

**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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period from 21 July 2020 (date of incorporation) to 31 March 2021, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
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 is responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Chartered Accountants

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

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

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## Responsibilities of Management 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

7. 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.
8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

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- 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;
9. 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

10. 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.
11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure AA a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure AA, 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 31 March 2021 as per Annexure BB expressed 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 2021;
    - 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 2021;
    - 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 2021; and

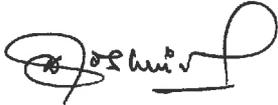
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- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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



**Nitin Toshniwal**  
Partner  
Membership No.: 507568  
UDIN: 21507568AAAACB1377  
**Place:** Faridabad  
**Date:** 18 May 2021



# Walker ChandioK & Co LLP

## Annexure A

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

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 'property, plant and equipment'.
- (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 verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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 products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including 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, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

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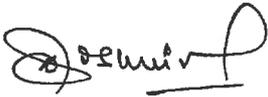


## Walker Chandio & Co LLP

Annexure A 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 2020

- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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



**Nitin Toshniwal**  
Partner  
Membership No.: 507568  
UDIN: 21507568AAAACB1377  
Place: Faridabad  
Date: 18 May 2021



# Walker ChandioK & Co LLP

## Annexure B

### **Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Ester Filmtch Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management 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 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

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## 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 2021

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.

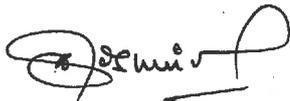
#### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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 2021, 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 Institute of Chartered Accountants of India.

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



**Nitin Toshniwal**  
Partner  
Membership No.: 507568  
UDIN: 21507568AAAACB1377  
Place: Faridabad  
Date: 18 May 2021



**Ester Filmtech Limited**  
**Balance Sheet as at 31 March 2021**

		(₹ in laacs)
		As at 31 March 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6A	11.15
Capital work-in-progress	6B	5,445.13
Other non-current assets	7	3,767.70
<b>Total non-current assets</b>		<b>9,223.98</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Cash and cash equivalents		143.74
Loans	8	1.90
Other current assets	9	83.33
<b>Total current assets</b>	11	<b>228.97</b>
<b>Total assets</b>		<b>9,452.95</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	12A	9,525.00
Other equity	13	(458.41)
<b>Total equity</b>		<b>9,066.59</b>
<b>Share Application money pending allotment</b>	12B	110.00
<b>Liabilities</b>		<b>110.00</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
<b>Trade payables</b>		
a) total outstanding dues of micro enterprises and small enterprises	14	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	14	14.15
Other financial liabilities	15	257.17
Other current liabilities	16	5.04
<b>Total current liabilities</b>		<b>276.36</b>
<b>Total equity and liabilities</b>		<b>9,452.95</b>

Summary of significant accounting policies

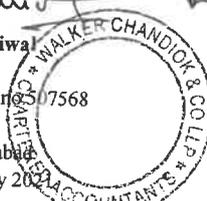
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The accompanying notes are integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

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

  
**Nitin Toshniwal**  
Partner  
Membership No. 07568

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



Place: Faridabad  
Date: 18 May 2021

Place: Dubai  
Date: 18 May 2021

For and on behalf of the Board of Directors

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

  
**Hanisha Gabrani**  
Company Secretary  
M No: A30542

Place: Gurugram  
Date: 18 May 2021

Place: Gurugram  
Date: 18 May 2021



**Ester Filmtech Limited**  
**Statement of Profit and Loss for the period from 21 July 2020 (date of incorporation) to 31 March 2021**

