulars	31 March 2023	31 March 2022
<b>Interest sensitivity*</b>		
Interest rates – increase by 50 basis point (March 31, 2022: 50 basis point)	177.97	159.39
Interest rates – decrease by 50 basis point (March 31, 2022: 50 basis point)	(177.97)	(159.39)

\* Holding all other variables constant

The Company is exposed to interest rate risk on account of variable rate borrowings. The Company's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time.

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Foreign currency risk exposure

Particulars	Currency	Amount in Foreign Currency (In absolute figures)		Amount (₹ in lacs)	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Receivables</b>					
Trade receivable	EURO	1,68,042	-	150.25	-
<b>Payables</b>					
Trade payables	USD	-	52,028	-	39.57
Foreign currency secured loan*	EURO	2,69,52,108	2,55,92,108	24,111.36	21,520.40
Interest accrued on Foreign currency secured loan	EURO	1,25,288	-	112.08	-

\*As a risk mitigation strategy the Company has taken cross currency Principal only swap in USD @1.0561per USD for the 25% of EURO exposure.

Sensitivity

The following table illustrates the sensitivity of profit 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%). Both 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 (₹ in lacs)	
	31 March 2023	31 March 2022
<b>USD sensitivity</b>		
INR/USD increase by 4.92% (31 March 2022- 4.65%)	-	(1.84)
INR/USD decrease by 4.92% (31 March 2022- 4.65%)	-	1.84
<b>EUR sensitivity</b>		
INR/EUR increase by 8.75% (31 March 2022- 5.80%)	(1,744.95)	(1,248.18)
INR/EUR decrease by 8.75% (31 March 2022- 5.80%)	1,744.95	1,248.18

(iii) Price risk

Company has no investment.

32. 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:

Debt equity ratio	(₹ in lacs)	
	31 March 2023	31 March 2022
Total borrowings*	42,984.12	31,905.19
Total equity	23,902.13	17,393.21
<b>Net debt to equity ratio</b>	<b>180%</b>	<b>183%</b>

\*Total borrowings include non-current borrowings and current borrowings.



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**33. 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:

- Identify the contracts with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- 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
<b>Revenue by geography</b>			
Domestic	4,764.44	2.46	4,766.90
Export	141.62	-	141.62
<b>Total</b>	<b>4,906.06</b>	<b>2.46</b>	<b>4,908.52</b>

For the year 31 March 2022

(₹ in lacs)			
Revenue from operations	Goods	Other operating revenue*	Total
<b>Revenue by geography</b>			
Domestic	-	-	-
Export	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Other operating revenue amounting to ₹ 3.75 lacs (31 March 2022: ₹ NIL) 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
<b>Contract liabilities</b>				
Revenue received in advance	-	21.58	-	-

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

(₹ in lacs)

Description	31 March 2023	31 March 2022
Contract price	4,908.52	-
Less: discount, rebates, credits etc.	-	-
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>4,908.52</b>	<b>-</b>

Other operating revenue amounting to ₹ 3.75 lacs (31 March 2022: ₹ NIL) 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
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	-	-
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.



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**34. 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	0.45	0.32
Non-current Liability	19.16	13.28
<b>Total</b>	<b>19.61</b>	<b>13.60</b>

(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	13.60	-
Acquisition adjustment	-	8.55
Current service cost	4.97	2.33
Interest cost	0.98	0.62
Actuarial loss (net)	7.42	2.10
Benefits paid	(7.36)	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>19.61</b>	<b>13.60</b>

(iii) *Expenses recognised in statement of profit and loss*

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Current service cost	4.97	2.33
Interest cost	0.98	0.62
<b>Cost recognised during the year</b>	<b>5.95</b>	<b>2.95</b>

(iv) *Expenses recognised in other comprehensive income*

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Actuarial loss (net) on account of:		
- Changes in experience adjustment	7.85	2.10
<b>Cost recognised during the year</b>	<b>7.85</b>	<b>2.10</b>

(₹ in lacs)

	31 March 2023	31 March 2022
- Changes in experience adjustment loss	7.85	2.10

(v) *Expected contribution for the next annual reporting period*

(₹ in lacs)

Particulars	31 March 2023	31 March 2022
Service cost	7.38	3.20
Interest cost	1.45	0.98
<b>Expected expense for the next annual reporting period</b>	<b>8.83</b>	<b>4.18</b>

(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)	1.90 Years	3.16 Years
Average age	33.82 Years	35.58 Years
Average remaining working life	24.18 Years	22.42 Years
Weighted average duration	18.80 Years	17.86 Years
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortality rates inclusive of provision for disability - 100% of IALM (2012 - 14)

(vi(b)) *Maturity profile of defined benefit obligation*

(₹ in lacs)

Particulars	Amount 31 March 2023	Amount 31 March 2022
Less than a year	0.45	0.91
Between one to two years	0.33	0.27
Between two to five years	1.46	0.98
Over five years	17.37	11.44



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(vii) **Sensitivity analysis**

Particulars	(₹ in lacs)	
	31 March 2023	31 March 2022
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	19.61	13.60
Impact due to increase of 0.50%	(1.37)	(1.00)
Impact due to decrease of 0.50%	1.51	1.10
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	19.61	13.60
Impact due to increase of 0.50%	1.54	1.12
Impact due to decrease of 0.50%	(1.41)	(1.02)

*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
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact defined benefit liability.