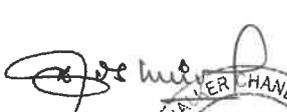
	Notes	(₹ in lacs) For the period ended 31 March 2021
<b>Revenue</b>		
Revenue from operations		-
<b>Total revenue</b>		-
<b>Expenses</b>		
Employee benefits expense	17	7.51
Finance costs	18	2.15
Depreciation and amortisation expenses	6	1.03
Other expenses	19	447.72
<b>Total expenses</b>		<b>458.41</b>
<b>Loss before tax</b>		<b>(458.41)</b>
<b>Tax expense</b>		
Current tax		-
Deferred tax expense		-
<b>Total tax expenses</b>		<b>-</b>
<b>Loss after tax</b>		<b>(458.41)</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Re-measurement (loss)/ gain on defined benefit plans		-
Income tax effect		-
<b>Total comprehensive income</b>		<b>(458.41)</b>
<b>Earnings per equity share</b>		
Basic (₹)	20	(0.48)
Diluted (₹)	20	(0.48)

Summary of significant accounting policies 1-5

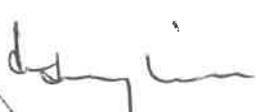
The accompanying notes are integral part of the financial statements.  
This is the statement of profit and loss referred to in our report of even date.

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

For and on behalf of the Board of Directors

  
Nitin Toshniwal  
Partner  
Membership no. 507568

Place: Faridabad  
Date: 18 May 2021

  
Arvind Singhania  
Chairman & CEO  
DIN: 00934017

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Pradeep Kumar Rustagi  
Executive Director and CFO  
DIN: 00879345

Place: Gurugram  
Date: 18 May 2021

  
Hanisha Gabrani  
Company Secretary  
M No: A30542

Place: Gurugram  
Date: 18 May 2021



**Ester Filmtech Limited**  
**Cash flow statement for the period from 21 July 2020 (date of incorporation) to 31 March 2021**

	(₹ in lacs)
	For the year ended 31 March 2021
<b>A Cash flow from operating activities</b>	
Loss before tax	(458.41)
<b>Adjustments for:</b>	
Depreciation and amortisation expense	1.03
Finance costs	2.15
<b>Operating loss before working capital changes and other adjustments:</b>	<b>(455.23)</b>
<b>Working capital changes and other adjustments:</b>	
Decrease in current and non-current loans	(1.90)
Decrease in other non-current and current assets	(83.33)
Increase in other financial and non-financial liabilities	5.23
Increase in trade payables	14.15
<b>Cash flow from operating activities post working capital changes</b>	<b>(521.08)</b>
Income tax paid	-
<b>Net cash used in operating activities (A)</b>	<b>(521.08)</b>
<b>B Cash flows from investing activities</b>	
Purchase of property plant and equipments (including capital work-in-progress and intangible assets)	(8,968.03)
<b>Net cash used in investing activities (B)</b>	<b>(8,968.03)</b>
<b>C Cash flows from financing activities</b>	
Issue of share capital	9,635.00
Finance cost paid	(2.15)
<b>Net cash generated from financing activities (C)</b>	<b>9,632.85</b>
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	<b>143.74</b>
<b>E Cash and cash equivalents at the beginning of the year (refer note no. 8)</b>	<b>-</b>
<b>F Cash and cash equivalents at the end of the year (D+E) (refer note no. 8)</b>	<b>143.74</b>
<b>Reconciliation of cash and cash equivalents as per cash flow statement</b>	
Cash in hand	-
Balances with banks:	
In current accounts	143.74
<b>Total of cash and cash equivalents</b>	<b>143.74</b>

This is the cash flow statement referred to in our report of even date.

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

For and on behalf of the Board of Directors

  
Nitin Toshniwal  
Partner  
Membership No. 507568  
Place: Faridabad  
Date: 18 May 2021

  
Arvind Singhania  
Chairman & CEO  
DIN: 00934017  
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Place: Gurugram  
Date: 18 May 2021

  
Hanisha Gabrani  
Company Secretary  
M No: A30542  
Place: Gurugram  
Date: 18 May 2021



**Ester Filmtech Limited**  
**Statement of Changes in Equity for the period from 21 July 2020 (date of incorporation) to 31 March 2021**

**Equity share capital**

Particulars	(₹ in lacs)		
	Balance as at 21 July 2020	Changes in equity share capital during the period	Balance as at 31 March 2021
Equity share capital	-	9,525.00	9,525.00
Share Application money pending allotment	-	110.00	110.00

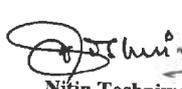
**Other equity**

Particulars	(₹ in lacs)	
	Reserves and surplus	Total
Balance as at 21 July 2020	-	-
Loss for the period	(458.41)	(458.41)
Balance as at 31 March 2021	(458.41)	(458.41)

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

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

For and on behalf of the Board of Directors

  
**Nifin Toshniwal**  
Partner  
Membership no. 507568  
  
Place : Faridabad  
Date: 18 May 2021

  
**Arvind Singhania**  
Chairman & CEO  
DIN: 00934017  
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Place : Gurugram  
Date: 18 May 2021

  
**Habisha Gabrani**  
Company Secretary  
M No: A30542  
Place : Gurugram  
Date: 18 May 2021



## Ester Filmtech Limited

### Notes to the financial statements for the year ended 31 March 2021

#### 1. Nature of operations

Ester Filmtech Limited ("the Company") is a Wholly Owned Subsidiary of Ester Industries Limited. The Company is in process of implementing project 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 2021 are approved by the Board of Directors on 18 May 2021. 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.

The Company has incorporated on 21 July 2020. In the absence of comparative number for year ended 31 March 2020, the same have not been presented in the financial statements.

#### 3. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

#### 4. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the financial statements have been prepared on a historical cost basis:

#### 5. Summary of significant accounting policies

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

##### 5.1 Current versus non-current classification

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

##### 5.2 Property, plant and equipment (PPE)

###### *Recognition and initial measurement*

Property plant and equipment, capital work in progress are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

###### *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



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## **Ester Filmtech Limited**

### **Notes to the financial statements for the year ended 31 March 2021**

disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

#### **5.3 Intangible assets**

##### *Recognition and initial measurement*

Intangible assets (softwares and patents) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

#### **5.4 Capital work-in-progress**

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.

#### **5.5 Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

#### **5.6 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).

#### **5.7 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.



## Ester Filmtech Limited

### Notes to the financial statements for the year ended 31 March 2021

#### 5.8 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. 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.

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

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

#### 5.9 Provisions

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

#### 5.10 Earnings per share

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

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

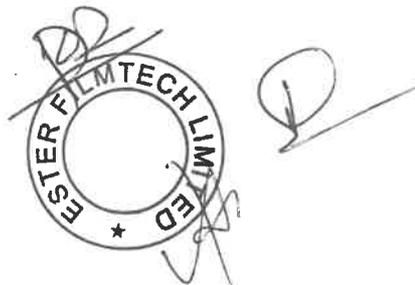
#### 5.11 Significant management judgement

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.

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**Ester Filmtch Limited**

Notes to the financial statements for the period from 21 July 2020 (date of incorporation) to 31 March 2021

**6A. Property, plant and equipment**

Particulars	Property, plant and equipment		
	Office equipments	Furniture and fixtures	Total
<b>Gross carrying amount</b>			
As at 21 July 2020	-	-	-
Additions	3.02	9.16	12.18
Disposal/adjustments	-	-	-
<b>As at 31 March 2021</b>	<b>3.02</b>	<b>9.16</b>	<b>12.18</b>
<b>Accumulated depreciation</b>			
As at 21 July 2020	-	-	-
Depreciation charge for the year	0.07	0.96	1.03
Disposal/adjustments	-	-	-
<b>As at 31 March 2021</b>	<b>0.07</b>	<b>0.96</b>	<b>1.03</b>
<b>Net block</b>			
As at 31 March 2021	<b>2.95</b>	<b>8.20</b>	<b>11.15</b>

**6B. Capital work-in-progress**

Description	(₹ in lacs)
	Amount
As at 21 July 2020	-
Add: addition during the year	5,445.13
Less: capitalisation during the year	-
<b>As at 31 March 2021</b>	<b>5,445.13</b>

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**Ester Filmtech Limited**

Notes to the financial statements for the period from 21 July 2020 (date of incorporation) to 31 March 2021