- II 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.

Particulars	(₹ in lacs)	
	31 March 2023	31 March 2022
Employer's contribution to other Provident Fund	15.05	1.40
Employer's contribution to labour welfare fund and employee state insurance	3.27	0.05



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## 35. Ratio

The ratios for the years ended 31 March 2023 and 31 March 2022 are as follows:

Particulars	Numerator	Denominator	As at		Variance (in %)
			31 March 2023	31 March 2022	
Current ratio	Current assets	Current liabilities	1.05	2.83	(62.74) *
Debt-Equity ratio	Total debt <sup>1</sup>	Shareholder's equity	1.80	1.83	(1.96) *
Debt service coverage ratio	Earnings available for debt service <sup>2</sup>	Debt service <sup>3</sup>	(2.59)	NA	NA *
Return on equity	Net profit after taxes	Average shareholder's equity	(11.70%)	(1.62%)	620.60 *
Inventory turnover ratio	Cost of goods sold	Average inventory	2.35	NA	NA *
Trade receivables turnover ratio	Net sales	Average accounts receivable	2.93	NA	NA *
Trade payables turnover ratio	Net credit purchases <sup>5</sup>	Average trade payables	18.90	NA	NA *
Net capital turnover ratio	Net sales	Working capital	10.01	NA	NA *
Net profit ratio	Net profit after taxes	Net sales	(0.49)	NA	NA *
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed <sup>4</sup>	(2.63%)	(0.43%)	506.97 *
Return on investment	Gain from investment	Cost of investment	NA	NA	NA

<sup>1</sup> Total debt represents total borrowings.

<sup>2</sup> Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest on term loans + other adjustments like loss on sale of fixed assets etc.

<sup>3</sup> Interest & Lease payments during the year + Principal repayments during the year

<sup>4</sup> Tangible net worth (Total equity - other intangible assets) + Total debt + DTL

<sup>5</sup> 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).

\*The Company was incorporated on 21 July 2020 and commercial operation has started on 20 Jan 2023.

36. Section 135 of the Companies Act, 2013 (the Act), requires the Board of Directors of every company having a net worth of ₹ 500 crores or more, or turnover of ₹ 1,000 crores or more or a net profit of ₹ 5 crores or more, during any financial year, to ensure that the Company spends in every financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR) in pursuance of its policy in this regard. The Act requires such companies to constitute a Corporate Social Responsibility Committee which shall formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company as specified in Schedule VII to the Act. In view of the aforesaid requirement since the Company does not meet any of the above mentioned criteria during the immediately preceding financial years and hence there is no requirement of such expenditure for year ended 31 March 2023.

## 37. Additional regulatory information not disclosed elsewhere in the financial 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

Name of the struck off company	Nature of transactions with struck off company	As at	
		31 March 2023	31 March 2022
Sharda Trading Company Pvt. Ltd.	Trade receivable	-*	-

\* During the year, transactions totalling to ₹ 33.75 lacs has happened with the company

(c) The Company has not been declared willful 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.

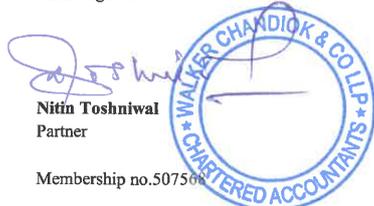
(k) The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

38. 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 financial statements.

39. No subsequent event occurred post balance sheet date which requires adjustment in the financial statements for the year ended 31 March 2023.

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

For and on behalf of the Board of Directors  
Ester Filmtech Limited



Nitin Toshniwal  
Partner

Membership no. 507568

Place: Delhi  
Date: 26 May 2023

Arvind Singhania  
Chairman & MD  
DIN: 00934017

Place: Gurugram  
Date: 26 May 2023

Pradeep Kumar Rustagi  
Executive Director  
DIN: 00879345

Place: Gurugram  
Date: 26 May 2023

Sourabh Agarwal  
CFO

Place: Gurugram  
Date: 26 May 2023

Poornima Gupta  
Company Secretary  
M No: A49876

Place: Gurugram  
Date: 26 May 2023