<b>7. Other non-current assets</b>		(₹ in lacs)
		As at
		<b>31 March 2021</b>
Capital advances		3,767.70
<b>Total other non-current assets</b>		<b>3,767.70</b>

<b>8. Cash and cash equivalents</b>		(₹ in lacs)
		As at
		<b>31 March 2021</b>
Balances with banks		
In current accounts		143.74
<b>Total cash and cash equivalents</b>		<b>143.74</b>

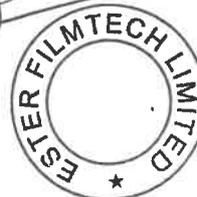
<b>9. Loans</b>		(₹ in lacs)
		As at
		<b>31 March 2021</b>
<b>Current</b>		
Loans considered good- unsecured		
Security deposits		1.90
<b>Total loans</b>		<b>1.90</b>

<b>10. Deferred tax assets (net)</b>		(₹ in lacs)
		As at
		<b>31 March 2021</b>
Deferred tax asset arising on account of :		
Business losses		115.38
<b>Total</b>		<b>115.38</b>
<b>Closing balance recognised in Balance sheet*</b>		<b>-</b>

The Company has net deferred tax assets as on 31 March 2021. In view of current year business losses, the deferred tax assets has not been recognised during the year ended 31 March 2021 in the absence of convincing evidence about timing of future taxable profits against which deferred tax asset will be utilised.

<b>11. Other current assets</b>		(₹ in lacs)
		As at
		<b>31 March 2021</b>
<b>Considered good</b>		
Advance to vendors		7.62
Balances with government authorities		75.71
<b>Total other current assets</b>		<b>83.33</b>

<b>12A. Equity share capital</b>			(₹ in lacs)
			As at
			<b>31 March 2021</b>
<b>i) Authorised</b>			
	Number	Amount	
Equity shares of ₹ 10 each	18,00,00,000	(₹ in lacs)	18,000.00
			<b>18,000.00</b>
<b>ii) Issued, subscribed and fully paid up</b>			
Equity shares of ₹ 10 each	9,52,50,000		9,525.00
			<b>9,525.00</b>



**Ester Filmtech Limited**

Notes to the financial statements for the period from 21 July 2020 (date of incorporation) to 31 March 2021

**iii) 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	-	-
Add: Equity shares issued during the year (Equity shares of ₹ 10 each)	9,52,50,000	9,525.00
<b>Balance at the end of the year</b>	<b>9,52,50,000</b>	<b>9,525.00</b>

**iv) Shares held by Holding Company**

Name of the equity shareholder	As at 31 March 2021	
	Number	Amount (₹ in lacs)
Ester Industries Limited, Holding Company Equity shares of ₹ 10 each fully paid up	9,52,49,994	9,525.00
	<b>9,52,49,994</b>	<b>9,525.00</b>

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

	As at 31 March 2021	
	Number	%
Ester Industries Limited, Holding Company Equity shares of ₹ 5 each fully paid	9,52,49,994	9,525.00

**12B. Share Application money pending allotment**

	As at 31 March 2021	
	Number	Amount (₹ in lacs)
Ester Industries Limited, Holding Company Equity shares of ₹ 10 each fully paid	11,00,000	110.00
	<b>11,00,000</b>	<b>110.00</b>

During the year ended 31 March 2021, The Company has received ₹ 110 Lacs from Ester industries Limited, Holding company as share application money which were pending for allotment as on 31 March 2021. Subsequently on 19 April 2021, the Company allotted 1,100,000 equity shares of ₹ 10 each (fully paid) against this share application money.

**13. Other equity**

	As at 31 March 2021
<b>Reserves and surplus</b>	
Retained earnings	(458.41)
<b>Total</b>	<b>(458.41)</b>

**14. Trade payable**

	As at 31 March 2021
<b>Trade payables</b>	
Trade payables	-
-total outstanding dues of micro enterprises and small enterprises	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	14.15
<b>Total trade payables</b>	<b>14.15</b>



**Ester Filmtech Limited**

Notes to the financial statements for the period from 21 July 2020 (date of incorporation) to 31 March 2021

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2021:

	As at
	31 March 2021
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	
Principal amount	-
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.

**15. Other financial liabilities**

	As at
	31 March 2021
Capital creditors	256.98
Employee related paybles	0.10
Others payables	0.09
<b>Total other financial liabilities</b>	<b>257.17</b>

**16. Other liabilities**

	As at
	31 March 2021
Current	
Statutory dues	5.04
<b>Total other liabilities</b>	<b>5.04</b>



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**Ester Filmtech Limited**  
Notes to the financial statements for the period from 21 July 2020 (date of incorporation) to 31 March 2021

**17. Employee benefits expense**

	For the year ended 31 March 2021
Salaries and wages	6.54
Contribution to provident fund and other funds	0.35
Staff welfare expenses	0.62
<b>Total employee benefits expense</b>	<b>7.51</b>

**18. Finance cost**

	For the year ended 31 March 2021
Bank charges	2.15
<b>Total finance cost</b>	<b>2.15</b>

**19. Other expenses**

	For the year ended 31 March 2021
Rent	2.25
Rates and taxes	148.35
Travelling and conveyance	23.30
Legal and professional charges	246.01
Auditors' remuneration (refer note (i) below)	3.12
Security services	7.39
Foreign exchange fluctuation loss (net)	4.89
Miscellaneous expenses	12.41
<b>Total other expenses</b>	<b>447.72</b>

**i) Auditors' remuneration**

Particulars	For the year ended 31 March 2021
- Statutory audit fee (excluding taxes)	1.00
- Limited review fee (excluding taxes)	2.00
- Out of pocket expenses (excluding taxes)	0.12
	<b>3.12</b>

**20. Earning per share (EPS)**

	For the year ended 31 March 2021
Profit attributable to equity shareholders (₹ in lacs)	(458.41)
Profit attributable to equity shareholders adjusted for the effect of dilution (₹ in lacs)	(458.41)
Weighted average number of equity shares for basic EPS	9,52,50,000
Weighted average number of equity shares adjusted for the effect of dilution	9,52,50,000
<b>Earnings per equity share</b>	
Basic (₹)	(0.48)
Diluted (₹)	(0.48)

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21. Related party transactions

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

i) Parties where control exists:		Nature of related party
Name of the related parties		31 March 2021
Goldring Investments Corporation		Ultimate Parent Company
Wilemina Finance Corporation		Parent Company
Ester Industries Limited		Holding Company
Mr. Arvind Singhania (Chairman and Managing Director)		Key managerial personnel
Mr. Pradeep Kumar Rustagi (Executive Director and CFO)		Key managerial personnel
Mr. Ayush Vardhan Singhania (Director)		Key managerial personnel
Mr. Girish Behal (Director)		Key managerial personnel

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

Sr. No.	Particulars	Holding Company	Total
		31 March 2021	31 March 2021
1	Issue of share capital	9,525.00	9,525.00
2	Issue of share application money pending allotment	110.00	110.00

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

Sr. No.	Particulars	Holding Company	Total
		31 March 2021	31 March 2021
1	Share Capital	9,525.00	9,525.00
2	Share application money pending allotment	110.00	110.00

22. Contingent liabilities and commitments

The Company does not have any contingencies and commitments as at 31 March 2021.

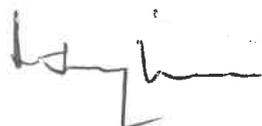
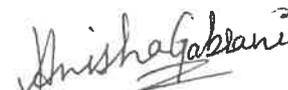
For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No. 001076N/N500013

  
Nifin Toshniwal  
Partner  
Membership no.507568



Place: Faridabad  
Date: 18 May 2021

For and on behalf of the Board of Directors

    
Arvind Singhania Chairman & CEO  
DIN: 00934017  
Pradeep Kumar Rustagi Executive Director and  
DIN: 00879345  
Hanisha Gabrani Company Secretary  
M No: A30542

Place: Dubai  
Date: 18 May 2021

Place: Gurugram  
Date: 18 May 2021

Place: Gurugram  
Date: 18 May 2021

